

CALEDONIA HOUSING GROUP

CLIMATE AND SUSTAINABILITY STRATEGY 2023 - 2026





The Scottish Government has set out ambitious targets to achieve Net-Zero by 2045.

To meet this target will require transformation across the country from businesses to individuals.



Foreword Alan Nairn, Chair

Caledonia and Cordale governing bodies have recognised that climate change is one of the biggest global challenges and acknowledge the role we have to play in reducing carbon emissions. We have committed to meet the Scottish Government's Net-Zero target by 2045. In support of this the Caledonia Group has approved a Climate Change Statement and Framework aligned to the UN's Sustainable Development Goals (SDG).

Our Climate and Sustainability Strategy covers all of our business activities and translates the Climate Change Statement and Framework into actions, targets and timescales over the short to medium term, with longer term ambitions set out. Also the strategy sets out the links with Caledonia's other key strategic commitments, to ensure that Climate Change and Sustainability is embedded throughout the organisation as we proceed towards Net-Zero by 2045.

The strategy is underpinned by annual action plans and dedicated resources to support our sustainable commitments. Progress against the action plans will be reported to and monitored by the Caledonia Group governing body members and on an annual basis we will publish reports on our progress towards the Net-Zero ambition to demonstrate our commitment and achievements.

This strategy is the start of our ambitions to reduce our emissions and reach net-zero. We are confident that this provides us with an excellent platform to work in partnership with our stakeholders and to transform what we do and how we do it, for the benefit of our tenants, staff and environment.



Climate Change Statement

Our Climate Change Statement is focused around four key themes across our business to achieve Net-Zero.



Individual: use our scale and capacity to promote sustainability and encourage staff, customers and other stakeholders to consider changes to reduce carbon emissions.



Landlord: improve the energy efficiency of existing and new homes and decarbonisation of our homes. Within our communities we will tackle the impacts of climate change and improve the environment.



Employer: target carbon reduction in our business travel, office estate and consumption of materials.



Business: develop sustainable procurement through our supply chains, eliminate waste in the provision of our services and in the management and maintenance of our properties.



Climate Change Framework

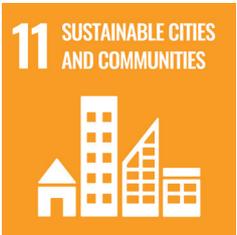
Working to support UN Sustainable Development Goals (SDG's)

There are 17 UN SDGs which have been adopted by countries across the world as a blueprint for change to improve lives and protect the environment. We have used the SDGs to place climate change and sustainability core and central to our business planning.



Caledonia's Approach to Climate Change & Sustainability

We have mapped the SDGs across the four key themes in our Climate Change Statement, of which 8 have been assessed as directly relevant to the Caledonia Group.

SUSTAINABLE GOAL	CALEDONIA GROUP ACTIVITIES	SUSTAINABLE GOAL	CALEDONIA GROUP ACTIVITIES
 <p>1 NO POVERTY</p>	<p>Improve the energy efficiency of homes to address fuel poverty.</p> <p>Support tenants to sustain their homes.</p> <p>Homes and services are affordable.</p> <p>Communication and information to tenants on energy use.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Sustainable procurement and supply chain management.</p> <p>Minimise impact of management and maintenance services.</p> <p>Promote activities to reduce, recycle and reuse products.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Attractive environments offer greenspace to relax, socialise and be active.</p> <p>Mitigate the effects of climate change affecting individuals, homes and communities.</p> <p>Property standards provide internal and external space.</p>	 <p>13 CLIMATE ACTION</p>	<p>Communication strategy to support understanding of climate change.</p> <p>Asset management strategy reflects mitigation and adaptation measures.</p> <p>Carbon reduction targets set and measured.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Decarbonise homes.</p> <p>Office estate and vehicles powered by renewable energy.</p> <p>Communal energy supplies provided from renewable sources.</p>	 <p>14 LIFE BELOW WATER</p>	<p>Sustainable procurement and supply chain management.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Estates and environment support local living.</p> <p>Reduce business travel.</p>	 <p>15 LIFE ON LAND</p>	<p>Estate management supports green space and biodiversity.</p> <p>Assess carbon capture capacity of estates.</p> <p>Property design guides consider where and what is built to support local communities.</p>



Caledonia's Climate and Sustainability Strategy



Measuring, managing and reporting carbon emissions



Property management supports energy efficiency



Being sustainable in how we do business, engaging our communities and building new homes



Working with supply chains that are sustainable and reducing impact on the environment

The purpose of this document is to set out our strategic aims and objectives as we progress to Net-Zero by 2045, the important milestones integral to our progress and how this is linked to other key Caledonia strategic plans. This Climate & Sustainability Strategy will be reviewed in 2026.





Measuring, Managing and Reporting Carbon Emissions



To enable the reduction in carbon emissions and prioritisation of investment to work towards Net-Zero by 2045, we will put in place a Net-Zero Strategy. As part of the Net-Zero Strategy we have to understand the impact of our activities. Over the short to medium term the main focus of our strategy will be on the activities that we are able to directly control and measure. We have put in place an annual process of measuring and monitoring our carbon emissions and establishing an annual carbon management plan to reduce emissions.

Initially the focus of measurement and carbon reduction within our Net-Zero Strategy will be on the office estate, landlord energy and water supply, business travel and fleet. We have produced a carbon emission baseline for these activities from 2019 to inform our carbon reduction activities and provide the basis for reporting on our carbon emissions. Through monitoring and evaluation of progress to achieve reductions in emissions, we will continue to adapt our plans in response to new technologies and solutions.

Over the medium to long term our plans will be extended to cover tenants' homes. The Scottish Government has set challenging targets to reduce carbon emissions from homes by 2030. Our plans are being developed to achieve this ambition, improving energy efficiency and replacing heating systems with renewable options. Our plans will also include wider procurement and the purchase of goods and services, which will be developed and implemented over the medium to longer term.



Caledonia's Net-Zero Activities and Timeline

- ✓ Establish a **Net-Zero Strategy** during 2023, incorporating our office estate and communal landlord supplies, which will underpin our approach to Net-Zero.
- ✓ Introduce a **Waste Minimisation Plan** by 2024 which is aligned to the Scottish Government waste and circular economy strategies which will be based on reducing demand for new materials, reusing where possible and recycling waste.
- ✓ Develop a **Low Carbon Transport Plan** for commuter and business travel to be introduced during 2024, with the aim of reducing single car use and encouraging sustainable travel choices.
- ✓ Reduce the impact of **our digital carbon footprint**, the aim will be to have a baseline assessment of the digital carbon footprint by the end of 2023, which will be used to inform investment priorities from 2024 onwards which is aligned to the waste minimisation plan.

NET-ZERO
BY 2045





Property management supports energy efficiency



Currently 20% of our stock meets EPC band B, with a further 60% achieving band C, leaving approximately 20% of our stock at band D and below. The Scottish Government target is to achieve band B by 2032. The energy efficiency standard (ESSH2) is being reviewed during 2023 with the aim of having in place a revised standard to inform investment plans from 2024/25. This will involve improving the energy efficiency of existing homes and decarbonising heating systems within existing homes. 12% of our properties have renewable heating installed, the intention is to develop our plans from 2025 which are based on addressing fuel poverty and ensuring a just transition to renewable decarbonised energy systems.

In addition to improving the energy efficiency of existing properties we will seek to improve the energy efficiency within our office estate, with the energy efficiency of future office accommodation being a key feature.

Caledonia's Net-Zero Activities and Timeline

- ✓ Our **Asset Management Strategy** and investment plans set out our approach to retrofitting, based on a 'fabric first' methodology to improve the energy efficiency of our properties from 2024/25
- ✓ Decarbonisation of our homes will be a key feature of investment to ensure 50% of energy comes from renewable sources by 2030 to meet Scottish Government targets





Being sustainable in how we do business, engaging our communities and building new homes



To be a sustainable business we will assess all our direct and related activities, to define our carbon emissions and set realistic targets and timelines. This will require staff, tenants and third-party contractors and suppliers to understand our aims and the changes necessary to how we conduct our business and arrangements with third parties.

Throughout all of this however we need to implement solutions to energy efficiency and decarbonisation that do not compromise our Tenants' ability to sustain and heat their homes.

To raise awareness, we have commenced a programme of training and information sessions for our staff, this will continue to be reviewed and rolled out on an annual basis to assess its impact. For our tenants, we will draft a sustainability communication plan linked to the Scottish Governments public engagement strategy on climate change to support and encourage positive action. The overall objective is to increase awareness on carbon, energy efficiency and wider sustainability issues, to support reduction in individual carbon emissions.

As a developer of new build affordable homes, a revised design guide will incorporate passivhaus principles and place standards both internally and externally. This will be implemented from 2024 for new build developments. As part of our existing communities, the aim is to review the carbon capture capacity of existing land and opportunities to expand the biodiversity of land owned and managed, introducing an Estate Carbon Capture plan from 2025.

Initial review of existing stock has identified some properties which are at risk from the effects of climate change, such as overheating or flooding. This information will continue to be developed across our stock base and inform the asset management strategy to make homes more resilient.



Caledonia's Net-Zero Activities and Timeline

- ✓ **Fuel Poverty Strategy** will be reviewed in 2024 to set out how we progress to a decarbonised environment, whilst ensuring that tenants can afford to sustain their home
- ✓ Ongoing awareness and training for staff
- ✓ **Sustainability Communication Plan** to raise awareness of carbon energy efficiency and climate change developed through 2024
- ✓ Revise our **Design Guide** to set new standards for new build properties introduced from 2024
- ✓ **Asset Management Strategy** reflects mitigation and adaptation measures to respond to climate effects and **Estate Carbon Capture Plan** from 2024



NET-ZERO
BY 2045



**Working
with supply
chains that are
sustainable
and reducing
impact on the
environment**

As a business we procure a substantial amount of goods and services, we have not as yet assessed the impact of our supply chains on our carbon footprint. The first part of our approach to sustainability in our supply chains will be to assess the carbon footprint to produce a baseline from which to set targets and revise our Procurement Strategy in 2025. This will also consider the ability to reduce waste and recycle equipment, which will be inherent in our approach to procurement.

Caledonia's Net-Zero Activities and Timeline

- ✓ Introduce a **Waste Minimisation** Plan 2024 that focuses on reducing demand for new materials, reuse and recycling waste

- ✓ Undertake a review of our **Procurement Strategy** by 2025 that strengthens the sustainability of our supply chains and reduces our carbon footprint



Caledonia Net-Zero Road Map

UK & Scotland Net Zero Targets

