

Our strategic commitment to

Environmental Sustainability

2021-25



Environmental Sustainability

The strategy sets out our long-term commitment to becoming a more environmentally sustainable association. We recognise our responsibility to take action and reduce our impact in response to the climate and nature emergencies. Achieving net zero greenhouse gas emissions by 2050 is the ambitious goal we will embrace to limit global heating to 1.5°C. Our intention is to do all we can to get there sooner and to transition in a way that protects and benefits our customers, communities, and future generations.

Climate change is happening now, and the impacts are felt by both humans and nature. We have already seen record-breaking temperatures, wildfires, landslides, flash flooding and droughts causing devastating damage in all corners of the planet. Climate related events are expected to become more frequent and extreme so while we must play our part in limiting global temperature rises, we must also prepare for these impacts and adapt. The cost of ignoring the warnings and not acting now will otherwise be far greater.

A sustainable future for our planet and future generations can only be achieved as part of a collective effort and the association is committed to working with and supporting our customers, colleagues, and partners to achieve lasting change.

The transition to a more sustainable association involves taking a holistic approach, including decarbonising the homes we provide, the buildings we occupy, and our daily business activities. We recognise the scale of the challenge, but we will not lose sight of why we are doing it. This commitment is about our ability to serve our customers and communities for the long term. Our transition will seek to maximise the benefits for them and to limit our climate impacts.

The association has been doing its bit to protect the environment and creating sustainable places to live since it was formed. Significant investment in home improvements has improved the energy efficiency of the homes we provide. We are also building new homes to high energy efficiency standards, future-proofing our investment for the long term, and regenerating communities to create sustainable places. However, we accept the challenge and responsibility to do more.

While the climate science and future outlook for our planet is concerning, actions taken now and in the next decade can make a difference. We will play our part in achieving a Net Zero Wales.

How this strategic commitment helps deliver NCH Strategy 2025

Environmental sustainability is one of three strategic commitments that cut across all our activities and decisions. Collectively, they contribute to us achieving our corporate strategy – NCH Strategy 2025, by ensuring we make joined up decisions and choices that make the best use of our resources, have the greatest combined impact, and make a positive difference.

NCH Strategy 2025

Our five-year corporate strategy set out the association's four priorities and how we will provide quality homes and services that our customers want, support thriving communities, provide new homes and regenerate communities. Delivering the best possible outcomes means embedding environmental sustainability into how we deliver on this.



Quality homes and services

Investing in our homes to ensure they are affordable and desirable places to live will be achieved through delivering a programme of energy-saving home improvements. Improving their energy efficiency will help reduce the amount of energy needed to heat a home and helps to bring down running costs for customers. Improving our services for our customers is a priority, and we will do this while reducing our carbon footprint.



Social purpose

Our social purpose is met through being much more than a provider of housing. Our broader services and partnerships aim to have a positive impact on the customers and communities we serve. A commitment to protecting and enhancing the local environment can have a positive impact on health and wellbeing as well as the wider community and local economy through supporting green jobs and skills.



Provide more new homes

We are playing an important role in tackling the housing crisis in Wales with the ambition of providing over 250 new homes every year. The new homes we build are well-designed and energy efficient and we are investing in the regeneration of communities to help to create sustainable places to live.



Strong and effective organisation

Being an employer of choice involves showing our current and future colleagues that we are taking this responsibility to act on climate change seriously. Attracting and investing in colleagues who share our values and ambitions will drive forward the changes we need to make. Being a well-run association means we are making the most of our resources to limit our environmental impact and re-invest in communities.

Our environmental sustainability strategic commitment is fundamental to achieving our corporate strategy and links with our strategic commitments to growth and equality, diversity, and inclusion.

Growth strategic commitment



The association has a clear ambition and plans to maximise the supply of new homes and play a significant role in tackling the housing crisis. We understand the carbon impact of construction, and our growth ambition will be delivered in line with this commitment to environmental sustainability. We will provide energy efficient new homes, minimise the carbon impact of building new homes and create places that enable and encourage our customers and local communities to reduce their carbon impact and live healthy and active lives.

Equality, diversity, and inclusion strategic commitment



Climate change is not just an environmental issue. It's an equality and social justice issue too. The impacts of it are not equally shared and it exacerbates existing inequalities. We can become a more inclusive association by recognising inequalities, understanding the needs of our customers and being open in the way we deliver on this commitment. While there is a need to act with urgency, we must be conscious of this and the potential unintended consequences.

Our values

We recognise the importance of clearly defining our values, behaviours and priorities that are most important to colleagues and customers to deliver NCH Strategy 2025. We have developed a new set of values that we will live by in delivering on our strategic commitments.

Active: We take action and get things right first time

Collaborative: Individually we're good, but together we're great

Trusted: We work hard to earn the trust of customers and colleagues every day

Inclusive: We celebrate our differences and embrace diversity in people and ideas

Our environmental sustainability principles

These principles will steer the association and guide its decisions throughout this climate transition. They reflect the commitments we have set out and will help shape our response to the opportunities and challenges we are faced with.

1. We recognise the climate and nature emergencies and we will take responsibility to act.

The science is very clear. Climate change is happening now. This is a critical decade ahead, offering an opportunity to act and avoid further impacts of climate change.

2. We will invest wisely, for the long term and future generations.

The decisions and investments we make today will serve and benefit our customers and communities well into the future. We must get this right and consider the future implications of our decisions. This means testing and piloting solutions and making the right investments at the right time to maximise value for money, whilst recognising technologies are continuously improving and becoming more affordable.

3. We will place the interests of our customers first in delivering our environmental sustainability actions.

The way we transition to a greener future must focus on the people we serve, not just greenhouse gas emissions and global temperatures. Our customers are and will feel the effects of climate change. We must understand these impacts and do everything we can to support them and deliver value for money.

4. We can't do this alone and will involve and work with people who share our ambition.

We don't have all the answers and we must listen and learn. We will collaborate with partners and customers to find the best solutions and adapt based on their ideas, expertise, and feedback. We will need to continue learning and adapting over the years ahead as the world around us changes and responds to this global challenge.

Our environmental sustainability commitment

To deliver on this commitment, we have identified four areas that will ensure we take a holistic approach to reducing our environmental impact and maximising the social, economic, and environmental benefits. Our approach involves both mitigating the causes and adapting to the impacts of climate change. Given the scale of the challenge to reach net zero greenhouse gas emissions by 2050, this requires significant investment in the homes we provide as well as achieving wider changes to our daily business activities and ways of working.



Figure 1 The NCH Environmental Sustainability Wheel illustrating the association's approach and expected outcomes.

Homes fit for the future

- **We will improve the energy efficiency of the homes we provide to reduce our carbon footprint, our customer's energy consumption and to tackle fuel poverty.**

Lowering the amount of energy needed to heat homes will help to ensure they are affordable to heat, tackling fuel poverty. We will deliver a long-term retrofit programme for existing homes, prioritising the decade ahead in an ambitious effort to significantly reduce our carbon footprint. In the next two years, we will plan, test, and pilot our programme to ensure we use the right energy-saving measures for each home. Adopting a 'fabric first' approach involves insulating building fabric of homes to improving their energy efficiency. This will help protect our customers as much as possible from increasing energy costs. It will also allow for additional energy saving measures, such as alternative heating systems and renewable technologies, to be introduced at the right time when costs and performance deliver value for money for customers and the association.

- **We will build new low carbon affordable homes.**

We are committed to tackling the housing crisis in Wales and will continue to provide new homes that are affordable and energy efficient. Our new homes will have an energy efficient building fabric to retain heat and reduce energy consumption. They will also use alternative heating and ventilation systems, such as heat pumps, and in some cases renewable technologies. They will also be built using modern methods of construction and sustainable building materials wherever possible to reduce the carbon cost of construction. This approach protects our investment for the long term, achieving value for money by limiting the need for future retrofit measures.

- **We will continue to invest in the re-use of existing buildings as homes where it reduces the carbon cost of construction and encourages sustainable living.**

Tackling the housing crisis also involves making the most of buildings that already exist. It allows the association to bring affordable housing into the city centre of Newport, which has many benefits to the environment and local economy. We recognise that refurbishing existing buildings can sometimes mean that low carbon standards are difficult to achieve. However, in addition to providing much needed homes, it encourages more sustainable ways of living by shopping and working locally, using public transport and active travel. Not only does it preserve their character and history, but it reuses and recycles existing building materials and avoids the carbon cost of demolition and construction. Reducing reliance on short car journeys will also help to improve air quality and reduce emissions.

Supporting customers to live sustainably

■ We will build awareness of the climate and nature emergencies and how our customers can make a real difference.

Everyone can play an important role in tackling climate change. Everyday decisions are opportunities for change. We will help our customers understand their carbon footprints, the changes they can make in their lives and the benefits they can bring. We will embed environmental considerations and helpful information within our communications and messaging relating to our daily business activities and interactions with customers.

■ We will listen to and involve our customers to deliver a just transition together.

Climate change cannot be tackled alone, and our customers will have some of the best ideas on how we should respond and invest. Our customers will have the opportunities to engage with us and influence our actions throughout this transition. These include being involved in our retrofit pilots during initial stages of planning the programme of home improvements. We want to understand how climate change affects them and to make sure we invest where it can have the greatest impact. We also recognise young people will face the worst effects of climate change and we will ensure their voices are heard.

■ We will tackle fuel poverty and support our customers to ease the climate transition.

Climate change has a range of effects on our lives and we are committed to helping our customers access the support and advice they might need. Our investment in customers' homes will help to keep running costs as low as possible, but there are other ways we will help including energy and money advice and through our engagement with communities and relationships with partner organisations. We will also take the time to explain and show our customers how to operate any new systems or technologies we install in their homes to ensure they are confident using them and able to get the most out of them.

Sustainable places to live

■ We will enhance our green spaces, protect nature, and promote biodiversity through responsible management of our land.

In addition to the homes we provide, we maintain large areas of grassed areas, woodland, and watercourses. Many of these landscapes and green spaces are havens for wildlife and valued by the local community. They also help to alleviate flood risks, reduce surface temperatures, and store a significant amount of carbon. We will maintain these areas with as little disruption to habitats as possible, manage issues such as fly tipping, and invest in areas where we can make further improvements to enhance the local environment.

■ We will support community-led projects that do their bit for the environment and wellbeing of local people.

Projects or groups that bring people together and share an interest in improving their community can achieve a lasting impact where the benefits go beyond protecting the environment and conserving nature. We will engage with our communities, encourage, and empower local participation, and provide our support to show we are taking action together on this global issue at a local level.

■ We will continue to work in partnership to promote responsible management of waste.

The reduction and effective management of waste is crucial to tackling climate change. It is one of the changes to our everyday lives and behaviours that can make a real difference. Through working with our customers and partners, we will improve waste and recycling facilities, together with education, engagement, and where necessary intervention activity, to promote positive customer actions for the benefit of the whole community. We will also promote initiatives that support the circular economy where waste is turned into a valuable resource.

■ We will adopt a placemaking approach to our development and regeneration activities and promote sustainable travel.

When investing in new homes and regenerating communities we want to create sustainable places to live by working with communities and partners. It is an opportunity to build on or create a sense of community and belonging where people feel safe. It promotes active and healthy lives and connects people to jobs, services, and facilities by walking, cycling or public transport as part of 15-minute neighbourhoods. Our choices around density, mix of uses and tenures will also help to create diverse communities where people want to live.

■ We will prepare for more severe and frequent weather events.

Our investment in homes and communities and our engagement with customers will aim to ensure we are able to adapt as much as possible to the effects and consequences of climate change.

An environmentally responsible association

■ We will make more efficient use of our resources and reduce waste.

Whether it is office waste, energy, or water, we will introduce new ways of reducing consumption in our daily business activities. Diverting waste from landfill through purchasing materials that can be recycled and re-purposing where possible. We will also switch to green energy supplies in our offices and buildings.

■ We will develop a carbon literate workforce and support our colleagues to work and live more sustainably.

Providing our colleagues with an understanding of the causes and consequences of climate change will provide a foundation for delivering sustainable changes to the way we work and deliver services. This will help build the confidence and skills needed to reduce the association's footprint and support our customers to do the same too.

■ We will transition to a low carbon vehicle fleet and encourage sustainable travel.

As the costs, performance and charging infrastructure of low carbon vehicles improve over the coming years, we will closely monitor the options available to the association in order to transition when it offers value for money and reliability for delivering our services. Through trialing electric vehicles and new working arrangements we will learn and prepare for this transition. We have also signed up to the Gwent Sustainable Travel Charter. This reflects our commitment to reducing travel including commuting journeys made by car and offering flexible working options for colleagues and encouraging walking, cycling, and public transport.

■ We will embed sustainability in the purchasing decisions for products and services.

Our procurement activities and relationships with contractors provide significant opportunities to deliver community and environmental benefits and source goods and services in a responsible way. We will procure in a way that has a benefit to our local suppliers and grows the foundational economy in and around Newport whilst remaining compliant with standards and legal requirements.

■ We will use our financial capacity to maximise investment to deliver on our sustainability ambitions.

We will prioritise investment to achieve our sustainability ambition. We will maximise the resources available to invest in more energy efficient homes and reinvest efficiency savings we make in business activities to support this work.

■ We will use carbon off-setting to achieve net zero by 2050.

Offsetting our emissions is not our preferred option. Reducing our emissions is the priority but accept there will be a proportion that will be difficult to eliminate.

Our actions

The delivery of this strategic commitment is achieved through a range of mechanisms that reflect environmental sustainability being embedded in the association’s activities and decisions. It will be supported by a delivery plan that identifies the practical steps we will take and ensures key milestones are delivered on time with the required collaboration. The association’s strategic planning framework will ensure environmental sustainability remains an integral consideration in our short, medium, and long-term decision-making. The high-level actions within our delivery plan include:

Short term (1-3 years)

This period will focus on preparing the association for this transition. It includes building the knowledge and skills of our workforce, testing and piloting new solutions to the way we build and retrofit homes, and building an awareness and involving our customers.

Commitments	Actions
Homes fit for the future	<ul style="list-style-type: none"> • Work collaboratively to test and pilot the most suitable energy saving solutions for our homes through the Optimised Retrofit Programme. • Develop and deliver costed programme and accurate long-term decarbonisation roadmap for existing homes. • New homes built to Welsh Development Quality Requirements (WDQR 2021). • Trial modern methods of construction for new homes.
Supporting our customers to live sustainably	<ul style="list-style-type: none"> • Develop a customer engagement plan to support retrofit programme and wider transition including opportunities to inform and influence our actions and to identifying local priorities. • Building relationships with local community groups and schools. • Launch of customer communications campaigns and improved online resources for energy saving advice and sustainable living. • Provide support to customers experiencing fuel poverty.
Sustainable places to live	<ul style="list-style-type: none"> • Responsible management of land, green spaces and exploring new approaches to improve biodiversity. • Deliver on the current partnership working with Newport City Council and Wastesavers to engage customers and encourage responsible waste. • Delivery of development and regeneration programme that contributes to green spaces, active travel and creating sustainable places to live. • Review land owned by the association and consider areas for tree planting, rewilding, or alternative use to benefit environment and local area.

An environmentally responsible association

- Deliver carbon literacy training and other specialised training to ensure we're able to support and engage with customers on climate change.
- Trial electric vehicles and adapt working arrangements in preparedness to transition to a low carbon fleet as local infrastructure and vehicle feasibility improve.
- Review financial capacity to maximise the resources for decarbonising homes.
- Develop our data collection and reporting capabilities to deepen our understanding of our environmental impact.
- Embed sustainability within communications channels and messaging.

Medium term (3-10 years)

This period will focus on the delivery of the plans and programmes we have developed for our customers across Newport. Environmental sustainability will be firmly embedded into decision making and our collaboration with our supply chain and local partners will be bringing a range of benefits to the local community and economy.

Commitments	Actions
Homes fit for the future	<ul style="list-style-type: none"> • Deliver the retrofit home improvement programme to existing homes, prioritising fabric enhancements to ensure energy is retained. • Increased use modern methods of construction and more sustainable materials for new homes to reduce carbon cost of construction. • New homes utilising new technologies and heating systems to achieve low carbon performance. • Pilot alternative heating systems to inform future boiler replacements as part of a long-term transition from gas to electric.
Supporting our customers to live sustainably	<ul style="list-style-type: none"> • Customers provided with advice and support during and after retrofit programme to ensure systems are used correctly and benefits are realised. • Communications campaign promoting the benefit of retrofit from the customers' perspective and lived experience.
Sustainable places to live	<ul style="list-style-type: none"> • Providing opportunities for skills development, volunteering and training through contracts and procurement arrangements. • Delivery of local initiatives in collaboration with customers, local groups, and organisations to preserve nature and benefit community.

An environmentally responsible association

- Full transition of vehicle fleet to low carbon vehicles.
- Enhanced environmental management and use of existing land including tree planting, rewilding, and increased community use.
- Enhanced colleague offer on sustainable travel and modern working environment.
- Retrofit office buildings to increase energy efficiency, replace heating systems with low carbon alternatives, installing renewables where possible.

Long term (10+ years)

This period will utilise new solutions and technologies that become available and affordable. This will enable the association to further reduce its carbon footprint and complete its transition to net zero greenhouse gas emissions.

Commitments	Actions
Homes fit for the future	<ul style="list-style-type: none"> • Completion of retrofit home improvement programme to existing homes utilising renewables, battery and other energy storage and generation technologies. • Continue to monitor environmental quality of new build homes to ensure they meet intended standards.
An environmentally responsible association	<ul style="list-style-type: none"> • Removal of residual carbon emissions of 'hard to decarbonise' activities through assured carbon offsetting schemes. • Review and update our environmental sustainability ambition periodically to reflect changes in the operating environment such as new solutions, funding opportunities and the changing needs of customers and communities.

Measuring our impact

Understanding the impact that our operations and homes have on the environment is vital in our journey to deliver on our commitment. Measures have been identified to enable the association to understand progress against this commitment and the effectiveness of our actions. The measures we focus on will continue to evolve and reflect the changing operating environment and phase of delivery over the years ahead. In line with the association's strategic planning framework, progress will be reported annually to board and key strategic measures included in quarterly integrated performance reporting. This will be supported by assurance reviews and operational metrics that will guide decision-making during the delivery of our actions.

A baseline carbon assessment has showed where our biggest carbon impacts. This has informed our commitments and the actions we will take. We will continue to deepen our understanding of all our impacts on the environment and will monitor the improvements we make by carrying out a carbon footprint assessment periodically.

Measures

Commitments	Measures
Homes fit for the future	<ul style="list-style-type: none"> • Annual average carbon tonnes per home used • Average SAP rating of homes • % homes EPC B or better • Average SAP rating of new homes • Customer satisfaction with decarbonisation investment
Supporting our customers to live sustainably	<ul style="list-style-type: none"> • Annual average energy bill per home • % customers engaged in "climate matters" conversation • Customers accessing energy advice
Sustainable places to live	<ul style="list-style-type: none"> • Green spaces as % of land owned • % green spaces classified as biodiverse habitat • Tonnes of 'fly tipping' waste collected from communities • Value (£) invested in community sustainability initiatives
An environmentally responsible association	<ul style="list-style-type: none"> • Total footprint: carbon tonnes • Total carbon tonnes from our offices • % fleet miles made in low carbon vehicles • Carbon tonnes of fleet mileage • Colleague commuter mileage • Tonnes of waste sent to landfill from business operations • % colleagues completed carbon literacy training

Customer and colleague satisfaction and feedback

The customer voice and views of our colleagues are integral in informing the delivery of this commitment. Through our existing mechanisms for capturing and analysing customer and colleague feedback and satisfaction, we will monitor and learn from what our customers and colleagues experience, tell us and will adapt our approach accordingly.

