

Decarbonisation Strategy 2020 – 2030



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INTRODUCTION

The scientific consensus is stark. The Intergovernmental Panel on Climate Change (2018) states that we must limit global warming to 1.50C by the end of this century to avoid irreversible and catastrophic impacts. This means that CO2 emissions need to decline by about 45 percent by 2030 and reach net zero in 2050.

We could choose despondency and inaction but our values steer us down a better path. We choose a positive, optimistic and ambitious response to this crisis. We choose a path to a zero carbon future that we believe will deliver huge benefits for our customers, communities and place the wellbeing of future generations as paramount.

A DECADE OF CARBON CUTTING

This strategy provides a roadmap for the decade 2020-2030 in line with our Pobl Ambitions which outline Pobl's role as 'Carbon Cutters' within a decade of difference making. Our decarbonisation activity in this crucial decade should be viewed within the longer term imperatives to fully decarbonise by 2050.

We have already delivered and are currently delivering a range of innovative development and regeneration projects. This activity, and our proactive engagement with external expertise in recent years has led us to position where we can outline a comprehensive strategy for decarbonisation and broader sustainability.

The strategy outlines a whole-group approach, recognising interdependencies between all aspects of our activity and decision-making processes. Our approach will be to target decarbonisation across five strands of activity:

- Culture and Skills
- Existing Homes and Buildings
- New Homes and Developments
- Business Operations
- Offsetting & Pobl Forest





POLICY CONTEXT

In May 2019, the UK Committee on Climate Change (UKCCC) recommended that the UK Parliament legislate to reduce domestic greenhouse gas (GHG) emissions to net zero by 2050.

The UKCCC assessed the contribution that Wales can make to net zero and for Wales it recommended a 95% reduction in GHG emissions by 2050 which the Welsh Government accepted and subsequently recommended 100%.

Housing accounts for 21% of the greenhouse gas emissions in Wales, it is considered some of the oldest and least efficient in Europe. As a result, Welsh Government feel it is important that action is taken now to reduce the impact of these emissions and reduce fuel poverty levels.

Welsh Government has set a target to have net zero carbon emissions for privately owned and rented homes by 2050 with Social Housing achieving this by 2030.

In June 2019, the Welsh Minister for Environment, Energy and Rural Affairs declared the ambition “to bring forward a target for Wales to achieve net zero emissions (100%) no later than 2050”.

This was followed by the ‘Better Homes, Better Wales, Better World’ Report to Welsh Ministers from the Decarbonisation of Homes in Wales Advisory Group - 18 July 2019. Within the seven recommendations was an ambition to commence a 10-year targeted programme to 2030 to achieve near zero carbon SAP 92 (Band A) for a tranche of pathfinder homes.

OUR CARBON COMMITMENTS

We **recognise the Climate Emergency** in line with IPCC & UN declarations.

We will be a net **zero carbon business by 2050**.

We will **leave a sustainable legacy** for future generations.

We will **invest only in activity that supports decarbonisation**, supporting the Welsh economy wherever possible.

We will **positively embrace challenges**, daring to innovate, do, and even fail.

We will **reach zero carbon in a just way** that benefits customers.

We will engage, using approaches and language that inspires and includes.

We will be **led by sound science**, build partnerships, and draw on relevant expertise.



CARBON CULTURE AND SKILLS

We know that many Pobl colleagues are passionate about tackling climate change and broader sustainability. We have colleagues across the Group with passion, knowledge and expertise that can support the delivery of this strategy.

This strategy demands a whole team effort underpinned by shared understanding and a wide base of knowledge and expertise. We must understand the required skills then Invest in learning and development that will support changes in the way we work.

For example, our surveyors will require new qualifications, our Trades team will need to learn how to install and maintain new technologies whilst our finance team develop sustainable reporting approaches. We will organise and resource our teams to focus on decarbonisation.

By proactively developing our team and working with partners we will take every opportunity to develop carbon cutting capacity within Pobl and the sector in Wales.

POBL ZERO TEAM

We have established a team of colleagues from across the business who have already initiated carbon reduction projects, have aided in the development of this strategy and will support its delivery.

Members of the Zero Team will be leads or paired with leads against objectives within this strategy and the team will act as a critical friend to the Executive Team in monitoring, review, and iteration of the strategy.

A CARBON LITERATE POBL

The Carbon Literacy project aims to equip people with a good understanding of the latest climate science, the role of carbon emissions and how they can make a positive impact in their personal and working lives.

Group has joined the Carbon Literacy Consortium and will begin rolling out training to colleagues and NEDs. We also plan to offer training to customers. We aim to have a team that is informed, empowered, and trusted to make change.

C1	CREATE WORKPLAN FOR POBL ZERO TEAM
Start Date: Jan 2021	Target end date: March 2021
Scope	Pair zero team members to strategic objective leads and projects based.

C2	ROLLOUT OF CARBON LITERACY TRAINING TO COLLEAGUES, NEDS
Start Date: Jan 2021	Target end date: April 2021
Scope	Establish Carbon Literacy training within mandatory training programme for existing and new colleagues, NEDs. Create bespoke training materials for digital delivery.

C3	COLLEAGUE ENGAGEMENT
Start Date: Jan 2021	Target end date: Continuous
Scope	Develop and deliver a programme of engagement for colleagues around our journey to net zero.

C4	SKILLS MAPPING & PLAN
Start Date: Jan 2021	Target end date: April 2021
Scope	<ul style="list-style-type: none"> • Define roadmap for required skills 2020–2030 • Audit and analyse our existing skills • Develop L&D offering • Identify restructure/resourcing/recruitment needs

C5	CUSTOMER ENGAGEMENT
Start Date: Jan 2021	Launch: April 2021
Scope	<ul style="list-style-type: none"> • Carbon literacy training • Developing scheme/service-level carbon reduction plans • Promote the ‘decarbonisation of Pobl Homes’ journey with regular updates on Pobl Point, customer e-newsletters, web articles • Pursuing grant funding opportunities to support additional activities • Mainstream education/user guides/training for customers of new homes and retrofit

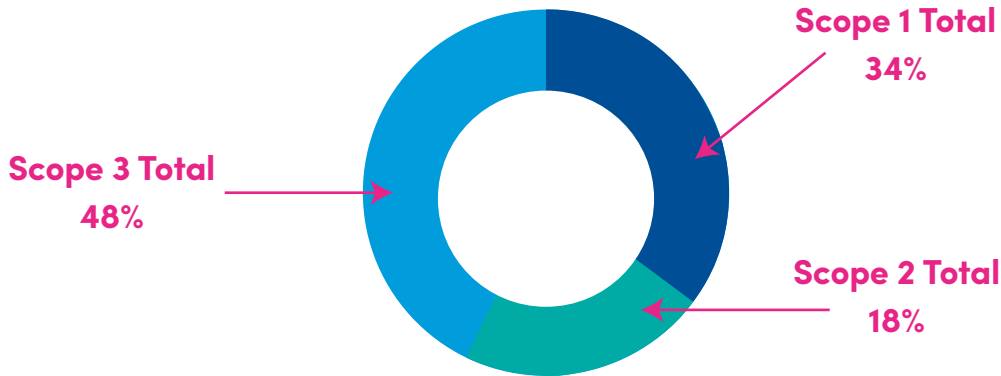
OUR CARBON FOOTPRINT

Pobl Group have worked with The Carbon Trust to develop a 3-scope footprint. Pobl's total emissions for the financial year 2019/20 are **~62,400 tCO₂e**.



The current breakdown by scope is as follows:

TOTAL EMISSIONS FY 19/20



SCOPE 1	Upstream emissions	<ul style="list-style-type: none"> Fuel combustion company vehicles fugitive emissions
SCOPE 2	Direct emissions	<ul style="list-style-type: none"> Purchased electricity, heat and steam
SCOPE 3	Downstream emissions	<ul style="list-style-type: none"> Purchased goods and services Business travel Employee commuting Waste disposal Use of sold products Investments

***note housing energy consumption is included within scope 1 & 2**

BREAKDOWN OF EMISSIONS BY CATEGORY

Housing Electricity	19%	Procured goods & services (inc water)	38%
Housing Gas	32%	Business travel	1%
Housing other heating fuels	<1%	Fleet	<1%
Pobl operated sites electricity	4%	Waste	<1%
Pobl operated sites gas	6%		

EXISTING HOMES

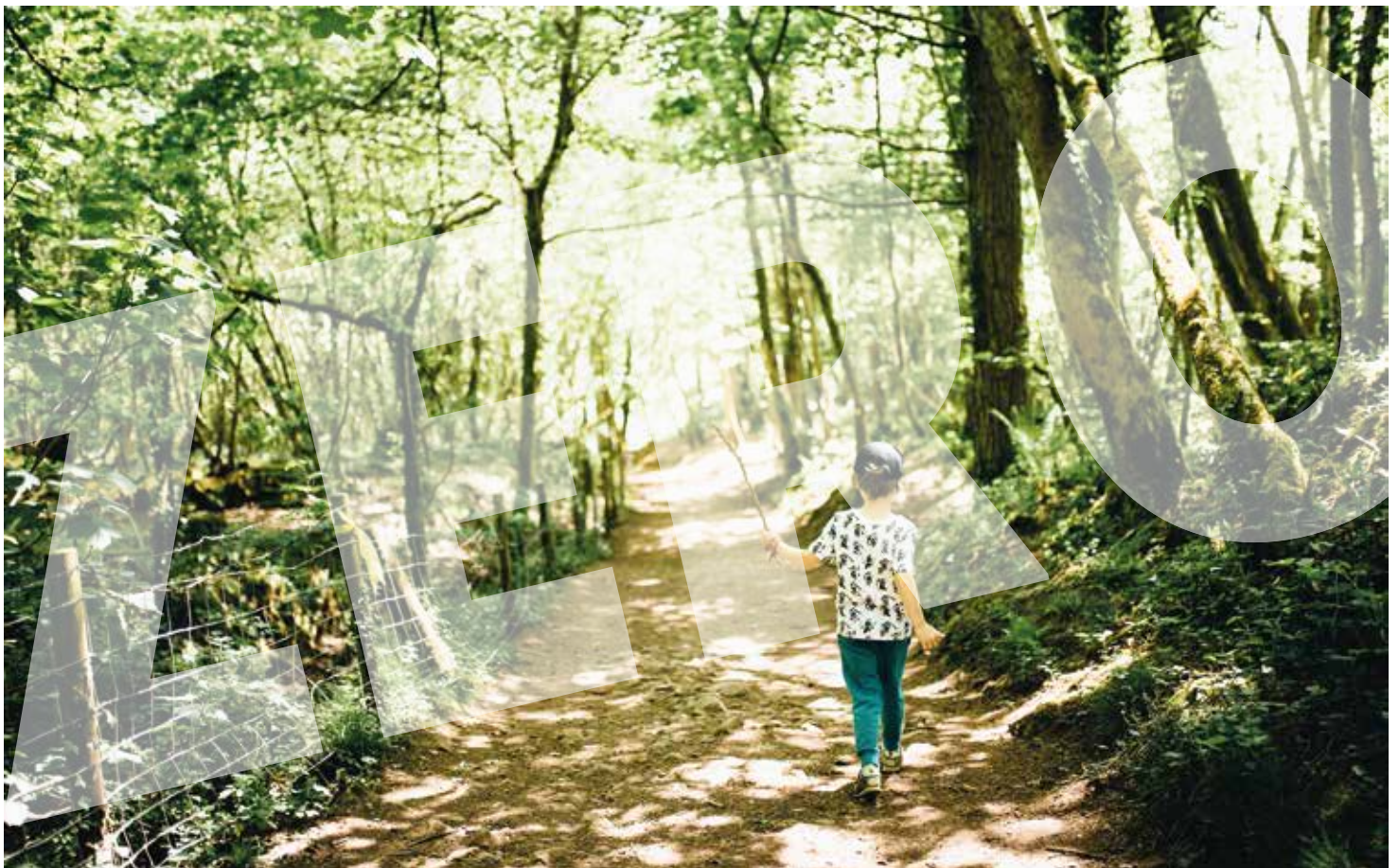
Our biggest sustainability challenge is the decarbonisation of our 12,000 existing homes.

In recent years we have sought to take a lead in decarbonisation by testing and scaling up a range of approaches and models including whole house retrofit, battery storage and energy aggregation.

We commit to invest in our homes over the next 10 years so that by 2030 they are net Carbon Zero.

This strategy sets a roadmap to achieving that decarbonisation. Our Strategy follows 4 key strands:

- Understanding baseline, defining our zero-carbon target for retrofit and monitoring our progress
- Scaling up the roll out of new retrofit technologies and renewable energy sources
- Aligning and sequencing our planned maintenance and improvement programmes and retrofitting new technology –developing or passport to zero
- Closing the funding gap – developing models to fund net zero across our existing homes



UNDERSTANDING OUR BASELINE POSITION AND DEFINING OUR TARGETS

We currently have a baseline position in relation to the energy performance of our homes. We currently use Standard Assessment Procedure (SAP) rating from an Energy Performance Certificate (EPC).

It is important that this data is validated to ensure its integrity. This is a key strand of work as we implement Microsoft Dynamics and integrate new Software that will allow us to set carbon performance targets. This will be a more informative tool than relying on a SAP rating from an EPC.

Our target will be to achieve net carbon zero by 2030. Currently for us this means SAP 92+ as recommended in the 'Better Homes, Better Wales Better World' report. Although it is important to note that individual homes may have different targets based on construction type, orientation to due south, location, age and size.

However, it is clear that as the debate moves on and matures a clearer definition of net zero will emerge and we must be able to flex our approach. The work that is ongoing by a range of actors across the energy and renewable sectors to decarbonise the National Grid and reduce reliance on gas and coal will clearly move us closer to our net zero target.

We will monitor our progress towards meeting our 2030 target on an annual basis. We have set out our expectations for incremental improvements towards the 10-year target below:

We are also very focused on making sure that our investment in decarbonisation does not have unintended consequences including increasing energy costs for our customers. We will measure average energy costs as part of our commitment to delivering affordable living offers. This, alongside other data, including SAP and EPC, will inform our affordable rent setting policy.

SCALING UP THE ROLL OUT OF NEW RETROFIT TECHNOLOGIES AND ENERGY SOURCES

PV, Battery storage and aggregation

We are currently retrofitting 700 Pobl homes in Penderry with PV panels and battery storage. The project, funded by WEFO, City Deal and Pobl will include an aggregation system which creates a trading platform with the national grid to buy and sell energy at optimum times. Tenants will be offered electricity at market leading price points with opportunities to reduce bills by up to 40%. The project will mean that 700 homes improve SAP rating by a projected 10 points.

Pobl is leading a consortium of LA and RSL landlords to develop a Special Purpose Vehicle that will focus on scaling up the PV, battery storage and aggregation approach across Wales. We anticipate that the SPV will be operational from early 2021 and will access up to £40m of Transactional capital From WG as loan finance. The loan will enable the SPV to procure at scale.

We are anticipating that the project will mean that 1000 Pobl homes are retrofitted with PV, Battery Storage and aggregation by 2025 and 2000 by 2030.

In addition, we will work with partners to pilot and evaluate alternative energy sources and technologies, including hydrogen, ground and air source heat pumps.

ALIGNING & SEQUENCING MAINTENANCE AND IMPROVEMENT PROGRAMMES

We are currently planning on spending in the region of £250m on our homes over the next 10 years.

We know that a fabric first approach to retrofit is essential before renewable technology is considered. When considering introducing renewable and/or electrical heating systems to deliver decarbonisation it is important to get the timing of the install right because a unit of electricity can be up to 3.5 times per kWh more expensive than a unit of gas. We need to be careful when decarbonising a heating source to avoid customers being forced into fuel poverty. We will follow an 'optimised retrofit' path, where decarbonisation works are subject to a 'no fuel poverty' constraint.

A sequenced and planned approach to upgrades and shifting towards the net zero target is the approach we must take. Our range of property types, ages, components and locations also means that every home will have a specific route to net zero carbon.

A key strand of our strategy is that every home will have an electronic property passport – a plan to shift to net zero emissions with a detailed record of works completed and what is still to be carried out to achieve zero. The passport and route to net zero will shift as technologies evolve as new products become available and national power supplied decarbonise. The passport will shape annual budget setting and our business plan. It will illustrate our roadmap to net zero over 10 years.

FUNDING NET ZERO IN OUR EXISTING HOMES

A recent report from Community Housing Cymru using evidence from the Welsh School of Architecture has suggested the average cost to decarbonise a property could be £18,500 per home on top of already planned component investment. This currently represents a funding gap in our Business Planning.

The net zero target will be reflected in the Welsh Housing Quality Standard and grant funding will be available to help close the gap. We are waiting for further details on WHQS2 and the funding options available for social landlords. Increased grant can only be part of the solution as Public Finances will be limited. Increased spending through loan finance is part of the solution but like all social landlords we are constrained by funding covenants.

We are considering a range of funding options which will include:

- WG (and UK Gov) Grant funding to increase spending – We will continue to bid for grant to increase spending on optimised retrofit informed by property passports. It is possible that WG will make additional grant funding available to support their decarbonisation ambitions and that the target is reflected in WHQS2.
- Increased spend on the Planned Improvement programme
- Off balance sheet borrowing through the creation of a Special Purpose Vehicle – the creation of a SPV will create opportunities to lever in funding to invest in optimised retrofit without impacting on our covenants.
- Service charging tenants for renewable technology including PV and Battery – We are currently establishing protocols that will see us charge customers for the use of PV and battery technology on the proviso that the cost will be offset by cheaper energy bills. This principle will continue as we roll out new technology across our homes.
- Increasing rent to reflect lower energy costs – our rent policy will reflect the energy efficiency of our homes and take account of the increased costs associated with decarbonisation. Any additional charges will however be subject to 'affordability tests'
- Asset disposal – Identify homes where optimised retrofit is cost prohibitive (even with grant funding) and consider for disposal

Pobl's participation in the Sustainability reporting for Housing Associations pilot, will see us working with lenders to understand their needs and is expected to instigate new funding opportunities which we will be well placed to secure.

CONCLUSION

Reaching net zero by 2030 is challenging and will require a coordinated approach focusing on the 4 strands of work outlined above. The commitment we are making to reach net zero sends a clear signal. We want to be at the heart of innovative projects and scaling up of proven technologies and approaches.

We cannot reach our target of net zero alone – we need to work closely with partners to close the funding gap, we need the wider market to shift so that technologies become cheaper. We rely upon the scheduled decarbonisation of the energy grid and we must work closely with energy providers to take advantage of that process and align favoured technologies with our plans.

E1	UNDERSTANDING BASELINE, DEFINING OUR ZERO CARBON TARGET FOR RETROFIT AND MONITORING OUR PROGRESS
Scope	<ul style="list-style-type: none"> • Validate the energy data held in Pobl systems • Install Intelligent Energy to set the carbon baseline • Model future programmes to assess impacts on the targets and budgets • Develop a suite of carbon measures that are understood and visible across Pobl.

E2	SCALING UP THE ROLL OUT OF NEW RETROFIT TECHNOLOGIES AND ENERGY SOURCES
Scope	<ul style="list-style-type: none"> • Deliver Penderry Energy project (PV, Battery and aggregation) across 644 Pobl Homes • Create Welsh Housing Renewable Energy Aggregation Special Purpose Vehicle and install PV, battery and aggregation across 1000 homes • Scaled use of air source and ground source heat pumps

E3

ALIGNING AND SEQUENCING OUR PLANNED MAINTENANCE AND IMPROVEMENT PROGRAMMES

Scope

- Establish a 'Property Passport' system
- Create a 10-year decarbonisation investment plan which aligns, and sequences planned investment with new technology – optimised retrofit

E4

FUNDING NET ZERO IN OUR EXISTING HOMES

Scope

- Identify homes where optimised retrofit is cost prohibitive (even with grant funding) and consider for disposal
- Develop our affordable Rents Policy with flexibility to increase rent as the energy efficiency of the home improves through investment
- Develop our service charge policy to fund the cost of retrofit technology.
- Maximise grant applications ensuring matched investment is available from existing budgets.
- Create the SPV in partnership and work to maximise our investment capacity and also the impact including developing local supply chains, economies of scale and bulk purchasing powers



NEW HOMES AND DEVELOPMENTS

Pobl is committed to a decade of Placemaking, during which we aim to create 10,000 new homes. In seeking to meet the urgent demand for affordable housing, we recognise that this activity has a significant short- and long-term carbon impact, over the life cycle of each home.

Each new home we build creates carbon emissions which can be categorised into four areas:

- Construction – Emissions created by the construction process
- Embodied – Emissions created by the manufacture and processing of constructional materials and fittings
- Regulated Carbon – Carbon used to heat and power the home
- Unregulated Carbon – Carbon used to power devices and appliances in the home (outside of our direct influence)

All homes being built by Pobl need to meet or exceed the carbon targets that are being set for existing homes, it is important that specifications are joined-up and that lifecycles are understood. No home Pobl builds should require future retrofit for decarbonisation.

New homes need to follow the principles of ‘envelope first’ (Fabric First) approach. Many of the homes we are building today are highly energy efficient, with some meeting SAP 96+ and EPC A Rating. This is the single most important way to lower operational carbon and protecting ourselves and our customers from future energy costs. The **learning** from Parc Eirin, Gwynfaen and Active Homes will define our new normal.

We will establish a common standard and approach for new Pobl homes, potentially building all homes to an established standard (e.g. a Passivhaus or RIBA standard) or drawing on a menu of proven approaches and technologies allowing flexibility for the context of each place.

Pobl Homes will break customers free from grid dependence and ever rising energy costs. Our ambition to offer affordable living rather than rent will be enabled by community aggregation models and suitable application of energy generation technologies.

New homes will make use of renewable technologies to offer ‘Combustion Free Living’ where no fossil fuels are required for heat and power. Renewable technologies need to be identified at the outset so that Pobl can ensure maintenance and servicing regimes are in place and train colleagues how to use them so that customers are comfortable and in good command of their home. Customer voices will be at the heart of this approach and we will seek feedback to shape our future approach.

We will offer Electric Vehicle Charging points for our customers. EV charging points will increasingly become a necessary feature of our new homes. Subject to grid capacity and viability, as part of our offer we will explore the provision of EV charging points for each home and communally.

We will monitor the emergence of other new technologies such as Hydrogen and Heat Networks. We need to regularly review and evaluate these technologies as they may well have an important role to play on our journey to Net Zero.

We will increase the use of Green Infrastructure in our new developments to complement our solutions for achieving Sustainable Urban Drainage (SUDs). Green spaces, landscaping and native planting integrated within the streets and spaces of our communities have significant well being and environmental benefits for our customers.

In addition, other emerging technologies such as Biophilic Living and Green Roofs will help us to cool our buildings, deal with surface water drainage, whilst benefitting biodiversity.

We will aim to use materials which are environmentally responsible and kind to human health. Locally sourced materials with low embodied carbon content (e.g. timber) are good for the environment and will help us reduce carbon. Materials such as wool, wood fibre, and recycled paper insulation, as well as natural paints will achieve better air quality in our new homes.

By using modern methods of construction at scale we aim to drive down costs and achieve carbon reduction in the constructional and embodied phases. This will also help to address quality control issues for our new developments, and mitigate against skills shortages.

We will increase our use of off-site timber manufacture, seeking strategic partnerships with local supply chains that can help us deliver our ambitions.

We will develop new non-financial criteria when assessing new schemes for New Business Group in line with this strategy and the sustainability reporting standards the Group adopts in 2021. It may be that with the added decarbonisation commitment that is required the viability of some new build projects may be affected.

Monitoring the energy use and the performance of renewable energy technologies in our new homes and engaging with our customers to find out about their experience of living in our homes and their energy bills will provide us with important data and evidence to improve our choices moving forward to Net Zero.





THE CRITERIA EXPLAINED

The SAP rating system is the methodology used by the Government to assess and compare how much energy a dwelling consumes and how much carbon dioxide it emits, based on standardised occupancy conditions. The assessment is based on standardised assumptions for occupancy and behaviour. This enables a like-for-like comparison of dwelling performance. The ratings are expressed on a scale between 1 and 100, where 100 represents no energy cost.

Energy Efficiency rating (widely referred to as the **Energy Performance Certificate (EPC)** banding). This shows you how much a building will cost to heat and light, what its carbon dioxide emissions are likely to be and what improvements you can make to improve its energy efficiency. An **EPC** rates a property in bands from A (most efficient) to G (least efficient) and is valid for 10 years from the date it's issued.

Table: EPC and SAP bands

EPC/EI BAND	SAP/EI Rating
A	92-100 (most efficient)
B	81-91
C	69-80
D	55-68
E	39-54
F	21-38
G	1-20 (least efficient)

- In 2017, 28% of dwellings in Wales had an **EPC rating of band C or above**
- In 2017, 47% of dwellings in Wales had a **SAP rating of 65 or more**, which was considered adequate energy performance
- During the period 2018 – 2020 **Pobl's new build homes (our current Pobl Specification)** in compliance with Building Regulations Part L 2014 typically achieved **EPC B and SAP 85**

Start Date: Started

Targets: New Homes Standard: April 2021
 Phased implementation: Starting June 2021
 Implementation across all Pobl new homes (excl S106s): April 2023

Scope

- Pobl will define a Net Zero Carbon standard for all our new homes. The standard will crystallise a step change in the carbon footprint of the homes we deliver. We also recognise the importance of delivering the scale of new homes we so badly need in Wales. The standard will be ambitious but reflective of the need to make the best use of the available investment. The standard will be based on prudent assumptions regarding the decarbonisation of the National Grid.
- We have learned a lot in recent years which will inform our standard and its implementation. This learning will accelerate significantly as we approach the end of 2020:-
 - First residents moving into Parc Eirin, Tonyrefail
 - First residents moving into the Active Homes in Neath
 - Gwynfaen, Loughor will start on site in early 2021
 - We will progress the projects at Ladyhill and Loftus Garden Village Phase 2, both in Newport, which have been awarded funding from Year 4 of the Welsh Government’s Innovative Housing Programme (IHP). These homes have been designed to very efficient fabric and energy performance standards (SAP 100 and EPC A+).
- The above projects represent by some distance the largest scale of innovation in the development of new homes in Wales. As these projects progress, we will receive accurate cost and performance data which we will combine with customer and contractor feedback to further inform our decision making.
- Based on our experience of IHP funded schemes since 2017, the additional cost of building to a Net Zero Carbon standard is reducing. Active Homes Neath (Year 1) and Gwynfaen (Year 3) required an uplift of £40,000 for each home to achieve Net Zero Carbon. However, the latest projects are achieving this with an uplift of approximately £20,000. When we adopt our Net Zero Carbon standard, it is envisaged that this bring the cost uplift down to around £15,000. We will be looking at ways of robustly evidencing the energy savings for residents to promote higher values for Net Zero Carbon home for sale.

N2

NEW BUSINESS GROUP CRITERIA

Start Date: Started

Targets: Criteria for innovation projects May 2021
Final criteria April 2022

Scope

Our IHP 4 projects will be based on the following

- EPC Rating of A
- SAP 100

These benefit from additional funding of £20,000 per home via IHP. As we take these through the approval process we will look in detail at what measures can be put in place to further reduce the reliance on additional capital grant support for future schemes.

N3

MATERIALS

Start Date: Started

Target: April 2022

Scope

- Pobl's new standard can be built using a variety of different construction methods and materials. We have the option to specify greater use of certain materials such as locally sourced timber which are low carbon, whilst reducing the use of other materials such as brick and concrete which are high in terms of embodied carbon. This is the approach that has been taken on the Gwynfaen project.
- Another choice is to promote the use of materials that do not contain Volatile Organic Compounds (VOCs) which are present in some types of insulation and paints. Materials such as wool, paper or wood fibre insulation would be a positive choice in terms of internal air quality and health.
- These materials will become more viable as the industry and supply chain responds to the Net Zero Carbon challenge.
- We will actively work with local suppliers to better understand the supply chain and to establish areas where we can improve, develop or positively disrupt current approaches.

N4

RENEWABLE TECHNOLOGIES

Start Date: Started

Target: April 2022

Scope

- Our recent innovative housing projects have provided renewable energy generation and storage based on the integration of PV panels, air sourced heat pumps and battery storage. This combination is effective, and the cost of these technologies will reduce as Net Zero Carbon becomes the new normal.
- Other technologies such as hydrogen fuel cells, ground sourced heat pumps and heat networks are continuing to improve in terms of cost and reliability. We will continue to monitor this and consider their usage if the site-specific conditions and funding are favourable.
- The monitoring referred to in N1 will provide a sound evidence base for determining the range of technologies we will initially use.

N5

CARBON OFF-SETTING

Start Date: Started

Target: June 2021

Scope

- Pobl will work with others to explore options for generating income from our new Net Zero Carbon homes. There are schemes available to match our development activities with the carbon off-setting requirements of other businesses. Initial figures indicate that this could be in the region of £750 per home.



BUSINESS OPERATIONS

Pobl generates significant carbon emissions from its business operations and service delivery. Our facilities are powered by fossil fuels, our service delivery involves significant travel mileage and we procure a wide range of goods and services that create direct or indirect emissions.

There is a twin imperative to decarbonise business operations, since activities that emit most carbon are also costly, with trend costs for energy, fuel and manufactured products only increasing in a global context of finite resources.

If our services depend on carbon intensive activities, they are unsustainable in both environmental and financial terms.

During 2020, the pandemic has led us to make major changes to our ways of working that have reduced our carbon emissions. A switch to home working for all office-based colleagues has reduced travel-to-work mileage and reduced our emissions from facilities – reductions which will be amplified and locked-in by our commitment to a future with minimal office working.

Our plans for digital-first service delivery complement our decarbonisation ambitions but we will also seek to decarbonise our digital infrastructure by factoring consideration of component life-cycles and component efficiency into our procurement processes.

Our 2020 Carbon Footprint baseline can now be used to bring Carbon into our budgets, plans and decision-making processes. The baseline also allows us to work with suppliers and contractors to achieve our strategic aims, phasing in more explicit decarbonisation and sustainability measures within our procurement and contracting approach.

B1

PARTNERSHIPS

Scope

- Set criteria for what Pobl expects from a partnership.
- Networking to see what organisations Pobl may be able to partner with
- Learn from existing partnerships
- Build partnership working into business as usual

B2

REPORTING AND BUDGETING

Launch date:
April 2021

Scope

Mainstream carbon and sustainability reporting into our budgeting and financial reporting processes.

- Pobl has joined a UK pilot scheme 'Sustainability Reporting Standard for Housing' to begin in April 2021
- Our 2020 baseline provides a starting point for budgeting and reporting on carbon emissions.

B3

FUNDING AND FINANCE

Scope

- Set a decarbonisation budget
- Proactively investigate and pursue grant funding opportunities
- Find out what lenders expect
- Investigate what funding options are available to Pobl
- Lobby Welsh Government for a flexible rent formula that allows higher rents for higher energy efficient homes
- Explore SPV partnership arrangements to keep borrowing off balance sheet to allow maximised borrowing.

B4	REDUCING EMISSIONS THROUGH PROCUREMENT
Scope	<ul style="list-style-type: none"> • Develop a data informed approach to decarbonisation through procurement and contracting, sharing our objectives, and working with suppliers to reduce Phase 3 emissions. • Supplier engagement on how to achieve best practice on reducing our carbon. • Sustainable product specifications to work in partnership with suppliers and the supply chain to consider the whole lifecycle, environmental, social and ethical impact of procured goods and services. It considers the carbon emissions released and resources used at all stages of the product's life i.e., from extraction, processing, manufacture, distribution, use and disposal or recovery. • Introduction of new measures with procurement guides and making it standard for all our suppliers. This will encourage to use energy efficiently and reduce carbon during the production, delivery, use and disposal of products and services supplied to the Group. • Educational workshops with suppliers to help them with their own carbon reduction policies and share best practice.
B5	REDUCING EMISSIONS FROM FACILITIES
Scope	<ul style="list-style-type: none"> • Measure and realise carbon savings from switch to agile working & minimal office use • Commitment to renewable only energy from April 2021 • ICT Decarbonisation plan
B6	REDUCING EMISSIONS FROM TRAVEL & SERVICE DELIVERY
Scope	<ul style="list-style-type: none"> • Launch EV-only salary sacrifice car lease to colleagues in 2020 - decarbonising colleague work and personal mileage. • Minimising business travel through agile working, smart service route planning and service re-design • Phasing in electric fleet and service vehicles

OFFSETTING

Carbon offsetting can deliver environmental, social and economic benefits whilst offsetting emissions caused by our activities.

Pobl could choose to offset all of our carbon emissions until we have reduced those emissions. Doing so would be prohibitively costly.

Tree planting to offset the carbon emissions derived only from the construction phase of the 10,000 new homes Pobl aims to create by 2030 would cost in the region of £15m.

Alongside our ambitious decarbonisation of homes and business operations, Pobl will undertake significant carbon offsetting, favouring approaches that support Welsh ecosystems, communities, and technologies complementary to our development and retrofit programmes.

Pobl is also exploring the potential that our decarbonisation of new and existing homes can generate revenue by being traded as offsetting credits.

POBL FOREST

We have begun tree planting to grow a forest across multiple locations in Wales - from managed woodlands to land in existing communities and in the gardens of colleagues and customers.

Trees planted under Pobl Forest projects will be mapped and shared digitally, with larger planting locations accessible for public amenity. Tree planting is a positive environmental action which offers a range of potential benefits:

- **Sequestration** of carbon
- **Rewilding and enhancement** of natural capital
- Contribution to natural **flood management**
- **Amenity:** Creating places people can enjoy
- **Timber Supply:** The trees we plant can provide timber for future developments.
- **Investment:** Land and forestry represent stable investment opportunities.
- **Engagement:** Tree planting can include and inspire customers, colleagues, and partners.

F1	COLLEAGUE & CUSTOMER TREE PLANTING
Start Date: Started	Target: March 2021
Scope	<ul style="list-style-type: none"> Organise hand-on tree planting by colleagues at Longwood Community Woodland Planting of 3000 saplings procured via Aberystwyth Student Offsetting Planting of Woodland Trust donated saplings we are unable to plant under F2 Form new partnerships to facilitate planting and timber supply chain collaboration.

F2	TREE PLANTING ON EXISTING LAND
Start Date: Started	Target: March 2021
Scope	<ul style="list-style-type: none"> Increased tree planting on sites already identified as suitable within existing estates and land Planting 2000 mixed saplings donated by the Woodland Trust in 2021

F3	STUDENT ACCOMMODATION OFFSETTING
Start Date: Started	Target: March 2021
Scope	<ul style="list-style-type: none"> Continue to offset our Aberystwyth student accommodation Phased plan for offsetting of all student accommodation Build into marketing and brand building activity

F4	NEW BUILD OFFSETTING
Start Date: Started	Target: March 2021
Scope	<ul style="list-style-type: none"> Agree commitment to tree/house planting ratio (e.g 5 trees for each new home – 50,000 over the decade) Cost and build into viabilities Form new partnerships to facilitate planting and timber supply chain collaboration.

MONITORING AND REVIEW

This strategy will evolve and iterate as we learn and deliver in the years ahead. We will respond to changes in the policy environment and reflect the latest scientific imperatives.

The strategy will be reviewed annually by the Pobl Group Executive Team and a report provided to our Board. We will share our progress, celebrating our journey to net zero and successes using our internal and external communication channels.

To inform that annual review we will be putting in place a series of measures:

- New KPIs to monitor progress.
- Our Sustainability reporting Initiative outputs – enabling benchmark with the wider UK Housing Sector and engagement with financial institutions.
- Refreshing our carbon footprint against the 2020 baseline.

This strategy responds to major challenges with real ambition and optimism. To deliver on that ambition decarbonisation must become our every day work.

Our planned investment in culture and skills recognises that all colleagues must be thinking about carbon, motivated and empowered to find new solutions and let go of carbon intensive ways of working.

WE WILL BE CARBON CUTTERS.

