

Sustainability Strategy 2026-2030



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Foreword

Since launching our last Environmental Strategy for 2021-2025, we have achieved great improvements in sustainability demonstrating our ambition to be leaders within the sector. We've taken widespread action to address the environmental challenges that we face. This has meant embedding sustainability into everything that we do; from improving the efficiency of our homes, planting more trees, to managing our supply chain and impact sustainably.

Moving into our Sustainability Strategy 2026-2030, we reflect on the progress that's been made, while recognising that to be a truly sustainable organisation there is more to be done.

As one of the UK's leading social housing providers, improving the sustainability of our homes and communities runs parallel to our commitment to care for our customers and the environment. Minimising our environmental impact and mitigating against the risks that climate change poses will be one of the greatest challenges that our sector faces in the next 30 years.

Sustainability and environmental efficiency underpin every new home we develop and this is not a new objective for us. Through our long-standing partnership with the Community Forest Trust, for instance, we plant trees for each of the new homes we build. We've also implemented a net zero hierarchy and reduced single-use plastic in construction by making use of modern methods of construction.

This latest strategy is ambitious. It takes a co-ordinated and proactive approach. The construction and operation of our new homes poses some of our most significant environmental impacts and we address this by ensuring all new build homes exceed the energy efficiency requirements under the UK Building Regulations.

We have committed that all our customers' homes will achieve the UK government's Minimum Energy Efficiency Standards by 2030 and we also fully support, and align with, the government's objective to transition to a net zero carbon economy by 2050.

As we currently own and manage around 40,000 homes across England, we also have a role to play in supporting that drive to achieve net zero. While working locally to increase the sustainability of our customers' homes, we are also involved at sector and government level. For instance, we're championing a sustainable zero carbon future for social housing through our collaborative and pioneering Greenoak Centre of Excellence.

Our approach to environmental sustainability ensures all our customers will benefit from more energy-efficient homes. Our retrofit programme delivers homes for customers that are more comfortable, safe and affordable and our customers have already told us what a difference this makes.

By taking a holistic approach that includes enhancing open spaces to encourage greater biodiversity, and empowering customers and colleagues to live more sustainably, we aim to create places and communities that our customers are proud to call home.



Jonathan Layzell
Chief Executive



Glossary

Biodiversity net gain (BNG)

A planning requirement that ensures development leaves the natural environment in a measurably better state than before. BNG involves creating or enhancing habitats so that biodiversity increases rather than declines.

Climate adaptation / climate resilience

Adaptation refers to actions taken to prepare homes, buildings, and communities for the impacts of climate change, such as increased flooding, overheating, storms, or drought. Climate resilience is the ability of homes and services to withstand, recover from, and continue operating during these climate related events.

Embodied carbon

The total carbon emissions associated with a material or object, often discussed in relation to the construction of a building. It includes the emissions related to extraction, manufacturing, transport, installation, maintenance and end of life disposal.

Energy Performance Certificate (EPC)

An Energy Performance Certificate provides an indication of how much it costs to provide heating, hot water and lighting to a building.

Fabric-first approach

A design and retrofit principle that prioritises improving the building's physical elements, such as insulation, windows, airtightness and ventilation, before adding new technologies. The aim is to reduce heat loss and energy demand and improve comfort.

Minimum Energy Efficiency Standards (MEES)

Government regulations that set the lowest acceptable energy performance for rented homes. MEES require that any property being let must meet at least the minimum Energy Performance Certificate (EPC) rating set by law.

Net zero

Net zero refers to the balance between the greenhouse gases produced and the amount removed from the atmosphere. Net zero is achieved when the amount added is no more than the amount taken away.

Operational carbon

The carbon emissions produced from running a building during its lifetime. This includes energy used for heating, hot water, lighting, ventilation and appliances.

Science-based targets

An emissions reduction target developed in line with the scale of reductions required to keep global warming below 2°C from pre-industrial levels.

Scope 1, 2 and 3 emissions

The Greenhouse Gas Protocol (GHG Protocol) has defined three scopes of emissions. The scopes correlate to who 'owns' those emissions and the level of control applicable to changing those emission levels. Scope 1 and 2 emissions relate to systems that are within reasonable control of an entity, such as onsite and purchased energy. Scope 3 emissions are from sources that are more external to a specific organisation, such as from the supply chain. For housing associations, this includes energy used within homes.

SHIFT (Sustainable Homes Index for Tomorrow)

An independent environmental accreditation, which monitors a housing association's environmental performance across all areas of the business. Ratings can be graded as Commended, Bronze, Silver, Gold or Platinum.

Standard Assessment Procedure (SAP) rating

A calculation of a building's energy use and energy cost per m² of floor area. This rating is used to produce an Energy Performance Certificate and is usually between 0 and 100; however, the rating can exceed 100 where renewable technologies are used. RDSAP refers to reduced data SAP used in existing homes.

Sustainable Development Goals (SDGs)

There are 17 interconnected goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. Working in global partnership, the SDGs aim to end poverty and inequality, improve health and education, drive economic growth, and protect the planet by tackling climate change and preserving natural environments.

Sustainable Development Goals



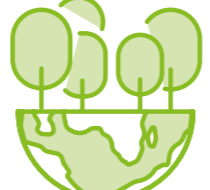
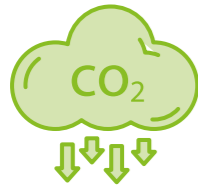
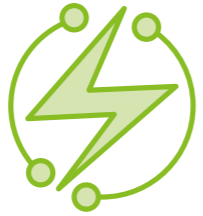



Introduction

At Stonewater, we believe that safe, affordable housing and environmental responsibility go hand in hand. We have gone a long way to achieve this and since launching our last strategy, we've made significant progress.

We have brought the percentage of our homes at Energy Performance Certificate (EPC) C or above to 81%, achieved our first SHIFT gold rating (and maintained it every year since), increased the number of new homes built to an EPC B or A to 98.5% in 2024/25 and reduced our carbon footprint by 24%. For our customers, this translates into warmer, more energy-efficient homes and greener communities. But there is more to do.

We recognise the importance of reducing our environmental impact by continuing to:

 <p>Empower customers to live sustainably</p>	 <p>Create healthy, efficient and future-proof homes with reduced reliance on fossil fuels</p>	 <p>Work with nature to address climate change</p>
 <p>Reduce our carbon footprint and operate sustainably</p>	 <p>Develop a sustainable, transparent supply chain</p>	 <p>Drive collaboration and innovation</p>

Our Sustainability Strategy for 2026-2030 encompasses these themes and, building on the strong foundations laid in our previous strategy, sets out an actionable roadmap for the next 5 years. We will continue to work towards a more sustainable future; one that protects the planet, supports people and strengthens place.



Stonewater's annual gardening competition.

Delivering for customers

Throughout this strategy, we will clearly show the positive impact our work will have on our customers.

Empower customers to live sustainably

The United Nations defines sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

For Stonewater, environmental sustainability means supporting all customers - regardless of tenure or property type - to benefit from more energy efficient homes, more sustainable services and generally live greener lives. We aim to meet current expectations without limiting future generations' ability to do the same.

Balancing decarbonisation with affordability is crucial. The UK Government defines fuel poverty as households with a low income, who live in a home rated below Energy Performance Certificate (EPC) Band C. However, we recognise that even those in efficient homes may struggle with energy costs so have decided to use an alternative definition: a household is fuel poor if they spend 10% or more of

their household income on energy costs. Using this definition, it is estimated that 6.1million households in the UK are living in fuel poverty.¹ To reduce this, our focus needs to be on affordable energy, lower consumption, education on efficient home management and access to green skills training.

Beyond affordability, we want customers to live in an environment that supports health and well-being: homes that are comfortable and well-ventilated, surrounded by biodiverse green spaces. Our approach is tailored to reflect the diversity of our customers and this reflects the Regulator of Social Housing's “Transparency, Influence, and Accountability Standard” - highlighting the importance of understanding individual needs - whether through varied communication methods or flexible service delivery. Inclusion is central to our sustainability work, and putting emphasis on meaningful customer engagement will help us listen, learn and improve our services.

¹ National Energy Action, April 2025.

Through delivering our Environmental Strategy 2021-2025, we have:

- Created an award-winning Energy Hub to share advice and guidance to customers.
- Our fuel engagement specialist has offered one-to-one support to more than 1,100 households facing high fuel bills and fuel poverty.
- Delivered innovative retrofit roadshows and created a suite of customer retrofit video diaries to support future retrofit communications.
- Launched our innovative Sustainable Futures training programme. Our first cohort of 10 customers graduated from the programme and have founded the Sustainable Futures Alumni group.
- Delivered campaigns for customers surrounding energy and water saving, recycling, reducing fly tipping, enhancing biodiversity and much more.

Our aims 2026-2030

- Reduce running costs of homes for customers, through the delivery of our retrofit programme.
- Provide an annual Sustainable Futures training course, sharing green skills, improving employability and achieving positive customer satisfaction scores (4/5 and above) for each course.
- Ensure information is accessible and sustainability programmes are inclusive, using data to offer a bespoke service and inform design and delivery.
- Enhance transparency on the sustainability of customers' homes and provide targeted, localised information to promote sustainable living through MyHome, while running at least three customer campaigns annually on energy-saving and green living, engaging 100% of customers passively and 35% actively.
- Achieve a year-on-year reduction in fly-tipping.
- Expand the knowledge of the wider Customer Experience team on energy efficiency and fuel engagement, enabling front line staff to better support customers.
- Consult with customers who live in homes where improving energy efficiency is difficult and, where feasible, incentivise them to move into more efficient properties.

I've expanded my knowledge and can commit to being part of changing how housing impacts our planet... I was left thinking how I could live more sustainably and support others to do the same.

Viv, Stonewater customer and Sustainable Futures graduate



Play equipment donated to a local school in Somerset.

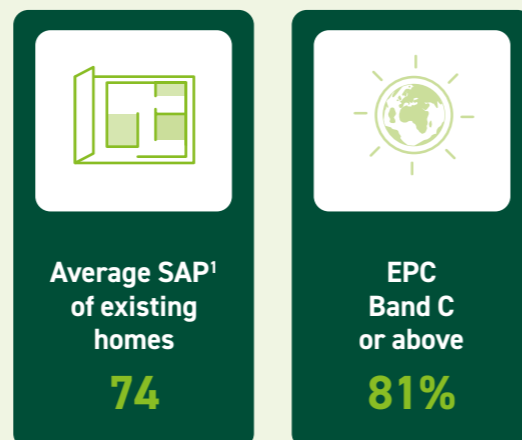


Create healthy, efficient and future-proof homes

Energy use within Stonewater homes contributed 37% to our total carbon footprint in 2024/25. Combined with our commitment to tackling fuel poverty, this makes improving energy efficiency across our homes a vital priority. Currently, our existing homes have an average SAP¹ rating of 74, with 81% achieving EPC Band C or above, exceeding the sector average².

Our new homes consistently outperform the requirements of Building Regulations. Since April 2021, we've taken a firm stance against approving new developments with gas, instead choosing low-carbon alternatives and integrating renewable technologies like solar photovoltaic panels (PV) across all homes. Table 1 highlights the performance of Stonewater's homes completed in 2024/25.

¹ RDSAP 9.94
² English Housing Survey, 2023-2024



New homes completed in 2024/25	
EPC	Percentage of Homes
Band A	29.4%
Band B	69.1%
Band C	1.5%

Table 1 Distribution of new homes by EPC Band in 2024/25



To guide future development, we've embedded an energy performance hierarchy into our Employer's Requirements for new homes. This framework sets out tiered performance standards - from bronze to Gold+.

The bronze standard represents our minimum accepted standard, which exceeds building regulations, is gas free and includes the installation of solar PV on all homes.

The Gold+ standard represents net zero operational emissions, where homes generate as much energy from renewable sources as they consume annually. The standard takes a fabric first approach and is based upon performance outcomes rather than specific technology to encourage innovation and allow supply chain partners to secure best value.

Stonewater also recognises that metrics for measuring energy performance within homes have limitations. Therefore, it is important that we shift towards measuring the actual in use performance of our homes to truly understand running costs for customers and environmental impact of our homes.

Our aims 2026–2030

Existing homes

- All homes will achieve Minimum Energy Efficiency Standards by 2030.
- Where it is not technically or financially viable to improve homes we will implement cost effective measures and align our approach with our disposal strategy.
- Plan and mobilise a decarbonisation programme to

- ensure homes achieve net zero by 2050.
- Reduce average communal gas consumption per home to support Scope 1 emissions reduction.
- Reduce average communal electricity consumption per home to support Scope 2 emissions reduction.
- Through our retrofit programme we will assess the overheating risk of properties and develop plans for mitigation.
- Specifications for kitchens and bathrooms will meet requirements to achieve maximum 125 litres per person per day for water usage.
- Install pre and post monitoring in a sample of homes undergoing retrofit to demonstrate impact.

New homes

- From April 2026 appraise all new scheme proposals against our Gold+ net zero standard to understand the funding gap from current standards.
- Innovate to identify opportunities to bridge the funding gap on net zero new homes.
- Water consumption in our new homes will be a maximum of 110 litres per person per day from April 2026.
- Environmental sensors will be incorporated into all new scheme proposals in line with Stonewater's Internet of Things (IoT) Strategy.
- Measure the embodied carbon of a sample of our schemes utilising different construction techniques to inform future specifications.
- Design homes to stay below 25°C in bedrooms and 27°C in living spaces during 98% of the summer period (April–September).

Delivering for customers

- Healthy, comfortable and affordable homes.
- Improved indoor and outdoor air quality.
- Reduced risk of condensation and mould.
- Protection from summer overheating and health risks.
- Accurate information on the energy performance and internal environment of homes through monitoring.

Reduce reliance on fossil fuels

A critical factor in achieving net zero is the supply of clean energy. In its Clean Power 2030 Action Plan, the UK Government has committed that by 2030, a typical weather year will see Great Britain generating at least 95% of electricity from clean sources. Finding ways to use locally generated clean energy can help cut supply costs and make us less dependent on the national infrastructure.

Stonewater manages over 1,600 electricity supplies which serve communal areas internally and externally including: lighting, street lighting, lifts, sewage treatment plants and communal electric vehicle charging. Stonewater already procures renewable electricity for these supplies.

Also central to Stonewater's decarbonisation is the transition away from natural gas for heating homes. As mentioned in the previous chapter, since April 2021 Stonewater no longer approves new developments with gas. Of our existing homes, 77% are heated by fossil fuels¹ including over 1,600 homes heated by communal gas systems.

We know that there are potential cost implications for customers when switching from fossil fuels, with electricity currently costing around four times as much as gas and these risks must be mitigated. We are confident that by utilising efficient electric heating technologies and improved fabric performance we can make sure the switch to clean fuels will remain affordable for our customers.

Our aims 2026–2030

- All new build homes will be heated by off-gas energy sources and will generate renewable energy.
- Develop a programme to remove gas from homes to support decarbonisation whilst ensuring heating remains affordable for customers.
- Complete an innovation project assessing different approaches to install low carbon heating within flats.
- Electricity contracts for communal areas will continue to be supplied from renewable sources.
- Explore options for local renewable energy sources through power purchase agreements or other methods.

Delivering for customers

- Affordable homes where bills don't increase as we move away from fossil fuels.
- Warmer and more comfortable homes with better control of heating.
- Improved air quality which will benefit health.
- Long-term energy security thanks to local, renewable energy that doesn't rely on international markets.



¹ Natural gas, LPG, oil and solid fuel

Work with nature to address climate change

Our vision for nature recovery: To deliver a programme across our estates, creating places where nature and our communities can reconnect, and wildlife can thrive.

Biodiversity loss in the UK - caused largely by human activity - is a serious issue that threatens the overall resilience of the environment around us. A healthy biodiverse environment provides clean air, water, food and spaces where wildlife and people can thrive. Tackling this loss is vital for long-term sustainability and our collective well-being.

Changes to landscapes, urbanisation and the way in which land and water is managed has intensified the impact of extreme weather events. The Committee on Climate Change reported¹ that 6.3million homes in England are currently at risk of flooding. Stonewater has mapped flood risk to all homes and is proactively seeking solutions for high-risk homes. Our focus is on broader community-based initiatives, maximising nature-based solutions wherever possible.

Stonewater manages 40,000 homes and 339 hectares of communal land, giving us a unique opportunity to support biodiversity. By designing with both people and nature in mind, we can create sustainable places where communities and the environment flourish together.

Our approach to nature recovery

To achieve this, **Stonewater's Nature Recovery Framework** sets out the actions we will take to assess, protect and enhance biodiversity across all our homes. It ensures that we comply with environmental laws (and adapt to new ones) at all levels by protecting habitats, endangered species and ensuring our developments don't harm ecosystems.

The UK Government's Nature Recovery Network (NRN), part of the Environment Act 2021, aims to reverse biodiversity loss and restore habitats. It supports goals around biodiversity, climate change and wellbeing by creating larger, richer and better-connected natural spaces.

Our nature recovery efforts align with NRN's framework, helping us build sustainable, impactful initiatives that support both communities and the environment.



Local children encouraging wildlife.

Our aims 2026-2030

- Work with our grounds maintenance contractors to establish clear biodiversity standards for the way we manage land.
- Increase and enhance biodiversity on existing schemes and reconnect fragmented habitats. We will trial our nature recovery project delivery model through a pilot project in Southwest England.
- Work in collaboration with customers, engaging them in projects and centring their needs, and collaborate with the sector by leading the Biodiversity in Housing network.
- Review the way we maintain our land, setting standards for monitoring and management of our estates.
- Create wildlife rich habitats on new developments including delivering a minimum of 10% Biodiversity Net Gain (BNG) (higher if stated in the local authorities Local Plan).
- Work with colleagues from across the business on training for BNG including Customer Experience, Development and Homes Colleagues.
- Build climate resilient communities by planting trees and shrubs.
- Deliver a plan for all homes at high-risk of flooding as well as the provision of nature-based solutions in response to environmental risks.
- Respond to local water quality and planning pressures by identifying mitigation strategies.

Delivering for customers

- Improved mental and physical health through access to nature, including community gardens, communal green spaces and wildlife corridors.
- Better community cohesion.
- Reduced flood risk and climate change mitigation.

¹ Progress in adapting to climate change 2025 Report to Parliament



A colleague joins our tree planting day in Marston Vale, Bedfordshire.

Reduce our carbon footprint

Introduction

Stonewater is committed to supporting the UK Government's plans to achieve net zero carbon emissions by 2050. The main objective of the Paris Agreement which came into force in 2016 is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

From a 2021-22 baseline of 192,315 tCO2e Stonewater has to date reduced carbon emissions by 23%. Stonewater significantly reduced the carbon footprint of offices and business travel by 63% and 65% respectively compared to a 2019 baseline. Emissions from homeworking are accounted for within Stonewater's Scope 3 emissions.

Carbon emissions tCO2e	
2021-22	2024-25
192,315	148,581

Table 2 Comparison of emissions from 2021/22 and 2024/25

Stonewater's Scope 1 and 2 emissions are predominantly comprised of:

- Scope 1:**
 - Fuel combustion from communal gas boilers
 - Emissions from company vehicles
- Scope 2:**
 - Purchased electricity

Stonewater uses a location-based methodology for reporting emissions. Therefore, whilst Stonewater procures 100% renewable electricity, reported emissions are based upon the average grid intensity. We have chosen this methodology to ensure transparency and maintain focus on driving reduction in energy consumption.

2021-22 Emissions breakdown

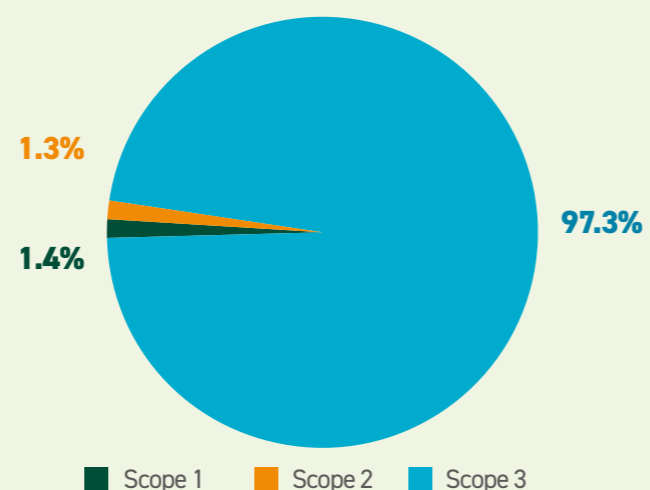


Figure 1 Breakdown of Stonewater emissions by scope

Stonewater's Scope 3 emissions account for 97% of Stonewater's overall carbon footprint. Stonewater currently reports scope 3 emissions under the following categories:

- Scope 3:**
 - Homes
 - Capital expenditure (CAPEX)
 - Goods and services
 - Business mileage
 - Waste
 - Water
 - Hotel stays
 - Homeworking

Due to the nature of the organisation, the majority of emissions are generated through the construction and maintenance of homes, followed by the emissions produced by the homes through their occupation. Figure 1 illustrates the breakdown of Stonewater's Scope 3 emission in our baseline year.

The emissions from Stonewater's homes are based upon regulated energy consumption calculated within reduced data Standard Assessment Procedure (RDSAP), used to produce EPC ratings. This energy consumption is then converted to emissions using annual conversion factors, rather than those produced by RDSAP. Similarly, business mileage is based upon recorded miles travelled from expenses claims and a conversion factor is applied using data from the Department for environment, farming and rural affairs (DEFRA).

It is much more challenging to calculate the emissions from other areas, such as capital expenditure and goods and services, due to the complexity of our supply chains and a lack of visibility of data. This is an area that Stonewater is committed to improving during the life of this strategy. Currently Stonewater's emissions for these categories are based upon the level of spend within each with a conversion factor applied.

Our aims 2026–2030

- Remain on track to achieve net zero by 2050.
- Reduce emissions in our homes through the delivery of our retrofit programme.
- Achieve an annual reduction in Scope 3 emissions per home managed.
- Reduce the carbon emissions of business travel through encouraging use of public transport and electric vehicles.
- Improve reporting and traceability of emissions in high impact areas, including construction and maintenance of homes, data and IT infrastructure.

Delivering for customers

- Saving energy within a customer's home will inherently save money.
- Greater carbon transparency within Stonewater supply chains will help identify inefficiencies and help save money which can then be used to support our customers.
- Carbon emissions are responsible for global warming - a warmer planet has significant implications for the future health and wellbeing of Stonewater customers.

Our Elm Fields Farm development, Coventry.



Operate sustainably

Stonewater's offices and corporate operations play a meaningful role in our overall carbon footprint, and it's essential that we actively monitor and reduce their impact.

This includes everything from the energy used in our buildings and the way we travel for work, to the materials we consume and the services we rely on day-to-day. Reducing emissions from our corporate activities not only supports our wider sustainability goals, but also sets a strong example for our partners, customers and the communities we work within.

Offices

Since 2020 Stonewater has operated a remote working model, using hub offices for collaborative working, which has benefited our carbon emissions.

In 2024/25 Stonewater's office carbon footprint from energy use was 24.69 tonnes CO₂e with an intensity of 26.18kgCO₂e /m². This is compared to 123 tonnes CO₂e with an intensity of 38.62kgCO₂e/m² in 2019-20 (38.6kg/m²), as illustrated in Figure 2.

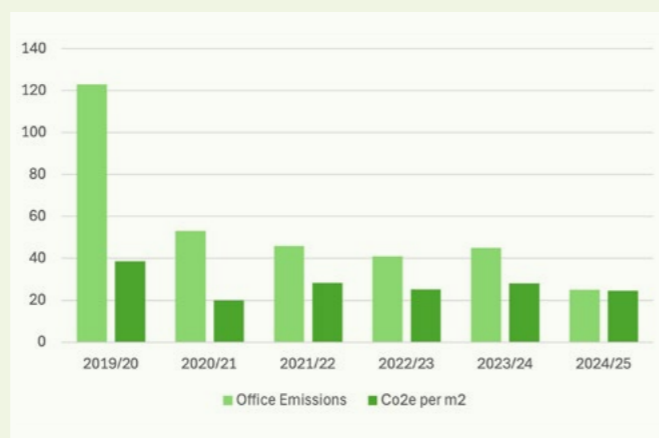


Figure 2 Stonewater office emissions by year



Business travel

Whilst new ways of working have significantly reduced travel and face to face transactional meetings, it is still important that Stonewater maintains a presence in the communities in which we serve. It is also important that colleagues are able to connect with one another and key stakeholders to collaborate and solve complex problems. In 2024/25, Stonewater's carbon footprint from business mileage was 313.81 tonnes CO₂e or 10.12kgCO₂e per home managed. It is important that we minimise the environmental impact of necessary travel.

Data and IT

Moving to a more remote working model has its environmental benefits, but increased use of technology has its own impact. Understanding the emissions generated by our IT systems and data storage is key. The use of Artificial Intelligence (AI) has the potential to significantly increase the emissions created by our IT systems. We are committed to better understanding our IT footprint and designing systems and infrastructure in a way to minimise our environmental impact.

Colleague training

To further embed sustainability into all areas of Stonewater operations, we will deliver a colleague training plan alongside the launch of the Sustainability Strategy. This will ensure that colleagues are engaged, developed and equipped to deliver, in line with Stonewater's People Strategy. This will be a top-down approach with our Board and Chief Officer Group undertaking sustainability-related training and then cascading down into each directorate and team. Bespoke training plans will be created to suit the needs of each team and help them to take on the responsibility of ensuring their operations don't negatively impact the planet.

Our aims 2026–2030

- Adopt sustainable specifications for any office alterations to reduce energy consumption.
- Maintain a robust waste management policy for corporate buildings.
- Incentivise the use of electric vehicles, in line with Stonewater's Reward Strategy to reduce the carbon intensity of our business mileage.
- Report the carbon footprint of our data centres based upon actual energy consumption.
- Review the specifications of IT equipment to reduce the environmental impact.
- In line with the Sustainability Strategy, deliver a colleague training plan across the whole business and embed this in our induction process so Stonewater colleagues present and future know how their work can have a positive impact on the planet.

Delivering for customers

- Using resources efficiently from a corporate perspective will minimise costs to the organisation. This will mean that financial resource can be focussed on maintaining and building homes and developing more sustainable communities for customers.
- Finding ways to travel that produce lower emissions will mean we can still offer a physical presence in our communities.

Develop a sustainable, transparent supply chain

In 2024/25 Stonewater spent over £373 million with suppliers. Carbon emissions from Stonewater's supply chain accounts for 57% of our overall carbon footprint.

Linked to this are the materials used and waste created through the construction and maintenance of Stonewater's homes. This provides a significant opportunity for Stonewater to improve environmental performance and have a positive influence on supply chain partners and the sector in general. We also recognise that many housing associations utilise similar supply chains and there is a greater need for collaboration to standardise approaches and improve reporting on the impact of constructing and maintaining homes.

Stonewater launched its first Sustainable Procurement Policy in 2021. Stonewater have processes in place to assess the environmental performance of key suppliers and ensure that sustainability and social value are considered in all tender exercises.



Working with our contractors on our shared aims.

Delivering for customers

- Encouraging investment in local areas through the procurement of services and materials, resulting in a more personalised service.
- Heightening direct prospects for training, skills and job opportunities from our supply chain.
- More accurately identify and match opportunities for our customers to meet their needs.
- Providing additional opportunities to target and support small/ voluntary organisations located in Stonewater communities to support entrepreneurial spirit and growth.

Our aims 2026–2030

- Encourage collaboration across Stonewater's supply chain and the sector.
- Undertake whole lifecycle costing of typical house components and construction methods of new homes.
- Undertake whole lifecycle costing of key maintenance components for existing homes by 2027.
- Adopt sustainable specifications based upon whole lifecycle costing from 2027.
- Ensure consistent reporting across Stonewater's supply chain to obtain their Scope 1 and 2 emissions annually, starting with the highest impact contracts.
- Incorporate a waste management process into Employer's Requirements for new homes.
- Maintain a waste management policy and waste hierarchy achieving 80% waste diverted from landfill across offices by 2030.
- Undertake a waste monitoring project across new and existing homes and identify opportunities to reduce non-recyclable waste.

Be accountable for our performance

At Stonewater, we use an Environmental Management System to monitor and report on our environmental performance and keep us on track with achieving the aims set out in each section of this strategy. We recognise that we will not achieve our ambitions without tracking our performance and communicating the results. It is also vital to identify present and future climate risks that both the business and our customers could experience.

In reporting our performance, we also aim to inspire others to collaborate with us and reduce their own environmental impact. Reporting provides us with a chance to show what we are doing to have a positive impact on our customers, colleagues and the planet. Through our annual SHIFT assessment and Environmental, Social and Governance (ESG) report, we are continuing to measure and monitor our environmental performance.

Since our last strategy we have:

- Achieved SHIFT Gold rating and maintained this for the past three years, continuously improving our overall performance.
- Published four annual ESG reports following the Sustainable Reporting Standard for Social Housing (SRS).
- Established Sustainability Linked Loans (SLLs) as part of our debt portfolio. These facilities include a reduction in the interest rate margin payable if agreed ESG Key Performance Indicators (KPIs) are met.
- Enhanced our measurement and reporting of carbon emissions across all 3 scopes, which we report annually through our ESG report.
- Undertaken a materiality assessment with lenders, suppliers, customers and colleagues to gain a better understanding of how our stakeholders rank sustainable initiatives.

Our aims 2026-2030

- Maintain our SHIFT Gold accreditation and continuously improve our overall score each year.
- Publish a carbon reduction plan continuing to work towards net zero by 2050, providing annual performance updates.
- Benchmark our annual sustainability performance through our SLLs and annual reports.
- Through our Sustainable Procurement Policy, we will be able to gather more accurate carbon emissions and environmental data from our suppliers.
- Continue to encourage our suppliers to minimise their own impact on the environment and provide social value for our customers.
- Explore other standards of reporting to increase transparency and ensure we are aware of all potential ESG risks and opportunities.
- Ensure we are aligned with the Treasury Strategy and encourage the use of ESG KPIs with lenders.



Delivering for customers

- Achieving our KPIs in our SLLs creates value for money, allowing us to spend more on services for our customers.
- Our approach to sustainable procurement means that more social value will be provided by our partners to our customers and the communities they live in.
- Undertaking SHIFT assessments each year ensures we are focusing on all areas of environmental impact, including providing advice on energy efficiency to our customers.



Drive collaboration and innovation

Greenoak Centre of Excellence

The Greenoak Centre of Excellence (GCoE) is a collaborative thought leadership initiative, aiming to identify and highlight the most effective routes for the housing sector to achieve a zero-carbon future. The Centre of Excellence will invite discussion on strategic, technical, and other pressing issues with partners, stakeholders, and fellow housing associations. We will highlight exemplar projects within the sector, publish findings from our own research, and contribute to the debate about the quickest, most effective routes to net zero.

By ensuring we investigate what works and what doesn't in our own projects and engaging and learning from others in the sector, we can uncover the best practices and sustainable measures that really work for our customers, our businesses, and our planet.

Learning and sharing

The GCoE is ready to continue expanding and developing over the next five years, sharing updates on the successes that come from this strategy. GCoE aims to capture and evaluate the learning from Stonewater's innovative projects and initiatives and share lessons learned through case studies, articles and events. GCoE will host topic-based networking groups and events to encourage debate and learning in the housing sector and will also identify issues requiring further, in depth study and engage with industry experts and academics.

Aims for 2026–2030

- Hold one in-person event per year to engage with the wider housing sector.
- Host at least two virtual webinars / roundtable discussions to share learning, problem-solve collaboratively and facilitate discussion on Government consultations.
- Produce publications once a quarter and develop a suite of case studies and articles available through our website.
- Develop an internal environmental training and climate awareness programme.
- Work with colleagues across Stonewater to maximize the learning from projects and share outcomes with stakeholders in the sector.



Delivering for customers

GCoE will ensure that our customers are engaged and heard by making their priorities and feedback central to research, case studies and publications. We will:

- Support customer engagement on retrofit and other sustainability initiatives.
- Feedback learning from customers to improve future projects and services.
- Work with the Sustainable Futures Alumni group to discuss sustainability issues from a customer perspective.

Governance

Stonewater has undertaken a double materiality assessment as part of the development of this strategy.

We have considered the impact Stonewater has on climate change, as well as how aspects of climate change will affect Stonewater. This assessment covered environmental, social and governance topics. Undertaking a materiality assessment has allowed us to align our priorities with customers, colleagues and contractors, ensuring we can have a positive impact on the environment and achieve our goal of net zero.

The success of this strategy will be monitored by Stonewater's Chief Officer Group (COG), who will receive quarterly progress reports detailing key actions and milestones. The CEO and members of COG hold overall responsibility for this strategy and are accountable for its management. To ensure robust governance and alignment, Stonewater's Board will receive an annual report offering high-level oversight and strategic direction.

In addition, the Homes and Development Panel and Finance Panel will be kept informed through quarterly updates, supporting transparency and cross-organisational awareness.

Our Operational Delivery Group (ODG) will function as the steering group for sustainability, receiving quarterly reviews to ensure actions are owned and undertaken. This will ensure the initiatives in the strategy are communicated and embedded across the organisation.

Further information on our Environmental Management System and how we will track and share our progress against this strategy can be found in the 'Be accountable for our performance' section.

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