

Our impact through an ESG lens

During 2021 we completed an impact review, designed to assess our practices and investments through an ESG lens. Its objective was to reflect on what we do and believe, and to make sure that those attitudes were embedded across the business. The outputs helped us to better understand ourselves and our borrowers and identified some immediate areas for improvement.

Summary of our progress and actions towards ESG goals:

Environment

SASC: commit to a carbon audit of the firm

Borrowers: bring screening of environmental practice into due diligence

Housing: assess regulatory landscape around carbon emissions in housing to make sure that our housing investments are at or above standard

Housing: develop networks to support our borrowers with current and future retrofit requirements

Governance

SASC: full staff survey to understand who we are, led by an EDI specialist company

SASC: CQ training for senior team members. Other EDI training planned for all staff

Social

SASC: training, studying and volunteering policies reviewed or written

Borrowers: screen for pay gaps and living wage pay policies

Investors: agree investor principles for fundraising

Impact Measurement

SASC: creation of the ESG matrix to crystalise our views as a firm and create a task list

SASC: develop our software to help scale SASC's work for better impact analysis

Borrowers: move SASC to a more aggregated impact data collection approach with a focus on simplifying and reducing the reporting burden on borrowers

Borrowers: introduce an online reporting system

The use of an ESG framework in our impact review highlighted, that while our work in housing is clearly Social (ie ‘S’), we also need to ensure we were intentional in our commitment to ‘E’ and ‘G’.

The exercise began in spring 2021 and lasted a year. An Impact Working Group that included members of the Board steered the project, but it was a whole team effort. All staff and committee members given the opportunity to contribute at each stage, ensuring everyone’s ideas were captured as we agreed our priorities. It challenged us to look at how we run our company, the work that we do and each external relationship, all through an impact lens.

We think of our impact as the result of what we do that is different to what might have happened otherwise – SASC aims to be additional in its role as a social investor. This means we design and offer financial support that is not available from mainstream providers of finance.

We used an ESG framework to assess each layer of our work as it offers a familiar way to look at an organisations structures and behaviours.

The result is a grid that distils our beliefs and motivations, and provides a to-do list that we will use to measure our progress.

We will continue to report to the Board on our progress, and provide updates in subsequent impact reports.

Reaffirming the E, S and G in our work

We launched our housing fund, Social and Sustainable Housing (SASH), in 2019. In 2021, we began our first full-scale review of the fund. It was important not just to analyse progress but to understand how SASH II, the follow-on fund set to be launched this year, could be refined and improved.

The impact review’s use of an ESG framework made clear that while SASH is fundamentally a social (S) fund, we needed to ensure that the fund was also focussed and committed to the E and G.

In particular, as part of our overall commitment to a just transition to Net Zero, and as the country struggles with a cost-of-living crisis, we need to make sure that the housing being offered to vulnerable individuals was at or above acceptable levels of environmental performance in order to alleviate fuel poverty.

89% of all properties are already EPC D or above. Our second SASH fund will include clear commitments regarding the environmental footprint of the housing we fund, and we will be working with existing borrowers to support them to address the issue.

[Click here to review the ESG framework that captures our principles, behaviours and impact](#)