

SASC in 2021

Getting set for greater impact

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](#)

SASC team insights - EDI, culture and pay

SASC is committed to being an open, diverse and inclusive employer.

Given the SASC team doubled in size in 2021, a major part of the ESG impact review was to make sure that Equity, Diversity and Inclusion practices were fully embedded in our culture as the team grew.

New staff were added across all parts of our organisation - origination, investment, portfolio management, finance and legal, each of which works with our borrowers and investors at different times. While our expansion was aimed at boosting SASC's capabilities and capacity to meet the future needs of the firm, we wanted to ensure we continued to embrace our commitment as an employer to openness, diversity and inclusivity.

Given this, the ESG impact review included a full team survey, to understand who we are and to inform our strategy for developing SASC's culture as we grow.

The survey was complemented by a wider review led by a specialist consultancy firm, and was focused on building culture through diversity, inclusion and shared values.

Our focus on EDI is reflected in several ways - how we work with our clients; at board level, where it is given specific consideration; and our team, where a senior leader is responsible for best practice across the organisation. Going forward we will be building diversity training into our wider training schedule for staff.

How do you describe your gender?

Men Women Prefer not to say

Total



Team



Board/Investment Committee



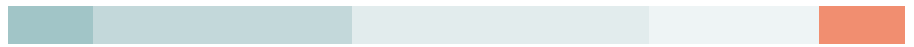
What is your age?

16-24 25-39 40-54 55+ Prefer not to say

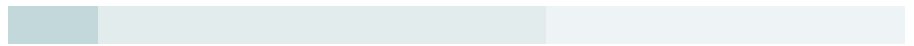
Total



Team



Board/Investment Committee



Do you identify as being from an underrepresented ethnic group?

No Yes Prefer not to say

Total



Team



Board/Investment Committee



Do you identify as having either a visible and/or non visible disability?

No Yes Prefer not to say

Total



Team



Board/Investment Committee



SASC culture

We asked the team about our culture, leadership and attitudes to diversity.

All staff were asked to describe SASC by choosing from a list of positive and negative adjectives. The word chosen most frequently was **friendly**, followed by **creative** and **empathetic**. Only one of the 20 most frequently chosen adjectives was negative, **long hours**, ranking at no. 18.

An overwhelming majority of staff felt they were respected at work (91%), that senior leaders were role models for SASC’s values (81%) and that their contribution was valued and recognised (80%) and important to the future of SASC (87%).

Areas for improvement:

- long hours were identified as a barrier to optimum work/life balance
- internal communication could be improved both at team and individual/manager level
- more focus is needed on career development and training as we grow

SASC pay ratio and analysis

Fair pay is an important part of SASC’s commitment to equality in the workplace. To ensure we are adhering to this commitment we carried out a pay analysis of the firm as part of the ESG impact review – the outputs are described below.

Our analysis identified gaps in pay across both gender and ethnicity. We plan to address this by maintaining our commitment to ethnic mix and gender balance as the firm grows.

We recognise there should not be pay gaps, therefore it was imperative for us to understand the cause of these gaps. Whilst we are aware that in an organisation of 20 people small changes in personnel can result in big changes to these summary statistics, we are committed to reducing pay gaps.

Staff were asked to describe SASC by choosing from a list of positive and negative adjectives

friendly
 creative
 empathetic
 long hours

While the gender balance across our staff cohort is 55% men and 45% women, this is not reflected at all levels of the organisation. We continue to take steps and set goals to improve our gender balance across the organisation within the next 12 months as part of our EDI strategy.

This is the first year we are reporting staff gender, pay gap and ethnicity statistics and will report changes year on year going forward.

Our overarching aim is to ensure an inclusive environment, where diversity is celebrated, and an evolving culture allows all to thrive. Some practical actions to achieve this include enhancing our recruitment processes to attract the broadest community of candidates possible; continuing to accommodate those with caring responsibilities; offering access to wellbeing services for our staff and providing suitable hybrid working arrangements.

Average pay gaps

Pay gaps	Gender	Ethnicity
Mean*	15.7%	12.0%
Median**	29.0%	16.4%

Staff ethnicity

Legend: White (light blue), Mixed ethnic group (dark blue)

Director and above



Manager and below



Breakdown of total employees (20)



Staff gender

Legend: Men (light blue), Women (dark blue)

Director and above



Manager and below



Breakdown of total employees (20)



Highest to lowest staff pay ratio

2.5:1

* A mean pay gap measures the difference between the average annual salary of one group against another.

** The median pay gap measures the difference between the pay of the middle member of one group against the middle member of another group, when ordered in an ascending list of pay.