

19 July 2023

Becoming an Adopter or a Supporter

Seminar 1

An ESG Reporting Standard for Australian
Community Housing



RITTERWALD

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Acknowledgement of Country

SGS Planning and Economics acknowledges the First Nations Peoples of Australia and on whose Country we live and work.

SGS Planning and Economics acknowledges that the Aboriginal and Torres Strait Islander peoples of Australia are one of the oldest continuing living cultures on Earth, have one of the oldest continuing land tenure systems in the World, and have one of the oldest continuing land use planning and management systems in the World.

We pay our respects to the First Nations Peoples, past and present, and acknowledge their stewardship of Country over thousands of years.

Agenda

1 Welcome and AOC

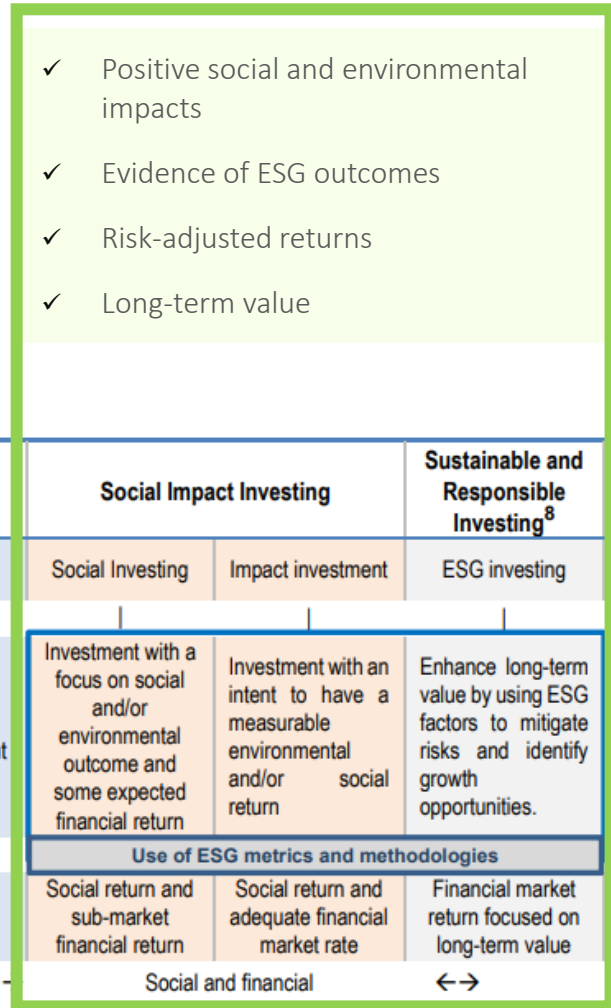
2 ESG: the 'Why' and the 'What'

3 Getting started

4 What's next

ESG reporting standard for Australian community housing

1. Highlights the materiality and sustainability issues of highest importance to the sector
2. Offers clearer guidance on what and how to report
3. Reduces risk of reporting variation within the sector; boilerplate disclosures
4. Builds a community of practice (including alignment with other jurisdictions)
5. Enables a consistent sector narrative to communicate its ESG credentials and address stakeholder concerns



Source: OECD (2020)

Current: Implementation steps

- ✓ *Launch March 2023*
- ✓ *Implementation Plan*
- ✓ *Steering Committee established*
- Sector uptake and capacity building
- 2023/24 Annual Review: to be published in July 2024

Australian ESG Reporting Standard for Community Housing Implementation Steering Committee



Future: The ESG ambition

From short to longer term:

- Streamlined and up-to-date sector standard reporting
- Improved measurement of outcomes
- Attracting sustainable finance
- Sector value creation:
 - ✗ Reduces: admin costs, legal, regulatory risk
 - ✓ Raises: growth prospects, productivity
- ESG performance management and communicating sector value

Tune in to: Seminar 2 Benefits of ESG Disclosure

Recap: Structure of the debut Reporting Standard

- 41 criteria, 12 themes
- Core (27) and enhanced (14)
- Voluntary → Recommended
- Self-certifying → Independent verification

<https://www.communityhousing.com.au/environmental-social-and-governance-esg-reporting-standard/>

Dimension	Theme	No. criteria	Description
Environment	Climate change	7	Scope of greenhouse gas emissions, energy efficiency actions, climate risk mitigation, energy management guidance for residents
	Ecology	2	Green space, biodiversity and pollutant management
	Resource management	3	Sustainable sourcing of materials; waste and water management
Social	Affordability and security	5	Mix of new and existing properties, tenant support and education for energy bill management
	Building safety and quality	2	Safety checks, fire risk assessment
	Resident voice	3	Resident satisfaction, complaints handling
	Resident support	1	Wider resident support services and impact on quality of life
	Placemaking	1	CHO engagement with placemaking activities
Governance	Corporate and governance	2	Code of governance, regulatory findings
	Board and trustees	8	Performance of the Board, turnover, risk management approach
	Staff wellbeing	6	Conditions of employment, gender pay gap, employee support, RAP
	Supply chain	1	Responsible procurement

What it involves

As an Adopter...

- *For housing providers:* Commits to annual reporting against all Core criteria of the Standard (and preferably Enhanced) and to publicly disclosing their report on their website.
- *For lenders and investors:* Commits to integrating the Standard into their investment and credit policies, processes, and/or product design.

As a Supporter...

- A Supporter commits to promoting the adoption and implementation of the Standard.
- Collaborates with CHIA to raise awareness of the Standard's value. This may be through events, newsletter communications and/or social media channels.

Your journey as an Adopter

1. Sign up here: <https://www.communityhousing.com.au/esg-adopter-sign-up/>
2. **Review the Standard:** What is already reported? Where does that data sit? How will you access it? What resources will this require?
3. **Set your goals:** Adopter or Supporter? What is your organisation's ESG ambition and action plan?
4. **Educate your stakeholders:** Who is your ESG lead? What needs to be communicated to management and Board? What processes can be set in place today?
5. **Attend seminars and briefings:** To be published on CHIA website. 12 seminars (open to all) + 15 briefings (Adopters and Supporter focused)
6. **Take initial steps to improve ESG data management:** Map the gaps, plan for future need
7. **Participate in the Adopter and Supporter community of practice:** SGS and RITTERWALD will work with Adopters and Supporters throughout implementation. This will include opportunities to share knowledge during briefings / other forums in preparation for the first Annual Review.
8. **Communicate:** Publish your 2023/24 Annual ESG Report!

Frequently asked questions

1. Is reporting against the ESG Standard compulsory?
2. Can we Adopt the Standard if we cannot report on some criteria in Year 1?
3. Will we be rated on our ESG performance?

The ESG Reporting Standard, sign-up forms and additional FAQs can be accessed here:

<https://www.communityhousing.com.au/environmental-social-and-governance-esg-reporting-standard/>

Case Study:

UK SRS for Social Housing: 2nd Annual Review

- **Adopter growth:** 68 to 94 UK housing providers, June 2022-23
- **Supporters:** 36 funders, including all major banks and investors involved in UK social housing

Greater ease of collaboration between funders and housing providers

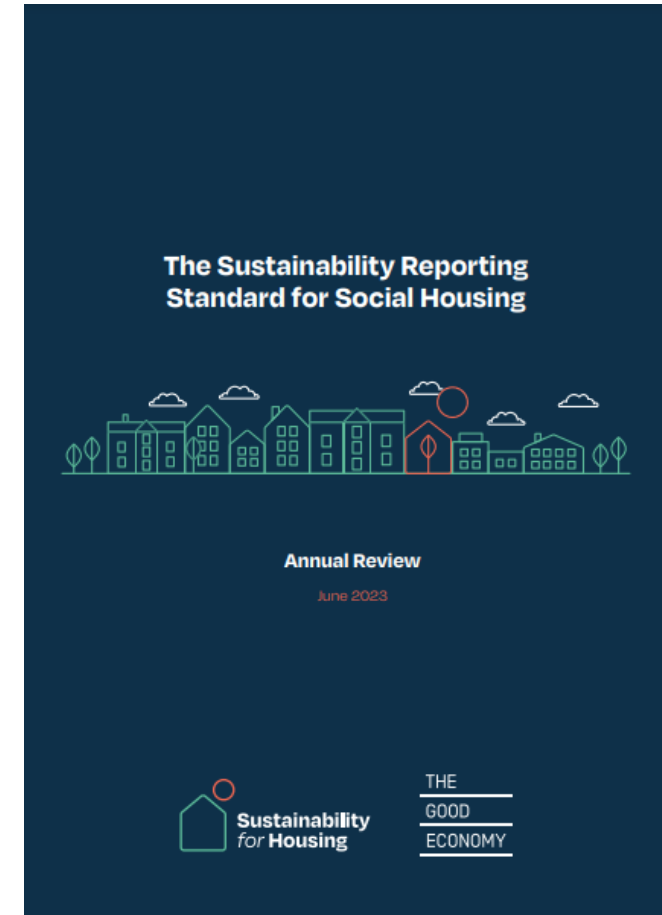
90% of survey respondents said reporting resulted in provision of better, more useful info to assess ESG performance

Reporting gets easier

84% of housing providers that previously reported against the SRS said they found it easier this time

Access to ESG-linked finance

1 in 3 survey respondents reported the SRS helped them to obtain ESG-linked finance

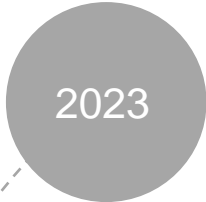


Access it [here](#).

Evolution of ESG integration

Start-up

- Steering Committee & Governance approach
- Promotion and education
- Sign on Adopters, Supporters
- Towards Year 1 Annual Report
- Voluntary
- Self-certifying



Scale up

- Grow Adopter, Supporter base
- Promotion and education
- Voluntary
- Self-certifying



Growth phase

- Grow Adopter, Supporter base
- Steps to transition from voluntary to recommended reporting
- Approach to independent verification
- Continuous improvement



Transformational

- Inter-sectoral alignment on ESG matters
- Greater institutional investment
- Proof of long-term value creation
- Continuous improvement
- Alignment with global frameworks



Interested in finding out more?

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Thank you for attending this introductory seminar.

Subsequent seminars will delve into:

- Benefits of ESG reporting
- ESG data management
- The ESG context in Australia and overseas
- And more.

