



Net Zero and Climate Change Strategy

2025-2030



Hillcrest



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Foreword

At Hillcrest we are proud to be helping lead Scotland's transition to a low-carbon future. As one of the country's largest providers of social housing and care services, we're in a unique position to make a real difference, not only in response to the climate and nature emergency, but by improving the lives of the people and communities we work with every day.

This Strategy is being introduced at a time when many are facing significant pressures, from rising living costs to growing uncertainty about the future and increasing demands on our communities and natural resources. For this reason, we are taking decisive action. We are committed to making homes more energy efficient, helping to reduce bills, and improving wellbeing, whilst also safeguarding the planet for future generations.

The challenges of climate change, poverty, and health inequality are deeply connected and tackling them takes leadership,

collaboration and long-term thinking. We know we cannot do it alone. Sustained investment and clear national standards are essential, and continued support from the Scottish Government will help ensure our efforts have lasting impact.

This is not just about cutting emissions, it is about building communities that are resilient, inclusive, and ready for the future. This Strategy places people at the heart of the transition. By working closely with tenants, staff, stakeholders, and local partners, we can shape solutions that deliver both environmental progress and lasting social impact.

Together, we can create a healthier, more sustainable, and resilient future for all.

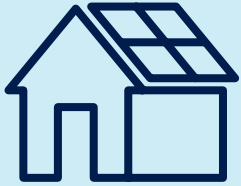
Dave Boyle
Chairperson

John Alexander
Chief Executive

Executive Summary

We will become a net zero organisation by 2045 at the latest.

To support this, by 2030 we will make these changes:



We will develop a retrofit standard that prioritises tenants' needs and meets Scottish Government efficiency standards.



We will switch our utilities to green energy tariffs.



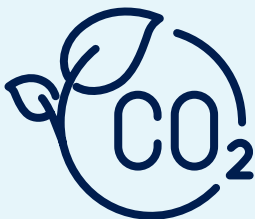
All our new-build developments will be nature positive.



All staff will have access to sustainability training.



All our non-domestic buildings will have an EPC Improvement Plan.



We will set targets for emissions reduction on our highest emitting contracts.



We will create a fleet decarbonisation roadmap.



We will develop a Sustainability Impact Assessment process to be completed alongside all major decisions.

This Strategy outlines our approach across five key themes:

1 Homes & Buildings

Improving energy efficiency, retrofitting existing stock, and ensuring new developments meet low-carbon standards.

2 Travel

Decarbonising our fleet, expanding EV infrastructure, and promoting active travel.

3 Resource Management

Minimising waste, improving water efficiency, and embedding sustainable procurement practices.

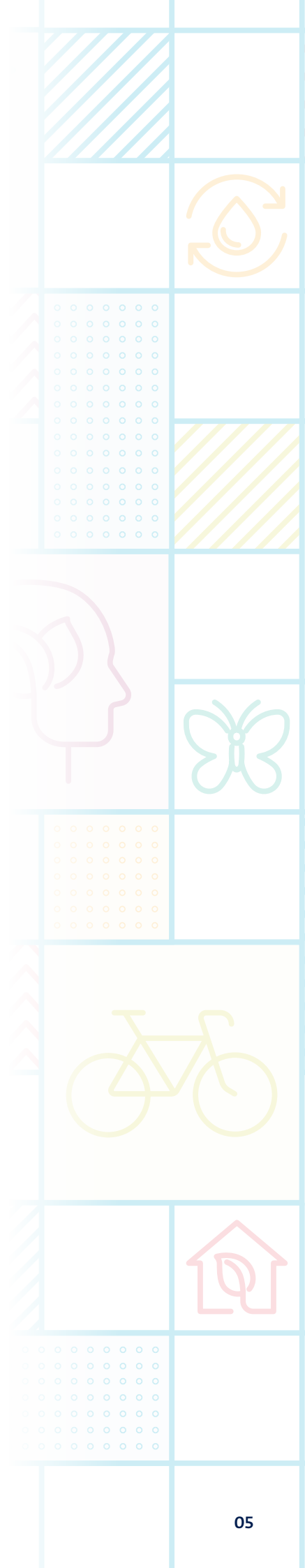
4 Climate Resilience

Preparing our homes and communities for extreme weather and enhancing biodiversity.

5 Engagement & Upskilling

Supporting tenants, staff, and stakeholders with the skills and knowledge needed for a just transition.

Together, these themes form a comprehensive framework for achieving our net zero and climate resilience goals while delivering lasting social value.





Our Approach

Net zero means balancing the amount of greenhouse gases we emit with the amount we remove from the atmosphere.

Achieving net zero is essential in the fight against climate change, and it requires action across every part of society, including housing. At Hillcrest, we understand that the homes we provide, the services we deliver, and the way we operate all contribute to our carbon footprint.

The need for action is urgent. Scotland is already feeling the effects of climate change, from more extreme weather to biodiversity loss and pressure on natural resources like water. The Scottish Government has set ambitious targets for cutting emissions, improving energy efficiency in homes, restoring nature, and shifting to more sustainable transport. As a housing association, we have a crucial role to play in supporting these goals.

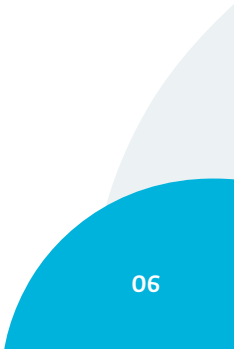
Our approach is built on the principle of a Just Transition, ensuring that the move to a low-carbon future is fair and inclusive for everyone, including our tenants, staff, and people we support. This Strategy is not just about reducing emissions; it's about creating greener, healthier, and more resilient communities.

By identifying and measuring these emissions, we can target the most significant areas for change and track our progress toward net zero.

Understanding Emissions Scopes

To effectively reduce our carbon footprint, we first need to understand where our emissions come from. These are grouped into three categories, or 'Scopes':

Scope	Sources
1. Direct emissions we control, such as fuel used in our vehicles or heating in our buildings.	Vehicle fuel, building fuels e.g. natural gas, biomass and oil.
2. Indirect emissions from the energy we purchase, like electricity.	Grid electricity for buildings, street lighting and EV charging.
3. All other indirect emissions from our activities, including those from our supply chain, staff commuting, tenant energy use, and construction work.	Purchased goods and services, waste, business travel, emissions in domestic properties.





Vision

Hillcrest is committed to becoming a net zero and climate resilient organisation by 2045. Through a culture of innovation, we will accelerate decarbonisation, invest in transformative solutions, and ensure our operations create a healthier, more sustainable, and resilient future for all.

Key Aims to 2030

- > We will quantify our carbon emissions and set meaningful targets for decarbonisation.
- > We will embrace innovative building design and retrofit technologies, creating healthier, more sustainable homes and buildings.
- > We will create a fleet decarbonisation roadmap, clearly setting out the transition of the fleet to low-carbon prior to 2045, creating a data-driven strategy for expanding our electric vehicle charging infrastructure, and supporting staff, tenants and people we support in adopting active travel options.
- > We will minimise waste, reduce water consumption, and embed sustainable procurement practices within our supply chain and operations.
- > We will strengthen climate resilience by ensuring our communities, infrastructure, and operations mitigate risks associated with a changing climate.
- > We will engage tenants, staff and stakeholders to provide the skills and support needed for the transition to net zero, reshaping our services, infrastructure and ways of working.
- > We will monitor and report on our sustainability performance, using data-driven insights to drive continuous improvement, innovation and transparency efforts.

Guiding Principles

Clear guiding principles will ensure that our Net Zero and Climate Change Strategy is delivered consistently, responsibly and effectively. They will provide a framework for our decision-making, helping us balance sustainability goals with social responsibility, financial sustainability, and practical implementation:

Greenhouse Gas Management Hierarchy – we will prioritise eliminating reducing or substituting carbon-intensive activities before considering carbon offsetting.

Fabric First – we will adopt a ‘fabric first’ approach as part of a comprehensive, whole-house strategy, prioritising the reduction of heat loss wherever possible.

Fuel poverty and air quality – we will design and retrofit buildings to remove the risk of poor energy performance being a contributing factor to fuel poverty, and improve indoor air quality, creating healthier, more sustainable homes.

Collaboration – we will work with tenants, staff and stakeholders to provide the skills and support needed for the transition to net zero, reshaping our services, infrastructure and ways of working.

Just transition – we will manage our transition to become a net zero and climate resilient organisation, by collaborating with tenants, staff, and the wider community to deliver social value for all.



Corporate Objectives

Our Corporate Strategy sets out the high-level direction of the organisation to 2030, establishing a clear framework of key pillars and objectives to guide all our activity.

As the primary delivery mechanism for the Sustainability pillar, this Strategy, including its initial programme of actions will

ensure our commitments are translated into measurable, impactful outcomes.

This Strategy will also complement our successful Tackling Poverty Together Strategy, which focuses on targeted action to help reduce income poverty and fuel poverty for our tenants and people we support.

Our Mission → Helping people live better lives

Key Pillar	Objective
Financial Resilience	Implement robust financial planning to achieve short and long-term financial stability.
Growth	Enable sustainable growth across all companies.
Impact	Maximise our positive impact on communities through a partnership approach to achieve meaningful and lasting outcomes.
Service Excellence	Deliver outstanding customer service and person-centred support through effective investment in our people and resources.
Sustainability	Transition to a net zero and climate resilient organisation.

Hillcrest Corporate Strategy Framework 2025-2030



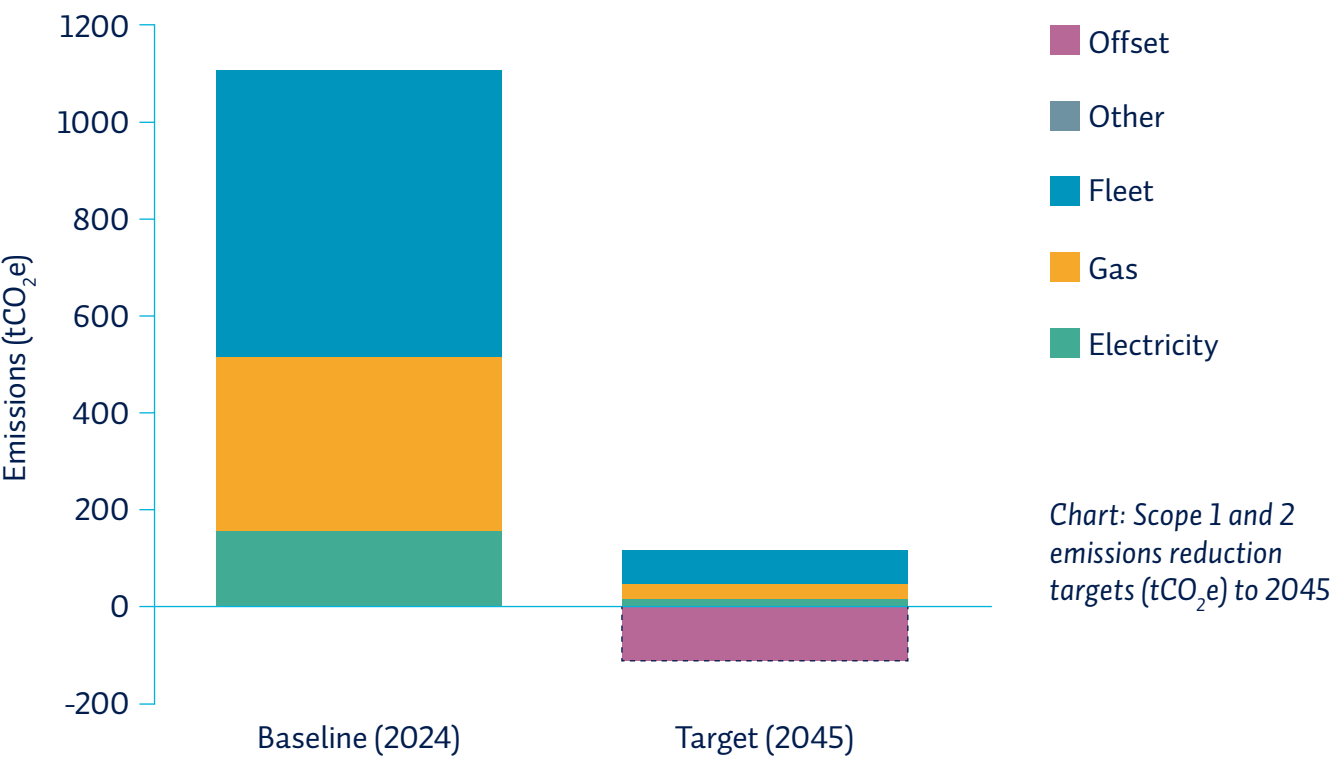
Net Zero Targets

Using our baseline emissions data, we have set initial reduction targets for our Scope 1 and 2 emissions through to 2045. These targets follow a consistent annual reduction pathway, aiming to lower emissions to at least 10% of the baseline by 2045. We recognise that it is not possible to eliminate all emissions entirely, and some level of residual emissions will remain. In line with our Guiding Principles, we will only consider carbon offsetting once we reach that 10% point, ensuring that any residual emissions are effectively managed.

We also recognise that our progress will not be consistent and will be impacted by external factors beyond our control such as legislation, decarbonisation of the UK electricity grid and technological advances. We will validate our targets with the Science Based Targets initiative (SBTi) and refine them over time, as well as setting targets for Scope 3 emissions once we have established a baseline.

Year	Electricity	Gas	Fleet	Other	% Reduction
Baseline (2024)	153.6	361.8	588.3	2.5	0.00%
Target (2045)	15.4	36.2	58.8	0.3	90.00%

Table: Scope 1 and 2 emissions reductions targets (tCO₂e) to 2045





Hillcrest Pathway to Net Zero 2045

● Now Planning

- > New Hillcrest Net Zero and Climate Change Strategy 2025-30 and 5-year Action Plan.
- > ESG Framework and annual Sustainability Reporting Standard data return.
- > First major refit projects.
- > Scope 1 and 2 carbon emissions calculated.
- > Tackling Poverty Together Strategy and Asset Management Strategy to support tenants in fuel poverty.

By 2030 Transformation ●

- > Retrofit plan is complete and delivery is underway.
- > Electric vehicle chargers much more widely available across our estates.
- > Complete carbon emissions picture established, and initial reductions targets met.
- > Extreme weather events mitigated for.
- > Certified Sustainability Housing Label achieved.

● By 2045 Full Delivery

- > Carbon emissions reduced to 10% of 2024 baseline.
- > Remaining carbon emissions offset.
- > All buildings meet net zero energy efficiency requirements.
- > Assets and operations are nature positive and resilient to extreme weather events.

Carbon Baseline

Key Aim:

We will quantify our carbon emissions and set meaningful targets for decarbonisation.

In 2023-24, we conducted our first baseline emissions inventory, focusing on Scopes 1 and 2, which are within our control and where we have the most reliable data. This includes electricity, gas and other fuel usage across our offices and services, as well as emissions from our fleet vehicles that we own or lease. We were unable to include communal supplies in the baseline at that time.

A comprehensive understanding of our emissions profile requires the inclusion of Scope 3 emissions, which cover indirect emissions arising from our supply chain, business travel, and waste. While this data is more complex to measure and verify, relying on third-party reporting and varying standards, it is essential for accurately assessing our total carbon footprint and identifying opportunities for reduction. We are committed to working collaboratively with our suppliers, contractors, and stakeholders to strengthen data collection, enhance transparency, and drive emissions reductions across our wider value chain.

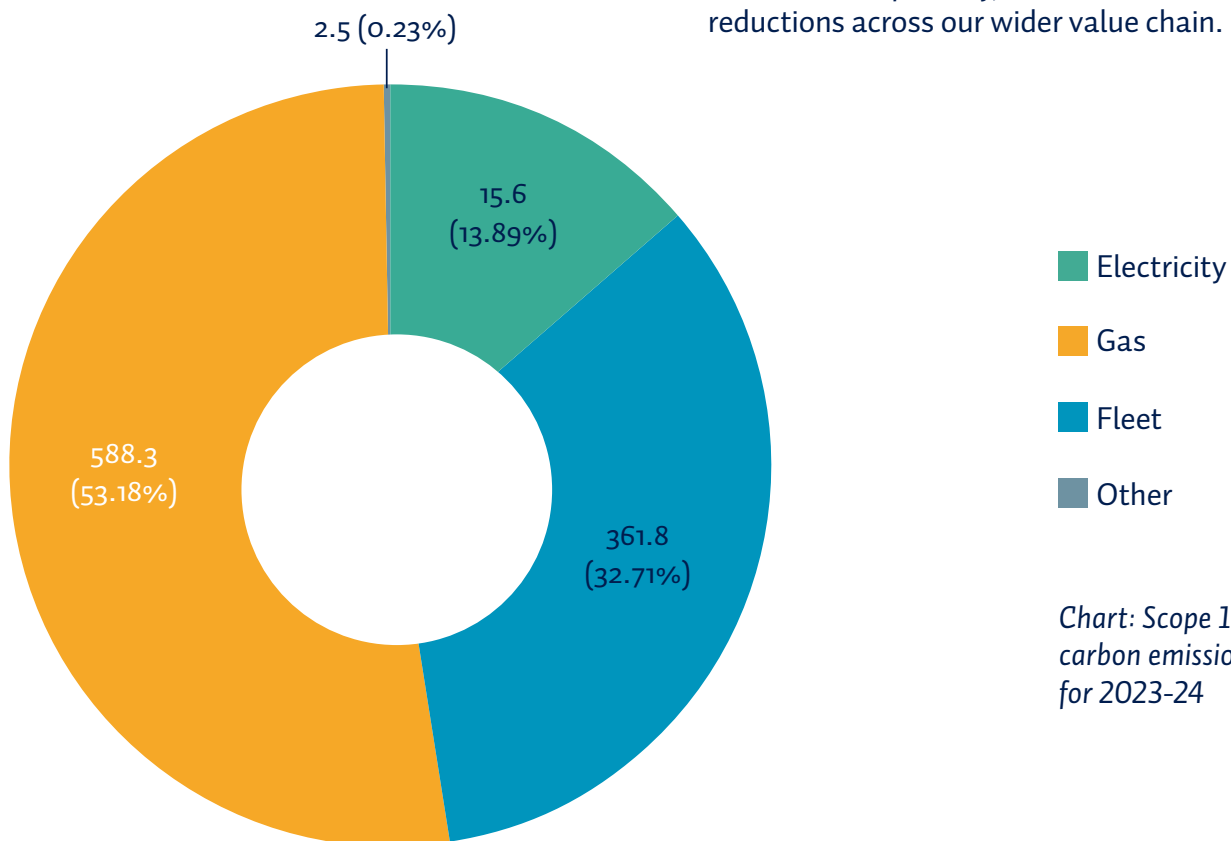


Chart: Scope 1 and 2 carbon emissions (tCO₂e) for 2023-24



Homes & Buildings

Key Aim:

We will embrace innovative building design and retrofit technologies, creating healthier, more sustainable homes and buildings.

Reducing emissions from homes and buildings is critical to tackling climate change and meeting Scotland's net zero ambitions. The Scottish Government aims for all homes, including social and private rentals, to be warmer, more energy efficient, and environmentally sustainable.

To support this national ambition, social landlords like Hillcrest are guided by regulatory standards that define our responsibilities. We are also preparing for the introduction of the Social Housing Net Zero Standard (SHNZS), which will replace the current Energy Efficiency Standard for Social Housing (EESHS2).

Properties let by Hillcrest Enterprises for mid-market rent fall under private sector landlord legislation and therefore follow a different set of requirements than those outlined in the SHNZS. The Scottish Government's draft Heat in Buildings Bill sets out the roadmap for private landlords, including the steps needed to meet the proposed Minimum Energy Efficiency Standard (MEES) by the end of 2028.

In addition, under the New Build Heat Standard, introduced in 2024, all new homes in Scotland must be equipped with heating systems that produce zero direct emissions.

Hillcrest is committed to playing a leading role in this transition. We will improve the energy

efficiency of our homes, offices and services, replace polluting heating systems with clean alternatives, and integrate renewable technologies wherever possible. Through a focus on innovation and sustainability, we aim to deliver high-quality, comfortable homes that improve residents' lives, removing the risk of poor energy performance being a contributing factor to fuel poverty.

We manage a diverse portfolio of nearly 9,000 homes across Scotland, of which 86% are social housing with the remainder let as mid-market rent. Over the past 12 months we have carried out retrofit measures on 454 properties, including the whole-house retrofit of 22 properties.

As well as the large number of properties, the wide variety of property types, uses, sizes, ages, construction methods, and energy efficiency levels presents significant challenges.

Furthermore, our buildings include tenement stock, and many are over 100 years old. We are committed to enhancing the energy performance and resilience of these properties while safeguarding their important heritage. We will explore innovative technologies and sustainable solutions for our hard-to-treat properties.



Existing Homes

To guide our decision making, we are developing our Retrofit Dashboard which produces live analytics from a range of internal and external data sources including Energy Performance Certificates (EPC) ratings, repair frequency and deprivation indices, to identify which communities and properties are most in need of intervention. This will support the creation of a prioritised pipeline of property-level retrofit actions, coordinated with our planned maintenance works to minimise disruption to tenants.

We are using government-approved SAP modelling tools to assess energy performance, identify the

most effective upgrades and ensure compliance with Scottish building regulations. All funded retrofit projects will follow the principles of PAS 2035, ensuring best practices for whole-house energy efficiency improvements and meeting government funding requirements.

Our customers are at the heart of our retrofit plans. We will actively engage tenants early, advise them on the benefits of improvements, and support them with the adjustment to new technologies. By fostering trust and clear communication, we will ensure a smooth transition to more efficient, affordable and healthy homes.





Fabric First

To meet our targets, we must fully transition away from gas heating by 2045. The shift to cleaner electric heating remains a challenge, particularly given high energy prices. We recognise that customers may be hesitant to move from gas heating due to fuel costs, but the expectation is that electricity prices will be de-coupled from gas as the grid is decarbonised. Therefore, we must ensure our buildings are ‘zero-carbon heat ready’ by reducing fabric heat loss and integrating technologies like solar PV and battery storage.

We will adopt a ‘fabric first’ approach as part of a comprehensive, whole-house strategy, prioritising the reduction of heat loss wherever possible, ensuring compatibility with future zero-carbon heating systems and renewables.

As the proposed SHNZS is likely to move away from EPC ratings as the metric for compliance, and focus on the energy demand of the building, we will utilise the data available in the Retrofit Dashboard to develop a retrofit standard that prioritises tenants’ needs and ensures we meet Scottish Government requirements.

We understand the vital role of good indoor air quality in creating healthy living environments for our residents. As part of our retrofit standard, we will ensure that a ventilation strategy is included for each property. We are revising our procedures for addressing damp and mould, with a strong commitment to ensuring the health and safety of our residents. By piloting environmental monitoring systems, we will explore their potential to inform proactive interventions for both building improvements and resident support. The data output will also contribute to our Retrofit Dashboard.

We will continue to provide residents with practical advice on maintaining proper ventilation and moisture control within their homes, empowering them to manage their living environments effectively.

Hillcrest Maintenance will deliver an annual Solar PV installation programme, with properties identified using the Retrofit Dashboard. We will continue collaborating with Hillcrest Maintenance to explore further upskilling opportunities in retrofit technology.

Actions

Develop a retrofit standard that prioritises tenants’ needs and meets Scottish Government requirements.

Create a data-driven, evidence-based programme of retrofit projects, aligned with our retrofit standard, national targets and our existing planned maintenance programmes.

Create a running programme to install Solar PV on all appropriate building stock by 2045.

Pilot environmental sensors to develop a process for indoor air quality monitoring and provide additional data for the Retrofit Dashboard.



Mid-Market Rent

Current required improvements to meet MEES will be prioritised, where applicable, for our privately rented properties.

Where possible, we will operate shared retrofit projects with both mid-market and socially rented properties, to enable deeper retrofit works. Like the SHNZS, we will phase out all polluting heating systems by 2045.

New Homes

Hillcrest prides itself on its ambitious development programme, and ensuring homes are low-carbon will be a top priority for all future developments. As we transition away from mains gas, we will implement low-carbon heating and hot water systems while promoting local renewable energy generation where possible.

We aim to build warm, sustainable homes in well-connected locations with existing infrastructure such as transport links, schools, and healthcare services, reducing the need for travel and supporting community resilience.

We will continue to sensitively redevelop older buildings, preserving heritage features while transforming empty properties into warm, energy-efficient homes. We will also explore modern methods of construction, including modular building techniques, and use materials with lower embodied carbon.

Heat Networks

Developing district heating networks is essential to support the Scottish Government's target of them providing 8% of heat demand by 2030.

We will actively collaborate with local authorities, other housing associations, and private sector partners to support feasibility studies, sharing property and building performance data to ensure our stock is considered for future heat network zones as part of the Local Heat and Energy Efficiency Strategy (LHEES) delivery.

Actions

Test innovative sustainable construction methods to deliver new homes that meet our sustainability goals.

Deliver building conversions that achieve new-build energy efficiency standards while preserving the heritage character of older buildings.

Collaborate with local authorities and wider sector on LHEES and heat network delivery.



Non-Domestic Buildings

We manage 76 non-domestic buildings and 400 different energy supplies that power our offices, communal lighting, and door entry systems. A key priority is modernising our energy supplies by ensuring all use smart meters enabling better energy management and billing transparency.

Once smart meters are installed, we will analyse the data to draw up EPC Improvement Plans, determining where further investment in targeted solutions is required. This will inform the creation of Carbon Reduction Roadmaps to implement technologies such as solar PV and battery storage where feasible.

We have appointed a utilities management company to secure the best deals for our energy supplies. We will switch all our supplies to green energy tariffs by 2026.

Actions

Switch all energy supplies to green tariffs.

Install Smart Meters for all energy supplies, to allow us to be more detailed in our energy efficiency plans.

Ensure all our non-domestic buildings, including offices and commercial lets, have an EPC Improvement Plan.

Develop a Carbon Reduction Roadmap for all our non-domestic buildings to meet Minimum Energy Efficiency Standards.



Travel

Key Aim:

We will create a fleet decarbonisation roadmap, clearly setting out the transition of the fleet to low-carbon prior to 2045, creating a data-driven strategy for expanding our electric vehicle charging infrastructure, and helping staff, tenants and people we support in adopting active travel options.

Transport remains the single largest source of carbon emissions in Scotland and is reflected in our own carbon footprint. The National Transport Strategy outlines a vision up to 2040 that prioritises climate action, including the phase out of new petrol and diesel cars and vans by 2032, and a shift towards more sustainable modes of transport such as walking, cycling, and public transport.

In line with this vision, we are committed to reducing the environmental impact of travel across our operations. Our priority is to decarbonise our fleet, expand access to EV charging infrastructure, and promote sustainable travel options for staff, tenants and people we support. However, we recognise the challenges, including limited charging infrastructure, the higher cost and availability of suitable, larger vehicles, and the geographical spread of our operations, but we remain determined to identify and adopt viable solutions as technology advances.





White Fleet

Our electric van trials have shown that current EV technology does not yet fully meet the operational demands of our fleet, particularly for long-distance travel with heavier loads. We remain committed to identifying and adopting viable solutions as the technology advances, carefully considering factors such as route requirements, load sizes, and the availability of charging infrastructure.

Company	Vehicles Owned
Hillcrest Maintenance	142 diesel vans, 2 electric vans
Hillcrest Homes	2 electric cars, 1 hybrid car, 1 diesel minibus
Hillcrest Futures	9 petrol cars, 2 diesel cars
Hillcrest Enterprises	None

Table: White fleet vehicle information

Low Emission Zones

Low Emission Zones (LEZs) have been established in Dundee, Edinburgh, Aberdeen, and Glasgow, with additional zones anticipated in the future. These zones aim to improve air quality and public health by restricting access to the most polluting vehicles. Vehicles that do not meet the required LEZ emission standards may incur penalty charges.

All four LEZs have an impact on our operations, particularly in Dundee and Edinburgh, where a significant portion of our fleet is based. We have successfully phased out non-compliant vehicles from our white fleet and remain committed to maintaining full compliance as LEZ regulations evolve. However, some staff vehicles still fall short of LEZ standards, underscoring the importance of our efforts to incentivise cleaner, low-emission alternatives for staff travel.

Actions

Review fleet management policy and procedures to ensure they reflect our commitment to sustainable transportation.

Create a fleet decarbonisation roadmap clearly setting out the transition of the fleet to low-carbon.





Grey Fleet

Our grey fleet consists of over 380 staff-owned vehicles, utilising a range of fuel types. The usage of these vehicles varies significantly, with most of our mileage coming from a small percentage of employees with highly mobile roles.

We recognise the importance of supporting staff in transitioning to cleaner vehicles. Many are motivated to reduce their carbon footprint but need guidance, infrastructure, and financial support to do so. We are exploring a salary sacrifice scheme to enable access to electric and hybrid vehicles, and our charging infrastructure expansion will help facilitate this transition.

	Petrol	Diesel	Hybrid	Electric	Bi-Fuel	Total
Hillcrest Maintenance	140	57	7	1	2	207
Hillcrest Homes	91	44	15	3	0	153
Hillcrest Futures	8	13	0	1	0	22
Hillcrest Enterprises	4	0	1	0	0	5
Total	243	114	23	5	2	387

Table: Grey fleet vehicles by Hillcrest company and fuel type (Jan 2025)

Actions

Calculate a baseline for direct emissions through business travel.

Explore financial support mechanisms for staff to own an EV, such as salary sacrifice schemes.



Electric Vehicle Charging Infrastructure

We currently operate 36 EV charging points, primarily located within new developments and at staff office sites. However, this infrastructure is concentrated in Dundee and Aberdeen, limiting accessibility for staff, tenants and people we support located elsewhere. This number is set to grow substantially, driven by our ambitious development programme and forthcoming regulations mandating EV charging infrastructure for new parking spaces. This expansion will play a key role in supporting both operational needs and our broader sustainability objectives.

Expanding our own network presents an opportunity to provide dependable access, benefiting both our tenants and our wider operations. To support this, we are actively engaging with commercial providers to explore scalable, cost-effective charging solutions across our estate portfolio.

For our white fleet, ensuring access to fast and cost-effective charging solutions is critical. To minimise operational downtime and support this transition, we are actively exploring the development of a dedicated high-capacity charging hub near our main maintenance depot.



Actions

Transition electric vehicle charge points to commercial network.

Create a data-driven plan for expanding electric vehicle charging infrastructure.



Active Travel

We fully support Transport Scotland's Active Travel ambitions, which aim to make walking, wheeling, and cycling the preferred choice for short, everyday journeys by 2030. Active travel offers numerous benefits, including improved health and wellbeing, reduced inequalities, enhanced communities, and lower emissions.

Our approach aligns with the established travel hierarchy, which prioritises sustainable modes of transport: walking and wheeling first, followed by cycling, public transport, and lastly private motor vehicles. This framework will guide our efforts to encourage and facilitate active travel as the safest, healthiest, and most environmentally friendly option.

In 2025 we achieved the Cycle Friendly Organisation award and are committed to develop high-quality cycling infrastructure, including secure cycle storage at residential and service sites. Demand for these facilities is rising among tenants and people we support, reflecting growing interest in sustainable travel choices. Beyond environmental benefits, effective cycling infrastructure also contributes to tidier, safer communal spaces.



Actions

Conduct a survey of staff travel arrangements to establish a baseline, identify opportunities to reduce carbon emissions, and present actionable insights to the Net Zero Delivery Group.

Explore funding opportunities to install cycle storage at residential and service sites to support tenant and service user cycling.

Integrate the travel hierarchy into internal policies, project planning, and procurement decisions to prioritise sustainable transport modes.



Resource Management

Key Aim:

We will minimise waste, reduce water consumption, and embed sustainable procurement practices within our supply chain and operations.

Waste Management

We are committed to applying the principles of the waste hierarchy to minimise waste, reduce emissions, and promote sustainable resource use across our operations. We will prioritise waste diversion from landfill through the adoption of circular economy and design principles, particularly in our development and maintenance projects. This includes prioritising materials that can be reused, recycled, repaired, or sourced with low embodied carbon and high recycled content.

We will develop a Sustainability Impact Assessment will ensure that resource efficiency is embedded in every stage of our operations.

A comprehensive waste audit will be undertaken to provide us with a clear understanding of the types, quantities, and sources of waste generated across our operations. This baseline will help us identify opportunities for waste reduction, improve resource use, and lower environmental impact.

Actions

Carry out a waste audit to identify efficiency, cost-saving, and carbon reduction opportunities.

Hillcrest Futures to transition to paper-free operations with the implementation of a new digital care management system.

Develop a comprehensive waste management policy with clear targets to reduce, recycle, and divert all operational and construction waste from landfill by applying circular design principles across development and maintenance projects.



We will explore opportunities to work with social enterprises and local businesses to upcycle materials and support community led initiatives that repair and redistribute unwanted appliances and electronics, thereby reducing waste and promoting affordability. Initiatives such as tool libraries, repair cafés, and clothing swaps can help us extend the life of our products and minimise landfill waste.

In collaboration with local authorities in the areas where we operate, we will work to enhance recycling infrastructure, bolstering efforts to reduce waste on a broader scale. Additionally, promoting food and garden waste composting at both household and community levels will further support our sustainability objectives. We will engage staff, tenants, and people we support in awareness campaigns focused on waste reduction, composting, and sustainable consumption, ensuring these practices are adopted across our operations and communities.

Actions

Foster partnerships with social enterprises and local businesses to upcycle materials into new products, while also supporting community-led circular economy initiatives such as tool libraries, repair cafés, and clothing swaps through venue access, promotional support via Hillcrest's communication channels, and potential grant funding.





Water Management

Water is a vital yet increasingly scarce resource, and climate change, along with rising demand, is putting pressure on supplies, even in regions like Scotland that are typically rich in water resources. By improving water efficiency, we can lower costs and reduce our environmental impact.

To effectively manage our water usage, it is essential to gain more accurate data that allows us to identify where reductions are needed most. We will conduct a comprehensive water audit of our offices and communal areas to create a detailed water supply database. This will enable us to perform regular meter readings, offering a clearer and more precise understanding of our consumption patterns and highlighting areas for improvement.

We will continue to explore measures to improve water efficiency across our operations, including leak detection and prevention through regular monitoring and maintenance, upgrading to low-flow taps, dual flush or grey water toilets, and water-efficient dishwashers, and installing smart meters to track water use in real time. For our new build properties, we will consider rainwater collection systems and greywater recycling to repurpose water from sinks, showers, and laundry for use in toilet flushing or landscaping.

Procurement & Supply Chain

Our environmental and social impact goes beyond our direct operations, to include the activities of the contractors and supply chain that we engage. We anticipate that our supply chain will be one of the largest sources of Scope 3 emissions.

By embedding sustainability into our procurement practices, we can influence market behaviour, promote best practices in contract management, and collaborate on shared climate goals. We will aim to achieve not only environmental improvements but also social and economic benefits for our communities.

Actions

Carry out a water audit to identify efficiency, cost-saving, and carbon reduction opportunities.

Develop a comprehensive water reduction plan whilst trialling innovative technologies.



Reducing our Supply Chain Emissions

Our contractor emissions audit suggests that just 10 of our 512 contractors account for nearly 70% of our contract emissions. These businesses are among the largest we regularly work with, enabling us to address most of our procurement emissions without impacting small businesses. We will prioritise collaborating with these businesses to replace current estimates with accurate, supplier, or activity-based data and, where possible, set reduction targets. These targets will be monitored through our contract management processes.

We will work closely with Hillcrest Maintenance to leverage the practical advantages of working internally. Our focus will be on developing materials and methods to obtain accurate data, improving the precision of our procurement emissions figures. As part of this we will consider the introduction of a contractors' portal to standardise the information we receive.

Additionally, we will engage and support smaller (often local) contractors to ensure our approach remains inclusive. We recognise that smaller businesses may take longer to decarbonise due to limited capacity to measure and demonstrate their emissions. Our engagement will focus on supporting them to build confidence and capability in carbon reporting without creating barriers to participation.

Procurement Processes

We will implement procedural changes that reinforce our commitment to sustainable procurement. While making these changes we will always consider the impact upon smaller and local businesses and offer appropriate support to contractors to develop solutions.

We are currently reviewing our procurement processes and policies to ensure sustainability considerations are integrated, such as sourcing environmentally friendly materials and engaging with contractors aligned with net zero goals.

Actions

Estimate the emissions footprint of each of our top ten highest emitting contracts.

Carry out embodied carbon assessments on products specified in new build properties.

Embed sustainability into procurement by introducing standardised environmental criteria in all tenders, then setting and monitoring emissions targets for our top ten highest emitting contracts.



Climate Resilience

Key Aim:

We will strengthen climate resilience by ensuring our communities, infrastructure, and operations mitigate risks associated with a changing climate.

Scotland faces a dual climate and ecological emergency, with over half of the UK's wildlife species declining due to habitat loss, urbanisation, and climate change. The Scottish Government's Biodiversity Strategy to 2045 sets out objectives to become Nature Positive by 2030, halting and reversing nature loss by 2030, measured from a baseline of 2020, and to have restored and regenerated biodiversity across the country by 2045. At Hillcrest, we recognise the importance of greenspaces and biodiversity in enhancing tenant well-being and upholding our commitment to environmental stewardship.

In addition to biodiversity loss, climate change is already reshaping weather patterns in Scotland, with more frequent flooding, storms, heatwaves, and prolonged wet or dry periods. These changes are expected to intensify in the coming decades, with serious implications for how we live, work, and deliver services. For social housing providers like Hillcrest, this presents a clear need to act now to protect our homes, tenants, and infrastructure from increasingly severe and unpredictable weather events.

The financial risks of inaction are substantial. Extreme weather can cause significant damage to properties and infrastructure, disrupt essential services, and lead to rising insurance premiums

and declining asset values. At the same time, tenant wellbeing may be compromised, placing additional strain on resources and operational budgets. Hillcrest tenants, people we support, and our staff have all been impacted negatively by recent extreme weather events, such as the major flooding in Angus in October 2023. Strengthening our climate resilience is therefore not only an environmental imperative, but also critical to maintaining service continuity, protecting our assets, and supporting tenant health and stability.

In response, we are taking proactive steps to prepare our housing stock, infrastructure, supply chain, and communities for the challenges ahead. Through data driven insights, collaboration, and targeted investment, we aim to build long-term resilience that mitigates both social and financial risks.

As part of this approach, we are mapping our property portfolio against flood risk data, including rivers, sea-level rise, and surface water, and assessing the condition of existing flood defences. We are also exploring the integration of flood risk registers into our Retrofit Dashboard, which will improve our ability to monitor, assess, and prioritise areas most vulnerable to climate-related impacts.



Nature-Based Solutions

Nature-based solutions and green-blue infrastructure are key to building climate resilience across our homes and communities. These approaches not only help us adapt to a changing climate but also deliver lasting environmental and social benefits.

Green-blue infrastructure refers to a network of natural spaces designed to manage water sustainably while enhancing ecosystems and community wellbeing. It combines green infrastructure (such as vegetation, trees, and parks) with blue infrastructure (like rivers, ponds, and wetlands) to create resilient, multifunctional landscapes.

Where possible, we will continue to incorporate elements such as sustainable urban drainage systems (SuDS), including rain gardens, permeable paving, and green roofs, into our landscaping and new developments. These systems help manage surface water, reduce flood risk, and support healthier urban environments.

We will also prioritise the planting of native trees and vegetation across our estates. This will provide shade during hotter summers, improve air quality, strengthen biodiversity, and enhance the overall wellbeing of our tenants and communities.



Actions

Conduct proactive evaluations of all homes and estates to identify climate-related risks and mitigation measures.

Carry out a review of our design brief and development strategy with a focus on climate resilience.

Implement targeted climate resilience measures across all high-risk properties.



Greenspaces & Biodiversity

By adopting sustainable land management practices, enhancing ecological value, and promoting native species we aim to create greener, more climate resilient environments that support our tenants' health and quality of life. We will map our greenspaces to create a visualisation of our estate and to establish a baseline of biodiversity. This will enable us to identify opportunities to enhance these areas, support carbon capture, and strengthen resilience against extreme weather and flooding in the future.

By partnering with environmental organisations, local authorities, climate hubs, and tenant groups, we will leverage expertise and resources to support biodiversity projects, such as habitat restoration and pollinator friendly initiatives.

Moving forward we are committed to protecting and enhancing biodiversity on the land we manage, aligning with national biodiversity targets and creating vibrant, climate resilient greenspaces.

For new developments, all landscaped areas will promote tenant engagement. Greenspaces will also be designed or adapted to incorporate features such as rain gardens, green roofs, and wildlife corridors, which mitigate climate risks and enhance carbon sequestration. Initiatives will include developing nature networks, planting native trees, wildflowers, and hedgerows to enhance local biodiversity, while reducing reliance on resource-intensive landscaping practices



Actions

Establish and record our natural asset baseline including a biodiversity dataset, to understand current and potential carbon sequestration and plan improvements.

Develop a biodiversity action plan, collaborating with stakeholders to identify opportunities to enhance these areas and strengthen resilience against extreme weather and flooding in the future.

Promote biodiversity and sustainable landscaping practices by trialling environmentally friendly planting techniques, considering climate-adapted landscaping features, and reducing reliance on resource-intensive landscaping practices.



Health & Wellbeing

We value the role of growing spaces and greenspaces in supporting the health and wellbeing of our tenants and people we support. We will ensure that these spaces are accessible, safe, and designed for a variety of uses, from recreation to community gardening. Some of our supported projects have allotments for growing food, cooking and socialising together.

Our therapeutic gardens and a resident run garden projects provide free food for residents, people we support and staff, as well as introducing children and young people to gardening and sustainable food production. Tenant engagement will be central to these efforts, with opportunities for co-creation and stewardship of greenspaces to ensure they reflect the needs and aspirations of our communities.

Working in Partnership

We recognise that achieving climate resilience is not something we can do alone. It is essential to collaborate with tenants, people we support, stakeholders, and partners to fully understand, plan and react to potential impacts. By working with organisations such as Adaptation Scotland, local authorities, and environmental agencies, we can benefit from available expertise, guidance and tools. By engaging tenants and people we support through information campaigns this will help our communities better understand, prepare for and respond to climate impacts.



Actions

Expand community gardening and biodiversity initiatives by engaging tenants and people we support in tree-planting, workshops, and educational activities to promote health, sustainability, and local food production.

Assess our climate readiness by adopting Adaptation Scotland's Capability Framework.

Create management-level Rapid Response Team for any extreme weather events that occur such as flooding.

Engagement & Upskilling

Key Aim:

We will engage tenants, staff and stakeholders to provide the skills and support needed for the transition to net zero, reshaping our services, infrastructure and ways of working.

Communication & Engagement

Effective communication and engagement are key to the success of this Strategy. We are committed to delivering clear, transparent, and accessible messaging that informs, inspires, and supports sustainable living, reinforcing our role as a responsible and forward-thinking housing provider. A Just Transition means ensuring no one is left behind in the shift to a low-carbon future. Our approach is shaped by the needs and aspirations of staff, tenants, and people we support, with ongoing engagement to ensure all voices are heard and acted upon.

We will develop strong partnerships and participate in sustainability campaigns and national events to amplify our message. Communication efforts will be monitored through engagement tracking, feedback, and impact assessments across all channels. All materials and initiatives will be inclusive and accessible, promoting trust and encouraging meaningful participation in our net zero journey.



Actions

Deliver engaging digital campaigns, storytelling, and workshops that involve staff, tenants, and people we support in shaping sustainability initiatives.



Education & Training

We will equip staff and Board Members with the knowledge and confidence to support the delivery of this Strategy. Training and e-learning will focus on the causes and impacts of climate change, along with practical steps for reducing emissions.

Frontline staff will be supported to communicate the wider benefits of our net zero initiatives, including lower fuel bills, healthier homes, improved comfort, and longer-lasting assets. To embed sustainability across the organisation, we will work with our Organisational Development, and Communication and Marketing Teams to deliver engaging campaigns, storytelling, and workshops. Our tenants and the people we support will also be involved in shaping sustainability initiatives, ensuring alignment with their needs and encouraging shared ownership.

Future Skills & Technology

Preparing our workforce for future challenges is essential. We will invest in skills development to support career progression, staff retention, and delivery of retrofit programmes across our estate in line with both our People and Organisational Development Strategy.

Our retrofit and development projects are more than technical upgrades they represent investments in community resilience, comfort, and cost savings. To support this transition, our in-house Hillcrest Energy Advice Team (HEAT) and the Hillcrest Engagement Team will continue to provide guidance and education on new technologies, such as energy-efficient heating systems.

Young Workforce & Apprenticeships

Supporting young people is vital to embedding sustainability across all areas of our work. This Strategy aims to align and support the delivery of our Young Workforce Development Strategy. Through apprenticeships, tailored training, and work placements, we will equip future professionals with the skills and knowledge to lead the net zero transition.

By exploring opportunities for modern and graduate apprenticeships in sustainability we will ensure that everyone has a role to play, and by empowering younger generations, we can create a lasting culture of sustainability across the organisation.

Actions

Design and develop an e-learning module to support delivery of the Net Zero and Climate Change Strategy, encouraging an environmental culture within the workplace and wider climate action.

Explore a retrofit advice function.

Explore creating sustainability apprenticeships and placements for young people and students in higher and further education, and report findings to Net Zero Delivery Group.



Monitoring & Reporting

Key Aim:

We will monitor and report on our sustainability performance, using data-driven insights to drive continuous improvement, innovation and transparency.

Environmental, Social, and Governance

Environmental, Social, and Governance (ESG) is a framework for evaluating how we manage our operations, environmental impact and community relations. It allows us to demonstrate our sustainability efforts and guide our corporate decision-making. This Net Zero and Climate Change Strategy is a key part of our holistic ESG efforts.

To assess our ESG performance, we adopted the Sustainability Reporting Standard for Social Housing (SRS) for our first ESG Report in 2023. Developed by Sustainability for Housing and The Good Economy, the SRS covers twelve ESG themes and supports transparent reporting of our sustainability impact within the social housing sector.

Actions

Update the Environmental Policy to reflect the Net Zero and Climate Change Strategy and other relevant developments.

Explore if a Sustainable Finance Framework would help fund our Net Zero plans.

Set up an ESG dashboard and develop an action plan to improve our ESG performance.

Assess the cost/benefit of achieving the Certified Sustainable Housing Label to further demonstrate our ESG credentials.

Create and implement a Sustainability Impact Assessment process.



Net Zero Delivery Group

We have established a Net Zero Delivery Group (NZDG) to monitor and drive forward our net zero ambitions. Chaired by the Chief Executive and comprising of senior colleagues from across the organisation, the group will:

- > Oversee the implementation of the Net Zero & Climate Change Strategy.
- > Examine existing practices and recommend sustainable alternatives.
- > Regularly review and evaluate progress.

To address our highest emissions, we have established a Buildings Sub-Group, dedicated to exploring innovative design approaches and retrofit strategies to enhance the energy efficiency and sustainability of both existing and new properties owned or managed by Hillcrest.

To ensure transparency and accountability, regular updates will be provided to Hillcrest's Executive Leadership Team and Senior Team.

In addition, a bi-annual progress report will be submitted to the Operations Sub-Group Board, detailing the implementation of the Net Zero and Climate Change Strategy. This report will highlight key achievements, identify challenges, and offer recommendations for further action. The associated action plan will be reviewed annually by the Net Zero Delivery Group to ensure continued alignment with Hillcrest's strategic objectives, evolving policy landscapes, and sector-wide developments.

Actions

Establish a Net Zero Delivery Group consisting of members of staff from across the organisation, to monitor the delivery of the Net Zero Action Plan.





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