

Impact Report 2022

Our Environmental Social and Governance Approach





GREAT



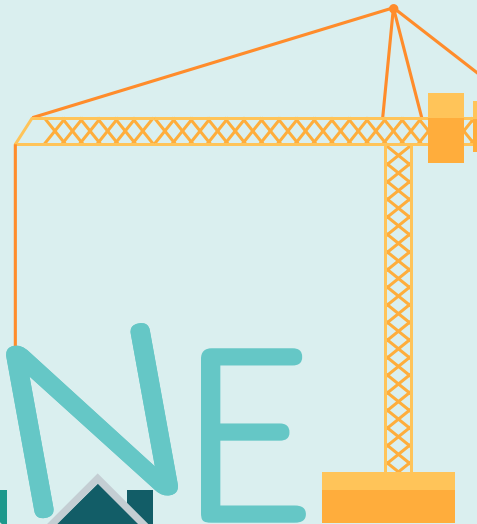
PLACES



FOR



EVERYONE



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At SGCH we acknowledge the traditional Aboriginal owners of the lands on which we operate and provide homes for people.

We acknowledge and pay our respects to past, present and future Aboriginal elders, people and nations. We recognise Aboriginal people as the world's oldest living, continuous culture with unique languages and spiritual relationships to the land and seas.

SGCH is strongly committed to practical action aimed at building the physical, cultural, spiritual and family wellbeing of Aboriginal people through our role as a community housing provider.

We renew our determination to listen and to learn from Aboriginal people, to recognise the important contribution they make, and to offer a first-rate service that responds to the diversity of Aboriginal people and their communities.

1

Introduction

Welcome

As a leading community housing provider, Environmental, Social and Governance factors are central to SGCH's strategy and operations. As a profit-for-purpose organisation, SGCH takes a commercial approach to delivering social outcomes; operating with a business head and social heart to contribute positively to communities.

SGCH was established in 1985 for the public charitable object of providing relief against poverty, distress and helplessness in Australia by providing secure, affordable and sensitively managed housing. Throughout our history, the SGCH Group has quietly built its Environmental, Social and Governance (ESG) credentials. We understand the challenges the world faces are broad and vast, and we believe we have a responsibility to understand our impact and monitor our performance by formally embedding ESG across all aspects of our business to continue to make a positive contribution to the communities in which we operate.

Throughout 2020/21 SGCH has collaborated with internal and external experts to further develop how we focus on our ESG impact. We have assessed our activities and how we are contributing to the United Nations Sustainable Development Goals (SDG's). With hundreds of recognised standards available, we have aligned our approach to the SDG Impact Standards for Enterprises and prioritised three SDG's; 1 No Poverty, 10 Reduced Inequalities and 11 Sustainable Cities and Communities.

SGCH also mapped its activities against the UK Sustainability Reporting Standard for Social Housing, which we believe to be a reasonable comparison tool. In addition to continuing to develop and grow this emerging practice in alignment with our Strategic Plan, SGCH is committed to sharing its expertise locally, working with peak representative bodies to advocate for an Australian standard to provide clarity and consistency. Our ambition is creating a recognised standard that reflects the thriving, vital role of community housing in contributing to economic, social and environmental impact for hundreds of thousands of Australians.



I am pleased to present our first Impact Report which outlines our approach and how we create value for the people and communities we serve. This report provides information identifying initial ESG objectives, alignment to our Strategic Plan and our efforts to continue to build our reporting capability and knowledge. Like many other organisations in various stages of the ESG journey, we are developing an adaptive approach with the expectation that each year we will review, assess, develop, and refine elements as we build our reporting capabilities and expertise.

We look forward to working with our valued stakeholders to understand our impact and create shared value through ESG performance.

A handwritten signature in black ink that reads "A Gallard".

Annette Gallard PSM
Group Chair

Our first Impact Report

The practice of ESG or Impact reporting has been in place for some time, yet it is an ever-emerging field with hundreds of standards available to report performance. We understand the purpose of all ESG practice is to identify the impact - positive or negative - an organisation is making for the communities it serves, its stakeholders.

As a purpose-driven not-for-profit organisation, impact is at the core of our operations and culture. We have been exploring our ESG capabilities over the past few years with the view to reporting our performance, increasing transparency for stakeholders and informing how we invest resources and prioritise decision making.

It is important at an organisational level to begin by demonstrating the work we've done to date and the work we will keep doing to measure and manage our impact. This report articulates our methodology in assessing our ESG approach and foundational practices, and the beginnings of our steps to set strategy and integrate this across our business. It is a baseline from which, over time, we will set targets that enhance our contribution.

In assessing our approach, we have applied the themes of Strategy, Management Approach, Transparency and Governance, consistent with globally recognised SDG Impact Standards for Enterprises. We will optimise our approach and provide regular reporting which will inform our stakeholders and our continuous improvement approach. This cycle is outlined in page 14.

For our first Impact Report we've focused on seven areas of performance as a baseline. As we further develop our data sets we intend to increase this reporting scope, over time, prioritising ESG objectives that have the most impact for our organisation and our stakeholders. We are also looking to develop a robust scoring methodology that appropriately weights and rates our performance, including a materiality assessment, to identify the areas of most importance to our stakeholders.

I recognise in this report we won't have everything right, but I am confident in the work that has been done to date to rigorously assess where SGCH is currently at. I am also confident in our ability to learn, develop,



and continuously improve our capabilities in collaboration with our stakeholders, peers and members of the industry. Thank you for your interest and support as we work together to create great places for everyone.

A handwritten signature in black ink, appearing to read 'S. Langford'.

Scott Langford
Group CEO

Our ESG Commitment

Thriving communities and vibrant economies depend on a diversity of people being able to live, learn, work and play to create great places.

Without affordable housing, there are significant barriers for lower income households to participate in and contribute to social and economic opportunities. This increases inequality and risks the long-term success of our communities, economy and places.

The growing impact of climate change disproportionately impacts lower income households who also have less capacity to bear the costs to adapt. This can further entrench disadvantage.

SGCH is committed to being a sustainable business that creates and protects financial and non-financial value and shares the benefits with our customers, partners and the communities in which we work. Environment, Social and Governance (ESG) objectives are at the core of our strategy and how we approach the creation and protection of value for our customers, the communities we serve, our partners and stakeholders.

“We house 1 in 430 Sydneysiders and have the responsibility and ambition to ensure our contributions positively shape this great city.”

Scott Langford
Group CEO



About us

Our vision is great places for everyone.
Our business is people and places.

We develop and manage sustainable, safe and affordable homes and work in partnership to create vibrant, inclusive communities.


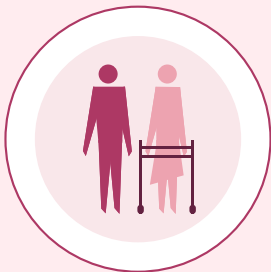













Connecting people to opportunity, we take a place-based approach to advocate for, coordinate and partner with the services that people and communities need.

Founded in 1985, SGCH provides a place to call home for almost 11,500 people in 7,000 properties across the Sydney metropolitan region. We are recognised as a Tier 1 provider under the National Regulatory System for Community Housing.

We bring capability and capital to work in partnership with governments, developers and builders, financiers and investors, community groups and people to shape great places for everyone.



Impact Snapshot 2021-2022

THEME			
ENVIRONMENTAL	SOCIAL	GOVERNANCE	
STRATEGIC OUTCOME	Improve outcomes for people, communities and places	A leading business, High performing culture	
AREA OF FOCUS	<ul style="list-style-type: none">Carbon footprintEnergy efficiencyResilient designResource management	<ul style="list-style-type: none">Support CoordinationCommunity-led place planningHealth, wellbeing and connectionSustaining tenanciesAccess to services	<ul style="list-style-type: none">Corporate governanceFinancial performanceRegulatory compliance, risk, reputationCulture, values and behavioursEmployee engagement
BENEFITS	<ul style="list-style-type: none">Communities	<ul style="list-style-type: none">Customers	<ul style="list-style-type: none">StakeholdersStaff
CONTRIBUTING TO UN SDGS	<div><div><p>7 AFFORDABLE AND CLEAN ENERGY</p></div><div><p>13 CLIMATE ACTION</p></div></div>	<div><div><p>11 SUSTAINABLE CITIES AND COMMUNITIES</p></div><div><p>10 REDUCED INEQUALITIES</p></div><div><p>1 NO POVERTY</p></div></div>	<div><p>8 DECENT WORK AND ECONOMIC GROWTH</p></div>
HIGHLIGHTS	<div><p>7,108 Homes</p></div> <div><p>22 Local government areas</p></div> <ul style="list-style-type: none">Delivered 443 new sustainable, affordable homes – average 7 star NatHERS rating	<div><p>11,582 Customers</p></div> <div><p>75% Overall customer satisfaction</p></div> <ul style="list-style-type: none">Provided \$88 million in annualised rent savings for customers (Year to Dec 31, 2021)377 new referrals for Support Coordination	<div><p>231 SGCH team members</p></div> <div><p>3.6B Assets managed</p></div> <ul style="list-style-type: none">Maintained gender balance target (40:40:20) at Board level90.05% staff retention rate\$475M debt facility increasing supply of social and affordable housing

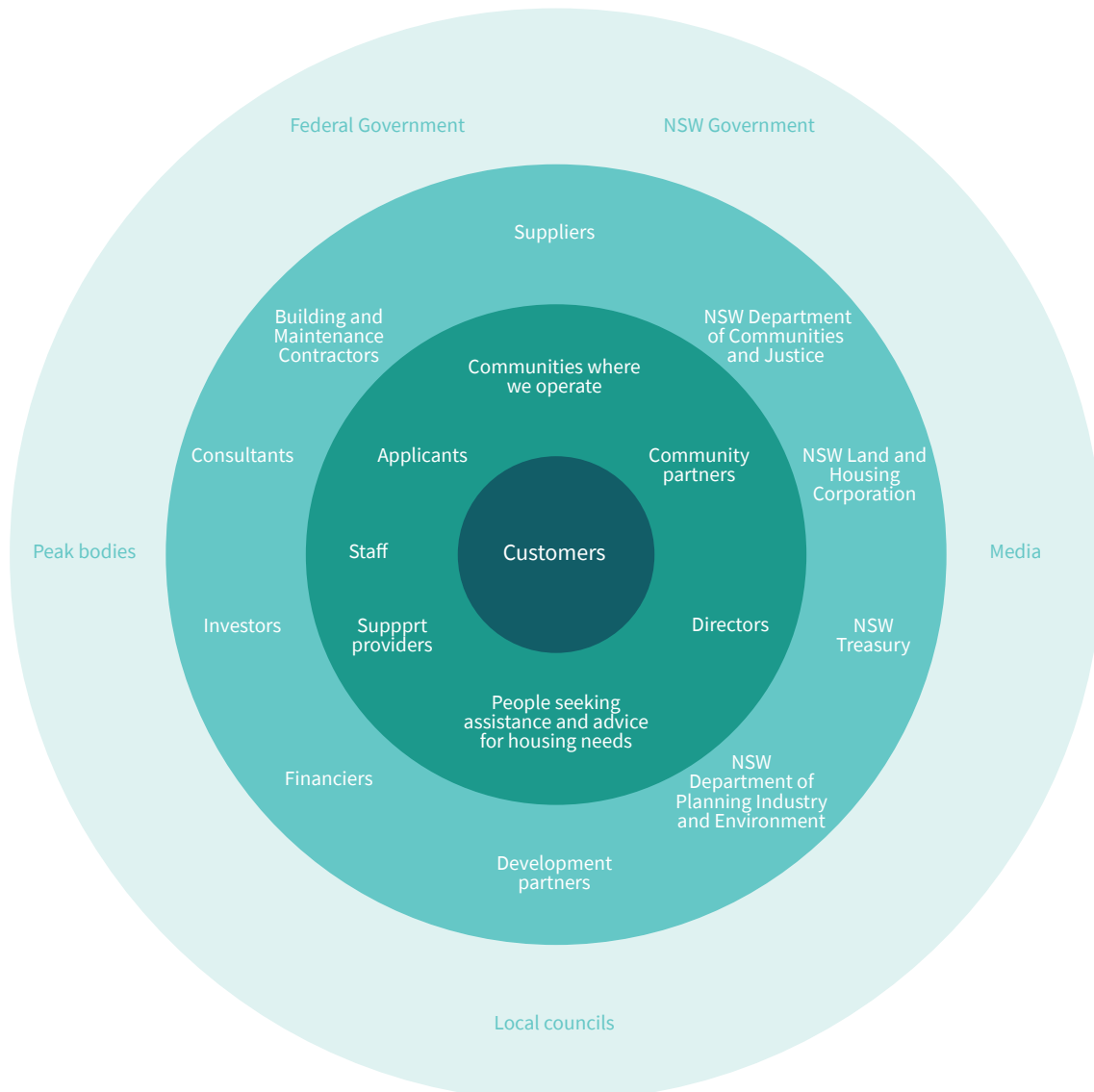
Our stakeholders

Drawing on the knowledge, experiences and perspectives of our customers and other stakeholders enables SGCH to navigate the increasingly complex and interconnected issues that influence the wellbeing of the communities and the natural environment in which we operate.

To successfully achieve strong outcomes for the individuals and communities we serve, we strive to be an organisation that listens, understands and communicates. Our customers are our largest group of stakeholders and where we have the most opportunity to create impact.

We recognise SGCH needs the support and expertise of others to be effective and achieve all aspects of our strategic plan and our ESG performance. We seek to identify, build, develop and maintain relationships with stakeholders that contribute to achieving our goals and creating shared value.

With an established research program that measures customer satisfaction and corporate reputation, we are committed to further engagement and feedback channels to inform our impact framework.



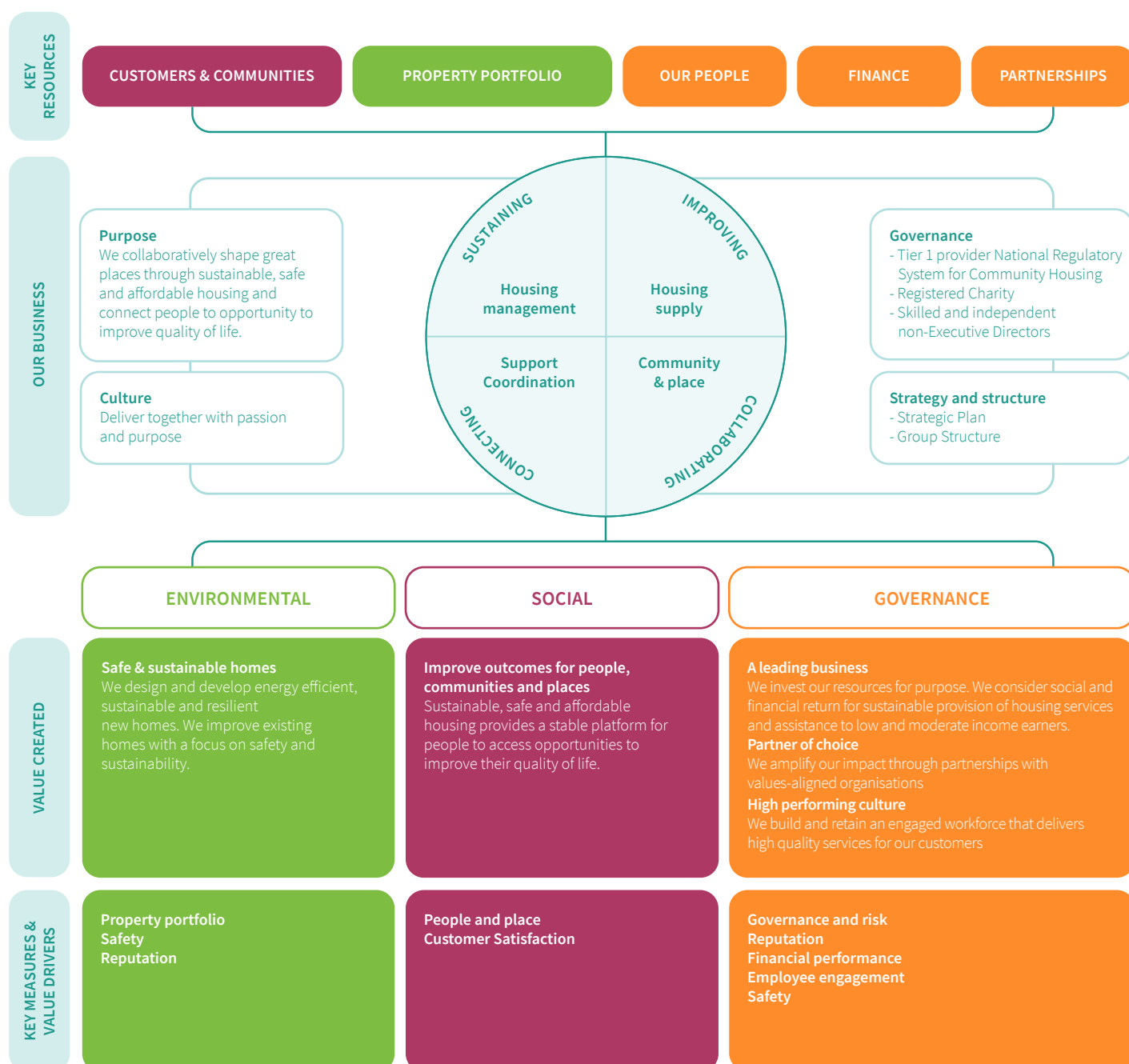
Value creation

Solving ESG challenges requires us to co-create solutions with others. We are in a unique position with the capital, capability, and expertise to work in collaboration with government, private and not-for-profit partners to create shared value.

We focus on building and nurturing effective partnerships with organisations that are invested in and aligned with our purpose to improve outcomes for our customers and communities.

This value creation framework maps the resources and business activities that address ESG challenges and how we create value. Our key measures and metrics are consistent with our Strategic Plan and existing reporting practice.

Value creation framework



Operating context

As the largest community housing provider in Australia's least affordable city, SGCH offers subsidised rental housing for people on low to moderate incomes.

We are a profit-for-purpose organisation that receives its income from rent, and reinvests this to deliver services and increase housing supply. We are a non-government organisation, delivering services and programs in partnership or on behalf of government.

Social Housing

Social housing is for people on very low and low incomes and includes rental housing that is owned or managed by the NSW State Government, by community housing organisations or by the Aboriginal Housing Office. It is allocated based on need and priority from Housing Pathways, a common waitlist administered by the NSW Government.

Affordable Housing

Affordable housing is for people on low to moderate incomes who are generally working but find it difficult to afford housing that meets their needs (location, price, size) in the private rental market yet are not eligible for social housing.

Contributing to solutions

A joint Australian Council of Social Services (ACOSS) and University of NSW report *COVID-19: rental housing and homelessness impacts in Australia* published 28 November 2021, found that nationally more than 155,000 households are registered on social housing waitlists, with more than 400,000 households in need of affordable housing. A third of this demand is in NSW. With this scale of homes needed it is imperative that new partnerships and pathways to grow in this vital social infrastructure continue to be established.

Social and affordable housing is critical social infrastructure that enables governments to work in partnership with the community and private sectors to safeguard the diversity of our communities and support thriving local economies.

In providing safe and secure homes for very low to moderate income households, our organisation connects people to opportunity, offers support in health, wellbeing, education and training, and supports economic development to contribute to positive change. In addition to housing, SGCH customers can

access a range of services including assistance for training, education and employment. We offer support coordination and referral services for a range of needs including health and financial services. We invest in activities and initiatives that create opportunities for social connection through placemaking.

As a partner to government, our work reduces the call on public resources; SGCH has proven its ability to bring together a range of contributions and attract private investment and capability, coupled with our own capacity to deliver and operate much needed social and affordable housing, a key example is our development at 11 Gibbons Street, Redfern where we collaborated with local, state and federal governments and a privately listed firm to deliver 162 units. Read more on page 25.

Investing in communities

Affordable housing is an investment class offering the benefits of low-volatility, long-term demand and the assurance of being highly regulated.

Through market soundings we recognise investors understand the stable economic return and high social benefit available from this emerging global asset class. They value strong partners who ensure that quality homes are delivered in places where people want to live, work and play.

A number of institutional investors have already made investments into affordable housing and Specialist Disability Accommodation (SDA) in partnership with community housing providers for this reason. In late 2021, we announced a partnership with Lighthouse Infrastructure to acquire 85 units for key workers in the Westmead health precinct. This \$59M investment is driven by financial and social sustainability, and assured by our Tier 1 status which indicates the highest level of performance requirements

and regulatory engagement. It is one example of the growing weight of capital looking to invest in highly regulated, not-for-profit community housing.

Highline, Westmead

This turnkey deal saw specialist infrastructure investment manager, Lighthouse Infrastructure, invest \$59M in the acquisition of 85 apartments in Westmead, Western Sydney for medium to low-income key workers. The site is close to three hospitals, Westmead, Westmead Private and the Children's Hospital and Western Sydney and Sydney Universities.

In this innovative structure, SGCH has brought together capital and capability to assist key workers who are struggling to find housing they can afford in Sydney. Lighthouse have provided \$59M initial funding to SGCH Keys, a registered charity and subsidiary of SGCH Group.

This marks the first investment by SGCH into key worker affordable housing as distinct from social housing, which requires direct government subsidy.

This deal builds on Lighthouse's success as an investor in the disability housing sector, having created Australia's leading institutional portfolio of Specialist Disability Accommodation (SDA) assets under the Federal Government's National Disability Insurance Scheme (NDIS).

Mitch King, Managing Director, Lighthouse Infrastructure commented, "We are delighted to have formed this partnership with SGCH, a leading player in the Community Housing market in Sydney. We have established an innovative, socially responsible, funding model with SGCH to invest in key worker housing in the Sydney market."



1. Westmead

"The Lighthouse funding model will be scaled further with other community housing partners to fund key worker housing in other states for the institutional investor market."

Mitch King,
Managing Director, Lighthouse

Foyer Central and City Road, Chippendale

This five-storey, 73-unit development completed in January 2021, is an innovative youth housing model which provides 53 self-contained units for young people (aged 18-22), who are exiting out-of-home care and are at risk of homelessness. It is a unique partnership between the NSW Government, not-for-profit and private sectors to give at-risk young people an opportunity to dream big and reach their potential backed by a social bond. The development also provides 20 affordable housing units for low-income key workers. Partners for Foyer Central project are the City of Sydney, NSW Department Communities and Justice, NSW Office of Social Impact Investment, Uniting and Social Ventures Australia.

Group CEO Scott Langford says "Investing in young people at a pivotal point in their lives reduces their dependence on government services in the future – saving money across vital public services and benefitting the entire NSW community."

The project received a Commendation in the UDIA NSW Development Awards for Excellence in December 2021.



- 1. Foyer front facade
- 2. The self-contained studios are light filled

My home — Miller and Redfern

Building accessible and adaptable homes in our new developments gives SGCH the opportunity to create unique housing solutions for customers whose needs are often not easily met in social housing. At Gibbons Street, Redfern, we have partnered with Civic Disability to provide assistance to people who are participants in the National Disability Insurance Scheme (NDIS) to access suitable social housing. Five NDIS participants have been allocated apartments at Gibbons Street in a program called My Home – Redfern. The program is based on the hugely successful pilot undertaken in 2020 at Miller where five NDIS participants were allocated accessible homes in our Cartwright Avenue project and supported by Civic Disability with drop-in support.

To be eligible for My Home, customers need to be NDIS participants living in unsuitable or unstable housing, and be eligible for social housing. Additionally, they are required to have greater housing independence as one of their NDIS goals and enough drop-in support funding to ensure a stable and positive housing experience. In April 2022, the partnership was awarded Best Accommodation Provider at the Australian Disability Service Awards.



“I can’t put into words how much I enjoy living in my new home.”

Damian,
Miller Resident

Newleaf Estate, Bonnyrigg

The Bonnyrigg Living Communities project was the first social housing Public Private Partnership (PPP) in Australia and was designed to create new social and private housing by redesigning, renewing and reinvigorating a public housing estate within the south-western Sydney suburb of Bonnyrigg.

At the start of the project in 2007, the estate included 833 public housing homes and 97 privately owned homes. SGCH was involved as the PPP’s tenancy and rehousing manager.

Following the winding down of the PPP structure in March 2015, SGCH’s role expanded to include integrated tenancy management services, property maintenance, community development and communications. We are the only community housing provider in Australia delivering integrated services in a whole of location setting, acting as a backbone organisation for community and partners.

In total, the development plan led by NSW Land and Housing Corporation will provide 3,000 new homes in Bonnyrigg including 900 for social housing.

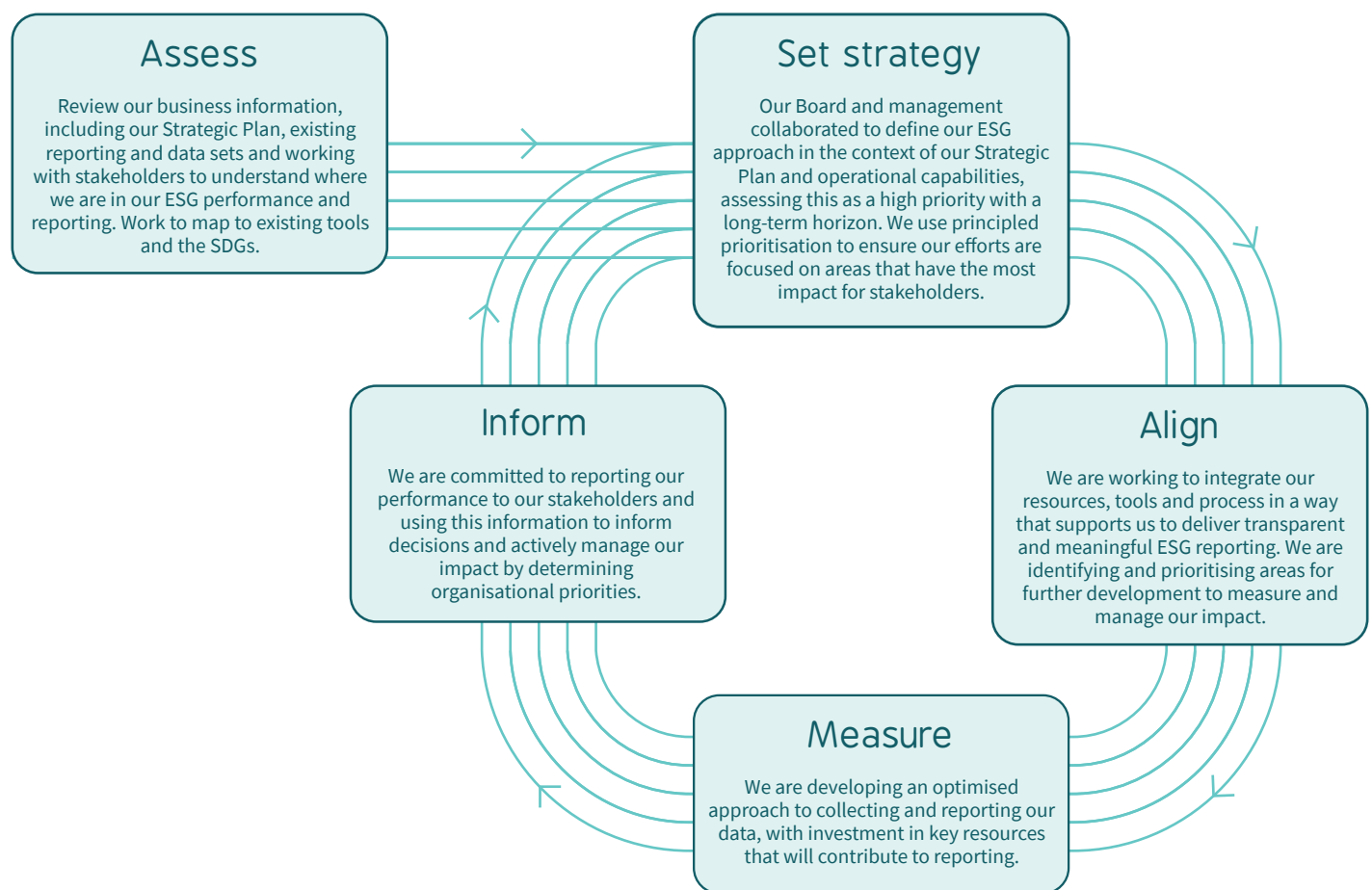


1. Bunker Park, Bonnyrigg

2

Approach

Our ESG approach



Selecting the tools

There are over 600 global reporting standards.

Mandatory reporting of social, environmental and economic impact is gaining traction in other markets, most notably in the European Union.

In Australia there are minimal regulatory reporting obligations for ESG.

Increasing expectations from stakeholders have seen voluntary reporting increase, with 87% of the ASX 200 publishing an ESG report in 2021.

Many ASX 200 also disclose climate-related financial information, adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

More than half of the ASX 200 report against the UN SDG framework.

While we have scale of \$3.6 billion in assets managed and revenue over \$100 million, we are not an ASX 200 organisation, we are a profit-for-purpose organisation. TCFD is currently out of scope for SGCH.

Over time, as the 600 global standards become rationalised and we potentially see greater regulatory guidance in Australia, we expect to adapt the reporting tools we apply.

With our business head and social heart, we sought to align our reporting with;

- UK Sustainability Reporting Standard for Social Housing, a comparable industry standard, and;
- SDG Impact Standards for Enterprises, a robust global practice standard.

The United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a collection of 17 goals, 169 targets, and 232 indicators that represent a shared blueprint for peace and prosperity for people and the planet and are used by investors to align potential investments with broader social and environmental outcomes.

Priority Sustainable Development Goals for SGCH

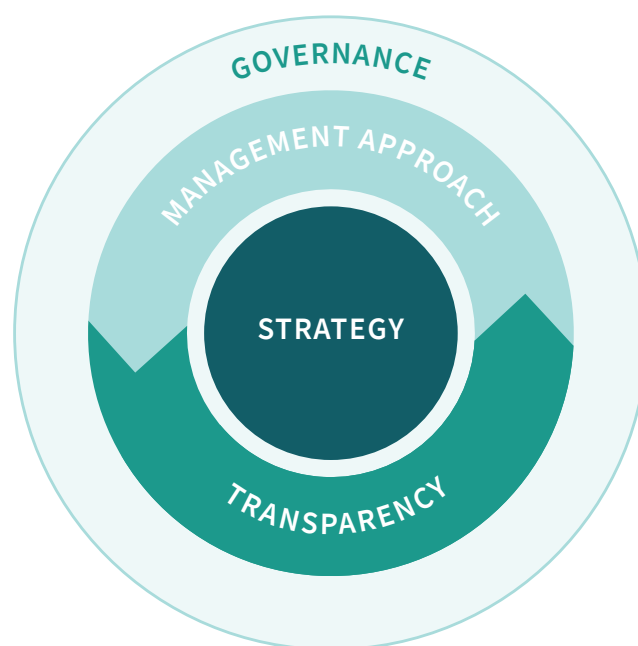


Incorporating additional Sustainable Development Goals



Applying the SDG Impact Standards

SGCH has developed its ESG approach with reference to the SDG Impact Standards for Enterprises. Applying a globally recognised standard is a valuable tool that assists with a decision-making framework to identify where there is opportunity to integrate impact management in our strategy, management approach, disclosure, governance and decision-making practices. Many of our existing practices have proved to be well aligned, with solid foundations that we are focused on strengthening.



Overview – Assessing our position







SDG Impact Standards for Enterprises	SGCH progress	Timing
Standard 1 (Strategy) Embedding foundational elements into purpose and strategy	<ul style="list-style-type: none"> Our purpose is aligned with SDG 1 No Poverty and 10 Reduced Inequalities. Our Strategic Plan demonstrates strong alignment with SDG 11 Sustainable Cities and Communities to contributes to 7 Affordable and Clean Energy. 	Ongoing
Standard 2 (Management Approach) Integrating foundational elements into operations and management approach	<ul style="list-style-type: none"> We are building foundations to embed our ESG approach across operations, with investment in key roles focused on Service Improvement and Outcomes and Research and Impact. 	Commenced
Standard 3 (Transparency) Disclosing how foundational elements are integrated into purpose, strategy, management approach and governance, and reporting on performance	<ul style="list-style-type: none"> Our corporate reporting suite is focused on transparency to provide all our stakeholders with clear information about our operations and how our purpose, strategy, management approach and governance drive our performance. We demonstrate the links between operations and impact, identify areas for improvement, and make informed decisions about investment and resources. In 2021, SGCH published its first Modern Slavery Statement in addition to its Annual Report (including Financial Summary Statement). 	Commenced







<p>Standard 4 (Governance)</p> <p>Reinforcing commitment to foundational elements through governance practices</p>	<ul style="list-style-type: none"> • Our Board and our Safety and Sustainability Committee are focused on monitoring and reviewing our culture relating to safety, environmental and social sustainability. • This includes the Group's approach to promoting and protecting the health and safety of our workers, customers and others while pursuing strategic objectives, the environmental impact and strategies and initiatives adopted to improve environmental sustainability and the impact of the Group's activities on customers, stakeholders and communities in which it operates. • The committee considers key risks, compliance and impact of relevant changes in the areas of safety, environmental performance and social impact. 	<p>Ongoing</p>
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“Our existing approach is well reflected in the global SDG Impact Standards for Enterprises. This standardised approach provides a clear framework that guides further development and integration of impact standards across all areas of our organisation and importantly, provides stakeholders with transparent information to assess our performance and contribution. We see this as a key feature of our ESG offering and will increasingly focus on integration over future planning cycles.”

Victoria Weekes,
Deputy Chair, Chair of Safety and
Sustainability Committee

Aligning our approach

SGCH Strategic Outcomes; Drivers of success This table demonstrates the alignment between the UK's Sustainability Reporting Standard (SRS) for Social Housing themes and SGCH's Strategic Plan and ESG Objectives with our prioritised UN SDGs.			1 No Poverty	7 Affordable and Clean Energy	8 Decent work and economic growth	10 Reduced Inequalities	11 Sustainable Cities & Communities	13 Climate Action
SRS themes	Strategic Alignment	Our ESG Objective						
ENVIRONMENTAL	Climate Change – assessing how the activities of the housing provider are impacting on climate change, and how they are mitigating the physical risks of climate change ^	Identified gap	To be considered					To be considered
	Ecology – assessing how the housing provider is protecting the local environment and ecology ^	Identified gap	To be considered				To be considered	
	Resource Management – identifying the extent to which the housing provider has a sustainable approach to materials in both the construction and management of properties*	Grow a quality, sustainable housing portfolio; An industry leading development capability	Integrate ESG into our new developments		✓		✓	
SOCIAL	Affordability and Security – assessing the extent to which the housing provider provides long-term homes that are genuinely affordable to those on low incomes*	Improve outcomes for people, communities, and places	Ensure our customers are housed securely	✓			✓	✓
	Building Safety and Quality – assessing how effective the housing provider is at listening to and empowering residents*	Improve outcomes for people, communities, and places; Engaging with our customers	Ensure our properties are safe	✓			✓	
	Resident Voice – assessing how effective the housing provider is at listening to and empowering residents^	Improve outcomes for people, communities, and places; Engaging with our customers	Ensure our customers are satisfied	✓			✓	
	Resident Support – assessing the effectiveness of the initiatives that the housing provider runs to support individual residents*	Improve outcomes for people, communities, and places; Facilitating access to appropriate supports	Ensure our customers are supported financially, mentally, physically, and socially	✓			✓	
	Placemaking – highlighting the wider set of activities that housing providers undertake to create well-designed homes and places that meet local needs and provide great places for people to live and enjoy^	Improve outcomes for people, communities, and places; Community-led place planning	Create community-led places				✓	

SGCH Strategic Outcomes; Drivers of success This table demonstrates the alignment between the UK's Sustainability Reporting Standard (SRS) for Social Housing themes and SGCH's Strategic Plan 2019-2024 and ESG Objectives with our prioritised UN SDGs.			1 No Poverty	7 Affordable and Clean Energy	8 Decent work and economic growth	10 Reduced Inequalities	11 Sustainable Cities & Communities	13 Climate Action
SRS themes	Strategic Alignment	Our ESG Objective						
GOVERNANCE	Structure and Governance – assessing the housing provider's overall structure and approach to governance [^]	A leading business; Maintaining best practice governance, risk and reputation management				✓	✓	
	Board and Trustees – assessing the quality and suitability and performance of the board and trustees*	A leading business; Maintaining best practice governance, risk and reputation management				✓		
	Staff Wellbeing – assessing how staff are supported and how their wellbeing is considered*	High performing culture; A focus on safety and wellbeing				✓		
	Supply Chain Management – assessing if the housing provider procures responsibly*	A leading business; Maintaining best practice governance, risk and reputation management			✓	✓		

*included in report, ^ not included

Our plan to increase reporting

Five of the twelve SRS themes are not included in this first report. For the themes Climate Change and Ecology, these are identified gaps where there is no existing alignment in our Strategic Plan or operations. They are identified as areas for further discussion and consultation.

For the themes Resident Voice and Placemaking, while there are some recognised metrics in place, these are under review to move from an activity or outputs focus to outcomes that will provide a greater depth of information. Finally, the theme of Structure and Governance is not included in this report as it is in our Annual Report 2021.

SGCH will continue to review and develop the ESG objectives it reports on and will begin to set targets to improve upon our baseline reporting.

3

Performance

Our performance

To report to stakeholders our performance we have prioritised seven ESG objectives;

- Integrate ESG into our new developments
- Ensure our customers are housed securely
- Ensure our customers are supported financially, mentally, physically, and socially
- Ensure our properties are safe
- Uphold sound risk management in our supply chain
- Maintaining a capable and diverse Board
- Sustain an engaged workforce.

Each objective set by SGCH is mapped to the associated SRS theme and SDG Targets.

Our impact thesis for each objective is a simple statement of ‘If we do this; then this change can occur’.

These objectives have been assessed against the SDG Impact Standards to analyse outcomes against five dimensions of impact, then categorised as an A, B or C goal.

Dimensions of impact



What
What is the outcome we are seeking, what SDG targets does it contribute to



Who
Who is the stakeholder that experiences the change



How much
The level of impact, and A, B, or C goal. The scale, depth and duration of the outcome



Contribution
The degree of change and period which it would have lasted anyway, without SGCH



Risk
Identifying the risk category that may affect expected impact and likelihood of it occurring.

ABC Goals



Act to avoid harm

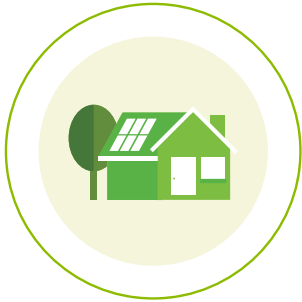


Benefit Stakeholders



Contributing to solutions

Sustainable new homes



Our ESG Objective

Integrate ESG into our new developments.



Impact thesis

By integrating energy efficiency measures into new developments and targeting a minimum 7-star rating under the Nationwide House Energy Rating Scheme (NatHERS) we will minimise energy bills for customers and increase thermal comfort through enhanced building performance.

SRS Theme

Building Safety and Quality | SDG 7, 11



Impact dimension	Performance	Context
What 	<p>Outcome level – 12% of SGCH households are in new developments.</p> <p>Outcome threshold – New builds achieve 7-star NatHERS rating.</p> <p>Importance of outcome to stakeholder – Medium.</p>	<p>SDG Target</p> <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p> <p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
Who 	<p>1,424 customers living in new properties.</p>	<p>SGCH has developed 837 new properties since 2015.</p>
How much 	<p>Scale – Limited to newly developed SGCH properties*. This cohort represents 12% of both total customers and total portfolio.</p> <p>Depth – On average, households estimated to save \$500 on reduced energy costs.</p> <p>Duration – Long-term as the energy efficiency features are designed into the building.</p>	<p>Contribute to solutions</p> <p>Customers in these homes benefit from:</p> <ul style="list-style-type: none"> • increased thermal comfort • increased energy efficiency and renewable energy technologies, and • reduced electricity and gas bills. <p>Communities benefit from responsible, sustainable developments that reduce carbon footprint.</p>

Contribution



Significant. Our commitment to embed sustainability features and deliver energy efficient buildings with a reduced carbon footprint demonstrates our leadership in this space.

Without this commitment to design in energy efficient measures, the benefits to customers would not have occurred.

Working with the Clean Energy Finance Corporation (CEFC) was transformational for SGCH. In 2015, we established the SGCH Sustainability subsidiary to work with the CEFC under a \$40 million pilot program, which expanded to \$170 million in 2017. Together, we accelerated construction of 298 new energy efficient homes, providing affordable housing for key low-to-middle income city workers. This initiative was ground-breaking in demonstrating the potential for sustainable community housing and has informed all our future developments.

Risk



Medium

Evidence – Impact is unknown due to lack of data (no comparison data for new builds).

Medium

External – Other factors impede impact (climate change).

* There are also newly developed properties under management within our portfolio, this analysis is for SGCH developed properties only.

New Developments

Social and affordable housing needs to meet the relevant minimum building code requirements. We develop to a 7-star NatHERS rating for purpose.

The expected saving varies according to the building type and customer needs and usage, however the average family is estimated to save each year;

- \$300 from improved insulation, double glazing
- \$80 using LED lights
- \$400 from more efficient hot water systems
- \$300-500 where solar panels are installed.

With our new developments, SGCH has created opportunities to design and build

energy efficient homes. SGCH developments feature the following energy efficient measures:

- Photovoltaic solar installed on the roof to power all common area power demands
- Gearless traction lifts with Variable Voltage and Frequency (VVVF) motors
- Natural ventilation (no mechanical ventilation) in hallways
- LED lighting for all lifts and lighting connected to lift call button
- LED for garbage room/ plant room/ service room with motion sensor control
- LED lighting with daylight sensors and motion sensors for ground floor lobbies and all other hallways

- Individual fans ducted to facade for kitchen, bathroom and laundry exhausts, all interlocked to light switch
- Dedicated Compact Fluorescent/LED fittings for all internal areas in apartments
- Ceiling fans in all living rooms and bedrooms.

Our developments have also been designed to meet the Australian Government's Livable Housing Design Guidelines – Silver Level. This creates a resilient portfolio, designed to more easily adapt to the changing needs of customers.

“While integrating higher environmental and sustainability standards in developments, on balance 88% of our portfolio is established with a variable standard and range in age, condition and specification”

Andrew Brooks,
Group Executive, Homes

Established homes

It is more complex and cost-prohibitive to retrofit the established properties we lease or manage on behalf of others. We are committed to environmental sustainability and reducing the footprint of our overall portfolio as well as helping our customers save on energy bills.

From 2016, SGCH participated in a retrofit program called the Home Energy Action Program (HEAP) with our financier in SGCH Sustainability the Clean Energy Finance Corporation, and the NSW Office of Environment and Heritage. This \$4.8M co-funding agreement retrofitted existing social housing stock with energy efficient measures.

We are committed to further exploring partnerships that invest in improving the efficiency and comfort of homes in our portfolio to benefit our customers and our environment. We are also committed to improving the data we capture to help inform our property maintenance program.

The HEAP achieved improved energy efficiency.



Partnering with industry

Our social and affordable housing tenants are amongst the most vulnerable Australians, impacted by rising energy costs and bill shock. We actively work with industry to address issues that affect the low-moderate income households we serve.

In May 2020, the Green Building Council of Australia (GBCA) released *Green Star for Homes: A strategy for the future*, an ambitious new standard for Australian homes. The standard will help drive the transformation of the housing market to ensure new homes are built to a higher standard which is focused on health, resilience and net zero energy.

SGCH is a member of GBCA and a partner in Future Homes, the project driving the new standard, contributing our expertise and support for sustainable housing.

SGCH was also a participant contributing its experience and perspective for the report *Supporting energy efficiency upgrades for existing homes through informed policy and program design: Social housing sector perspectives* prepared by the Residential team in the Climate Change & Sustainability Division under the NSW Department of Planning, Industry and Environment. This work will inform the design of future voluntary energy policy and programs for existing residential properties.

“We believe that all Australians deserve homes that are healthy, resilient and net zero in energy, and we’re pleased to partner with SGCH to deliver this.”

Davina Rooney,
CEO of the GBCA

“We have been proud to support the Future Homes initiative and contribute our experience and perspective as we collectively set our sights on safe and sustainable homes for all Australians.”

Scott Langford,
Group CEO, SGCH

Flagship design delivers our most sustainable development

Delivered in June 2021, 11 Gibbons Street Redfern represents our highest rated development to date with an average 8-star NatHERS rating. This 18-storey building includes 162 homes, a community hub, playground, communal spaces, bicycle storage and workshop, commercial and office spaces.

The project achieves its 8-Star NatHERS rating with additional sustainability commitments including a rooftop PV solar array and battery storage to minimise operational costs for SGCH. This creates a sustainable development and means savings can be diverted to SGCH's purpose of providing more safe, sustainable and affordable homes.

All apartments have high quality window treatments, ceiling fans, double glazing and trickle vents to allow fresh airflow control. This creates thermal comfort for residents of the building while reducing household running costs.

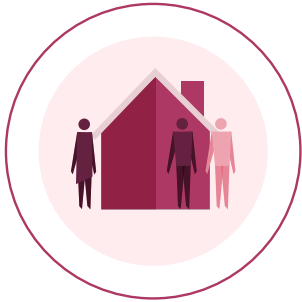
The building also features a bike hub to promote sustainable transport options. This consists of generous bicycle parking and a bike workshop for residents to service their bicycles. There is no parking on site, and the building is located directly opposite Redfern railway station and buses, providing excellent transport links. Sustainability at 11 Gibbons St considers the whole life of the building and the future tenant needs. All apartments have been designed to a Silver Livable Standard with 27 fully adaptable units ensuring future flexibility as tenant needs change. The development also contains a number of dual key apartments which cater for diverse living arrangements including intergenerational living and fee-for-service partnership opportunities, allowing future adaptability and sustainable outcomes.

In 2021, the project won the Affordable Residential Development category at the Urban Taskforce Development Excellence Awards. This was our third consecutive win, recognised alongside previous quality developments at Great Western Highway Westmead with its 6.8-star NatHERS (2019) and our portfolio across south-western Sydney, the Brickmakers Precinct average 7-star NatHERS (2020).



1. Gibbons Street exterior
2. Features of the playground area on Level 3
3. Spacious balconies offer privacy

Secure housing



Our ESG Objective

Ensure our customers are housed securely.



Impact thesis

Providing social and affordable housing with subsidised rent increases the financial, physical and social security of our customers.

SRS Theme

Affordability and Security | SDG 1,10,11



Impact dimension	Performance	Context
What 	<p>Outcome level – 72.8% satisfied ‘How safe you feel’.</p> <p>Outcome threshold – Paying a subsidised, affordable rent with security of tenure increases the financial, physical and social security for our customers. We have provided \$88 million savings for customers in annualised subsidy (as at 31 December 2021).</p> <p>Importance of outcome to stakeholder – 71% overall satisfaction with property.</p>	<p>SDG Target</p> <p>1.4.1 Proportion of population living in households with access to basic services.</p> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>
Who 	<p>11,582 customers.</p>	<p>Social housing tenants, Affordable housing tenants, people assisted with transitional housing and applicants in Greater Sydney Metropolitan region. Very low-moderate income households.</p>
How much 	<p>Scale – We are providing a deep change for over 7,000 households. Around 1 in 430 Sydneysiders are in an SGCH home.</p> <p>Depth – SGCH provides more than housing, facilitating access to appropriate supports to sustain tenancies.</p> <p>Duration – Long-term.</p>	<p>Contributing to solutions</p> <p>SGCH is performing above the threshold, where the level of outcome would not have occurred due to housing market failure in NSW.</p>

Contribution



At 30 June 2020, there were 156,019 total social housing dwellings in NSW, including 49,509 community housing dwellings. SGCH provided 3.8% of the states total dwellings, and 12.2% of all community housing.

Since 2020, SGCH has developed 531 new homes with a further 165 new homes delivered by development partners and managed by SGCH as social and affordable housing.

55,000 people are on the waitlist for social housing.

The Rental Affordability Index categorises Greater Sydney as Unaffordable with the degree varying on household composition:

- Single pensioner - 66% of income on rent
- Minimum wage couple – 31% of income on rent.

Risk



Medium

Stakeholder engagement – Intended impacts do not align with priorities of affected stakeholders.

Medium

External – Other factors impede impact.

“The situation continues to be untenable for low-income households. With households having to pay most of their income on rent, many are pushed into poor quality, overcrowded houses and often far away from jobs and services.”

Ellen White,
SGS partner and lead author
Rental Affordability Index 2021

Customer satisfaction survey 2021

76%

overall satisfaction with neighbourhood
as a place to live

75%

overall satisfaction with the
safety of their home

72%

say life has improved since
living in an SGCH home

Bianca's story

When you first speak to Gibbons Street customer, Bianca*, you can't help but be filled with optimism and positivity. Her honesty and obvious gratitude give no indication of the trauma and challenges she faced before finding her new home.

Bianca was born to drug addicted parents and by the age of five, was placed in a children's home.

Whilst in the children's home, her father passed away and her mother got clean. Bianca was also subjected to what she describes as "unspeakable acts of abuse" whilst living in the home.

"When my Mum got clean, I moved back in with her and she tried her best. But at that stage I hadn't disclosed my abuse. I couldn't regulate my emotions and my behaviour was out of control. Mum put me in a school for kids with behavioural issues, but in the end, I was just too much for her. She stayed clean but I ran away from home when I was 11."

The years that followed saw Bianca living on the streets of Kings Cross. She developed a substance abuse problem and from the time she was 18, she was in and out of custody for minor offences including drug charges and prostitution.

"When I was 34, my addiction was so out of control, I committed a violent offence. It was provoked but there is no excuse. I was charged and convicted of attempted murder and sentenced to 13 years in custody", said Bianca.

Whilst in custody, Bianca was able to get clean and has been ever since. She served her full sentence and found herself a free woman in March 2021 but with nowhere to live.

"I eventually found a friend in Liverpool and began my parole there. I went to the housing department but because I was out of area, no services could help me. The friend I was living with was actually using drugs. I wanted to stay clean so without much other choice, I left and moved back to Sydney City."

Bianca was put up in a hotel for a few weeks at Samaritan House in Central and things slowly began to fall into place.

"Civic and Salvos heard my story. I wasn't on a Disability pension at that stage or NDIS but I began the process. Everything was approved around the same time. It was a gruelling four months, reliving my trauma and having to retell my story over and over", she shared.

Now that she's got the stability of her own home, Bianca is taking some time to breathe and work out what comes next for her.

"It has been a really difficult journey but I am happy to be here. I fought really hard to get here. I plan to use my NDIS plan and decide what I need most" she said.

Bianca is also looking forward to reconnecting with her Mum, who is currently overseas.

"Soon I will have a hug from Mum for the first time in 5 years, the one thing that's really missing. In the meantime, I have a foundation. To me that's forever. It is central to everything. I couldn't have asked for a better location and a better home."

**Name changed for privacy reasons*



"When I was told I was approved for housing I felt the same way I did when I was released from custody. My biggest gratitude is being able to see the night sky, I love the view. I have a secure home and I am five minutes from my grandmother. Plus, the staff are amazing."

Bianca,
Customer, Redfern

Supporting customers



Our ESG Objective

Ensure our customers are supported financially, mentally, physically, and socially.



Impact thesis




Facilitating access to appropriate supports enables our customers to improve health and wellbeing outcomes.

SRS Theme

Resident Support | SDG 1,10



Impact dimension	Performance	Context
What 	<p>Outcome level – 62% satisfaction with suitability of support services to which tenants have been referred*.</p> <p>Outcome threshold – We work to support and sustain all tenancies with a target to have less than 2% evictions. For the past two years, we have a 1% eviction rate.</p> <p>Importance of outcome to stakeholder – Evictions are 1%. With around 10% of all customers receiving support, just over half of those surveyed (52%) were satisfied with SGCH's Tailored Support Coordination Services. Of those who had been referred, 25% had gone on to access those support services*.</p>	<p>SDG Target</p> <p>1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.</p> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p>
Who 	<p>1,025 customers receiving support.</p> <p>190 external support services engaged.</p> <p>256 Strive Scholarships awarded in 2021.</p> <p>47 participants in Catalyst program placed in training (26) and employment (25); 4 were placed in 2021.</p>	<p>Of those who had been in contact with the SGCH Support Coordination team, 49% had discussed disability, 33% family, 26% financial, 24% mental health and 21% age related issues.</p> <p>Since their inception in 2006, our scholarship program has awarded over \$2.3 million to students to assist with the cost of education and activities.</p> <p>Since 2018, our Catalyst program has offered customers support and coaching to find and maintain suitable training and/ or employment.</p>

How much 	<p>Scale – Approximately 10% of all customers.</p> <p>Depth – Highly variable depending on reasons for seeking support and the range of complexity involved.</p> <p>Duration – SGCH has invested in dedicated Support Coordination resources for over a decade, scholarships for more than 15 years.</p>	Benefit stakeholders
Contribution 	<p>With Support Coordination and referral to appropriate supports, we have improved the sustainability of tenancies and reduced arrears.</p>	<p>In the 2020/21 financial year, our Support Coordination team had 145 referrals for rent arrears and debt, often a primary indicator of risk. The team worked collaboratively with our Tenancy, Property, and Income Management teams to support these vulnerable customers to maintain their tenancies using an early intervention strategy. Arrears and debts as a percentage of rent were at historically low levels in 2020/21, having steadily decreased in recent years through this approach.</p>
Risk 	<p>Medium</p> <p>Medium</p> <p>Medium</p>	<p>Stakeholder engagement – Intended impacts do not align with priorities of affected stakeholders.</p> <p>Execution – Actions don't occur.</p> <p>Evidence – Impact is unknown due to lack of data.</p>

* Data from 2021 Customer Satisfaction Survey, CHIA NSW

Craig's story

Modern Aboriginal artist Craig Shepherd's artworks are printed on coffee mugs and can be found in kitchen cupboards across La Perouse. Earlier this year they were displayed at the La Perouse Museum in an exhibition called 'Shell It: Aboriginal Artworks'.

Craig is exploring his creativity and selling the mugs, thanks to an art project facilitated and funded by SGCH's Catalyst program.

Born and raised in the Sydney suburb of La Perouse, NSW, Craig is a Gundungurra man.

His paintings portray the sea and urban landscapes of La Perouse in the 1940s and 50s.

They are based on a series of historical photographs Craig found online after being inspired by the stories and memories of his grandmother Thelma, mother, Cheryl, and aunt Clara.

"Listening to the women in my family talk about their childhoods in La Perouse sparked something inside me... I found lots of old black and white photos and decided to paint them in colour.

"Mum talked about how she would play near the boat sheds, and swim and dive off the wharf. She named the buildings in and told me what colours they used to be."

When Craig posted photos of his paintings on Facebook, people in his local community started sharing their memories of "old La-Pa" [La Perouse] with him too.

"I got so much positive feedback and even more stories. I thought to myself: 'I've found something here... I want to keep on doing this.'"

Employment and Opportunities Manager, Carrie Levine helped Craig write an artist profile and use Catalyst financial assistance to buy and print his works on the mugs which he took along to the opening night of the exhibition to "test the waters".

He was "stoked" when the Mayor of Randwick ordered 25 and the Museum's curator asked for a further 40 mugs.

Since then, Craig has painted two canvases for a local café called The Boat Shed and locals have asked him to paint specific scenes for them.

"One old lady asked for a mug with the old Paragon building on it so she could give it to her husband who lives in aged care. She cried when I gave it to her."

For Craig, the art project has been a healing journey and is a pathway to something positive.

"I've always been a working person. Believe it or not, I'm actually a registered pilot. I haven't flown in years, but my aviation number will stay with me until the day I die. Aviation is a passion of mine. I originally wanted to be a Qantas pilot but things didn't work out.

Craig is planning a website to display his works and sell more merchandise. He's found himself a business mentor, a neighbour who has his own business called Indigi-grow sells native bushfoods and plants. But for now, Craig is simply enjoying his art.

"I never thought I would take my painting to this level. I can see what it does for me and for other people.

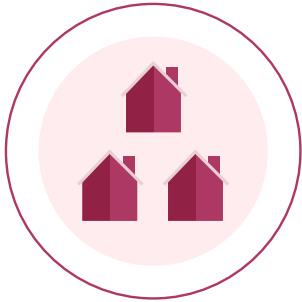
"I'm helping keep the history of La Perouse alive".



"I've been through a dark period with my mental health. My painting is slowly bringing me back ... It has given me a focus and is helping me to see a future.

Craig,
Customer, La Perouse

Safe properties



Our ESG Objective

Ensure our properties are safe.



Impact thesis

If we inspect, assess and maintain our properties to ensure they are safe and meeting standards then we are contributing to customers health and safety.

SRS Theme

Building Safety and Quality | SDG 1, 11



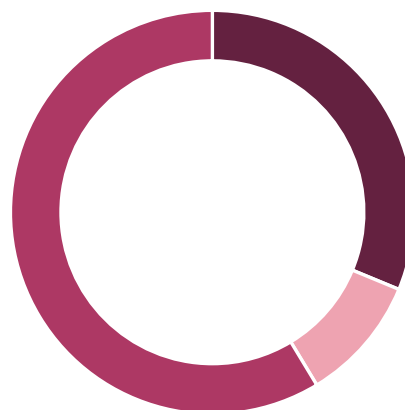
Impact dimension	Performance	Context
What 	<p>Outcome level – 71% overall customer satisfaction with property.</p> <p>Outcome threshold – Properties meeting condition is set at a 70% threshold by the regulator. In 2021/22, 95% of SGCH Group properties were meeting the condition standard.</p> <p>Importance of outcome to stakeholder – High.</p>	<p>SDG Target</p> <p>1.4.1 Proportion of population living in households with access to basic services.</p> <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>
Who 	<p>10,243 customers housed in social housing.</p> <p>1,339 customers housed in affordable housing.</p>	<p>Social housing tenants, Affordable housing tenants, people assisted with transitional housing and applicants in Greater Sydney Metropolitan region. Very low-moderate income households.</p>

“I only moved in a few months before the work started. I received my letter in the mail letting me know there would be people on site and it all happened really quickly. The works are better than I expected.




The gates are great. The fences are great, especially out the back. I love the added security. The workers were lovely and really respectful too. I actually miss them.”

Danielle,
Customer at Belair St, Punchbowl

Property portfolio



Owned Managed Leased

How much 	<p>We own, manage and lease over 7,000 properties.</p> <p>Our property condition can vary greatly based on age, condition, typology and location. We are implementing a Safe and Sustainable Homes standard to apply a consistent measure.</p> <p>Variable. SGCH builds and maintains its properties for the long-term. Management of government stock is generally long-term. Private leaseholds can be short-medium term.</p>	Act to avoid harm <p>Given the range of age and condition of our property portfolio, and the variables of actions of people within the home our goal is to act to avoid harm by ensuring properties are safe and meet regulation and standards.</p>
Contribution 	<p>In the financial year 2020/21 SGCH invested \$17.3 million in repairs and maintenance.</p> <p>Repairs and maintenance services delivered in FY20/21 - 29,568.</p>	<p>As a community housing provider, SGCH social housing tenants access Commonwealth Rent Assistance (CRA), an additional payment that public housing tenants are not eligible for. The tenant does not pay any additional rent compared to if they were in public housing, the CRA payment is paid to the community housing provider and contributes to the maintenance and repair of dwellings.</p>
Risk 	<p>High</p> <p>Medium</p> <p>Low</p>	<p>Unexpected – Unforeseen factors impede impact (COVID restrictions).</p> <p>Stakeholder engagement – Intended impacts do not align with priorities of affected stakeholders.</p> <p>Efficiency – Actions are too costly to implement.</p>

Portfolio management

Our portfolio includes management of properties owned by the Land and Housing Corporation, including the 1,400 properties across Northern Sydney through the Social Housing Management Transfer program, and a further 2,100 under 20-year lease program.

SGCH is required to inspect these properties on a 3-yearly cycle using the NSW Government Property Assessment Survey (PAS) standard. Since September 2019, SGCH has completed 1,105 PAS Inspections. 93% are rated as maintained or well maintained. Through investment in property upgrades, SGCH has increased the property standard from a 5.4 to a 6.4 since the transfer.

The remaining 7% of inspected properties were classified as below maintained and have either been brought to standard, or are in the process of being brought to standard under our Planned Maintenance Program.

We undertake Essential Fire Safety Measure inspections on every property at least annually in a rolling program.

100% of our due Annual Fire Safety Statements have been completed (259), with a further 26 in progress and 4 new buildings to incorporate into the annual schedule. Smoke Alarm testing 83% of properties has been completed with the remainder in progress.

Supply chain management



Our ESG Objective

Upholding sound risk management in our supply chain.





Impact thesis

In continuing to build a framework that assists us to adapt and progress our capabilities to identify, assess and address risks under the Modern Slavery Act 2018 (Cth) we will improve risk management and reduce harm.

SRS Theme

Supply Chain Management | SDG 10, 8



Impact dimension	Performance	Context
What 	<p>Outcome level – To be assessed.</p> <p>Outcome threshold – Compliance with Modern Slavery Act 2018 (Cth).</p> <p>Importance of outcome to stakeholder – Medium.</p>	<p>SDG Target</p> <p>10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</p> <p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>
Who 	<p>231 staff.</p> <p>11,582 customers.</p> <p>750 Tier 1 suppliers.</p>	<p>Undertaking supply chain mapping in 2021, most of our 750 suppliers are based in Australia, a low-risk location on the Global Slavery Index. Some identified overseas suppliers are based in the United States and Singapore.</p>

How much



Scale – To be assessed. Recognising global supply chains are complex, and SGCH has completed its initial statement, the scale is not yet known.

Depth – The degree of change experienced following the intervention of this requirement is unknown. Stakeholder must be engaged to capture baseline information and changes over time.

Duration – To be assessed.

Act to avoid harm

We understand modern slavery is complex and exists in many forms. We know modern slavery exists in every country, including our own. We understand that the prevalence of modern slavery means that every entity has risks of modern slavery occurring within its operations and supply chains. We have commenced the process of identifying the risks that we may cause, contribute to, or be directly linked to modern slavery through our operations and supply chains.

Contribution



The degree of change that would have happened anyway without compliance with the MSA is marginal as SGCH complies with all relevant laws and chooses values aligned partners. The process has increased organisational knowledge and awareness.

Our growth in this area is currently mapped over a three-year strategy and will continue to evolve.

We have a planned approach to engage with our suppliers about modern slavery. We have also drafted a Supplier Modern Slavery Protocol (the Protocol) to advise suppliers of our expectations in this area and mandate their compliance. The Protocol includes various remedial mechanisms in the event of non-compliance.

Risk



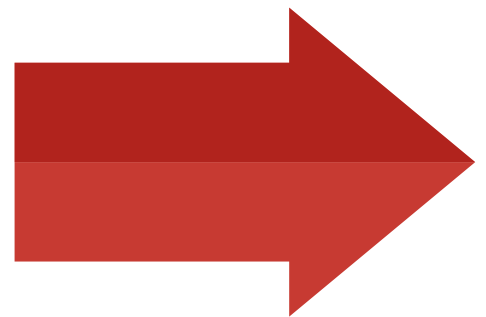
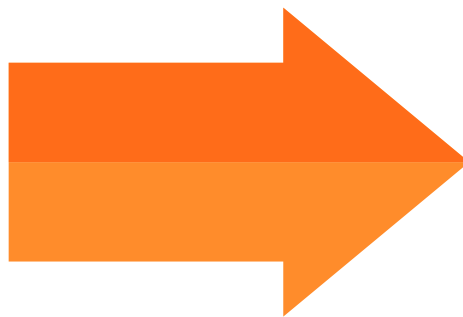
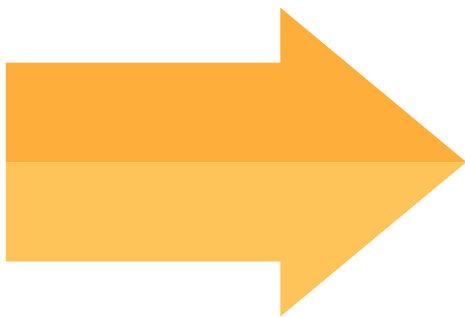
Medium

Evidence – Impact is unknown due to lack of data.

Medium

Stakeholder engagement – Intended impacts do not align with priorities of affected stakeholders.

Our strategy to address modern slavery



2021

- Develop Modern Slavery Policy
- Engage and educate staff
- Develop Modern Slavery Protocol
- Develop Supplier Questionnaire and map supply chains.

2022

- Review and develop Modern Slavery Framework and associated documents
- Engage with staff and stakeholders for continuous improvement
- Further develop capabilities in supply chain mapping to better understand where our high-risk areas are so that we can target same more accurately and efficiently
- Consider opportunities to leverage industry collaboration in this area, both to establish efficiencies and to strengthen our approach as a more effective force for change
- Engage with suppliers.

2023

- Well established processes and internal capabilities
- Engage with staff and stakeholders for continuous improvement
- Highly developed risk assessments and understanding of operations and supply chains, including tier 2 suppliers
- Progression of possible industry collaboration efforts.

Diverse board



Our ESG Objective

Maintaining a capable and diverse Board.






Impact thesis



Serving directors with an appropriate mix and balance of skills, expertise, experience, diversity and independence will effectively govern the organisation for the benefit of the customers and communities we serve.

SRS Theme

Board and Trustees | SDG 10



Impact dimension	Performance	Context
What 	<p>Outcome level – The SGCH Board sets and guides the strategic direction of the organisation and oversees its activities with an appropriate level of governance and risk management.</p> <p>Outcome threshold – SGCH has adopted a target of a 40:40:20 gender mix, this has been achieved and maintained.</p> <p>Importance of outcome to stakeholder – High.</p>	<p>SDG Targets</p> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</p>
Who 	<p>SGCH Customers, Staff.</p> <p>All stakeholders.</p>	<p>With responsibility to set and guide the strategic direction of SGCH, all stakeholders are in scope.</p>
How much 	<p>Scale – 11,528 customers, 231 staff, broader stakeholders.</p> <p>Depth – Significant with the ability to impact the depth of change experienced at an organisational level which in turn affects customers, stakeholders. Degree of changes variable.</p> <p>Duration – Long-term.</p>	<p>Benefit stakeholders</p>








Contribution 	SGCH exceeds requirements, benchmarking against the best practice ASX Corporate Governance Council's Principles and Recommendations in continually assessing and improving its processes and policies.	The SGCH Group is required to meet the Australian Charities and Not-for-profits Commission governance standards and the performance outcomes mandated in the National Regulatory System Community Housing (NRSCH).
Risk 	Low Low	Efficiency – Actions are too costly to implement. Execution – Actions don't occur.

To ensure the long-term success of SGCH Group, we are committed to corporate governance that guarantees accountability to stakeholders including members, customers, employees and the communities in which we work. The directors have an appropriate mix and balance of skills, expertise, experience, diversity and independence to effectively govern the organisation for the benefit of the customers and communities we serve. The skills and experience of directors is reviewed regularly to ensure alignment to the Group's growth and strategic direction.

The Corporate Governance Policy sets out the principal features of the Group's governance, including the role of the Group Board and its Committees, matters reserved to the Group Board, the mechanism for delegation to management, company secretarial accountability to the Group Board, the directors' access to independent advice and the customer's voice in decision making. The SGCH Group has four Board Governance Committees that assist with its duties to oversee strategic areas of business operation.

The SGCH Group has a Diversity and Equal Employment Opportunity Policy. The Group Board has equal female and male representation, achieving its targets. The SGCH Group is a "relevant employer" under the Workplace Gender Equality Act. The Gender Equality Indicators are reported on page 40.

Board Skills

	Prior non-Executive Director experience		CHP industry, social housing management
	CEO, Senior Executive experience		Technology information
	Strategic finance, accounting		Legal, risk and compliance
	Property, housing development, procurement		Asset management
	Government, social policy development		Human resources

Great people

**Our ESG Objective**

Sustain an engaged workforce.

**Impact thesis**

If we build and maintain an engaged workforce, supported by our values, vital behaviours and culture, then we attract and retain great people to deliver high quality services for our customers.




SRS Theme

Staff Wellbeing | SDG 10

Note;

The SRS classifies this theme as a Governance impact, SGCH also considers this as Social impact as transparency and disclosure of employee data provides information about how we operate as a corporate citizen, how we treat our employees, and how we are meaningfully contributing to the communities where we operate through employment and economic opportunity.



Impact dimension	Performance	Context
What 	<p>Outcome level – 4.14 Gallup Q12® Grand Mean Score.</p> <p>Outcome threshold – Attract and retain staff 90.05% retention rate.</p> <p>Importance of outcome to stakeholder – High.</p>	<p>SDG Target</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</p>
Who 	<p>231 staff.</p>	<p>67% female, 33% male.</p>
How much 	<p>Scale - Pulse Check survey in 2021 had a response rate of 71%.</p> <p>Depth - The Gallup Q12® approach identifies twelve core elements that link powerfully to key business outcomes and best predict employee engagement and performance.</p> <p>Duration - SGCH has tracked Employee Engagement using the Gallup Q12® since 2017.</p>	<p>Benefit stakeholders</p> <p>We invest in our people, attracting and retaining a professional, skilled and values aligned team who deliver great outcomes for our customers.</p>

Contribution



SGCH employs a workforce of 231 staff. 76% of all our staff are covered by the Social, Community, Home Care and Disability Services Industry Award 2010; with 72% female and 28% male. The balance of staff are on contracts negotiated at market rate.

Our investment in learning and development and staff wellbeing activities was \$330,00 in the past financial year. A further \$300,000 was invested in Learning and Organisational Development.

Accountability and managing stress levels remain as areas for focus and improvement. There are also some unique differences between Divisions which is driven by local job family, leadership and micro culture characteristics. The impact of COVID-19 on staff is unevenly distributed, with front-line staff attending offices while other roles worked from home.

Risk



High

Unexpected – Unforeseen factors impede impact (COVID restrictions).

Low

Stakeholder engagement – Intended impacts do not align with priorities of affected stakeholders.

Low

Drop-off – Actions led to impact, but it doesn't last.

Award-winning workplace



Gender equality indicators

Under the Workplace Gender Equality Act 2012, non-public sector employers with 100 or more staff must report to the WGEA annually against six gender equality indicators (GEI). The reporting results are a snapshot from 26 May 2021.

Gender equality performance	
Indicator	Key Performance Indicators
GEI 1	149 female, 68 male
The gender composition of the workforce	
GEI 2	4 female, 3 male
Gender composition of governing bodies of relevant employers	
GEI 3	Has conducted a remuneration gap analysis within past 12 months
Equal remuneration between women and men	<p>Has taken action as a result of the remuneration gap analysis:</p> <ul style="list-style-type: none"> • Created a pay equity strategy or action plan • Identified cause/s of the gaps • Reviewed remuneration decision-making processes • Reported pay equity metrics (including gender pay gaps) to the governing body • Reported pay equity metrics (including gender pay gaps) to the Executive.
GEI 4	Has a flexible working arrangements policy or strategy.
Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities	<p>Formal types of flexible work offered include:</p> <ul style="list-style-type: none"> • Carer's leave • Compressed working week • Flexible hours of work • Job sharing • Part-time work • Purchase leave • Telecommuting • Time-in-lieu • Unpaid leave.
GEI 5	No consultation in reporting period, has an overall gender equality policy or strategy
Consultation with employees on issues concerning gender equality in the workplace	<p>Has a gender equality policy or strategy for:</p> <ul style="list-style-type: none"> • Retention • Performance management • Promotion • Talent identification • Succession planning • Training and development • Recruitment.
GEI 6	
Sex-based harassment and discrimination	<ul style="list-style-type: none"> • Has a formal policy or formal strategy on sex-based harassment and discrimination prevention • Includes a grievance process in any sex-based harassment and discrimination prevention policy or strategy • Provides training for all managers on sex-based harassment and discrimination prevention.

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Future Action

SGCH is committed to further enhancing its performance, measurement and reporting to provide transparent information for all stakeholders.

We also acknowledge our efforts require principled prioritisation and stakeholder engagement to ensure we are investing limited resources in the areas that have material impact.

We have identified areas for development and planned actions to help us further understand and report our impact in the near- to medium-term horizon.

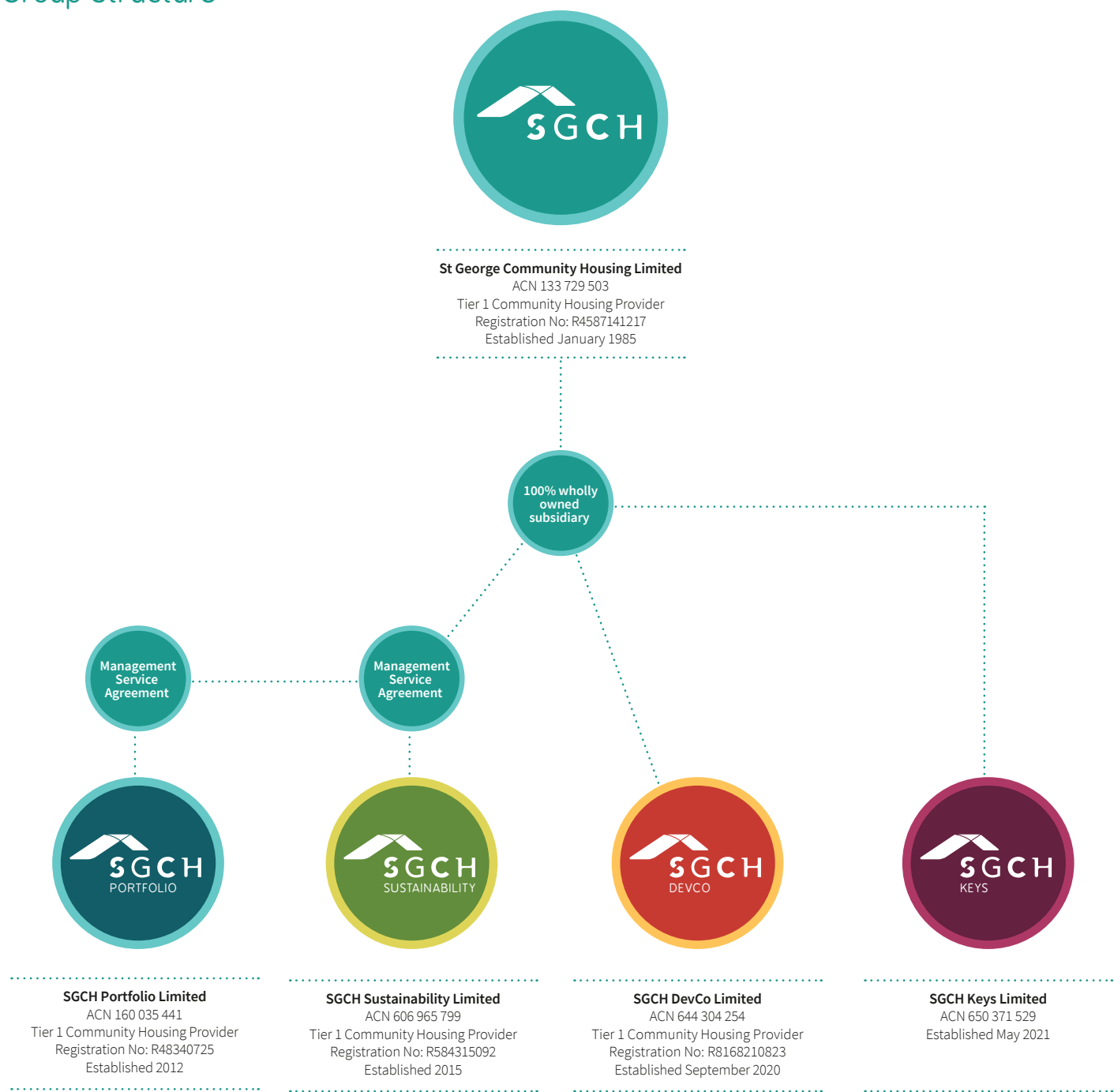
Planned action for areas of development

Areas for development	Planned actions
Expand data sets for the Impact Report 2023 to include more ESG objectives.	Working internally and with stakeholders to report against a greater number of areas, including setting targets for improvement.
Work with industry to develop and Australian standard akin to the UK Sustainability Reporting Standard for Social Housing.	SGCH has commenced discussions with peak bodies including PowerHousing Australia and Community Housing Industry Association (national) sharing its work to date. SGCH is committed to further participation and collaboration with colleagues to develop an Australian standard.
Develop a scoring system to rate our performance for ease of understanding.	Gather and implement stakeholder and peer feedback on performance measurement to develop a scoring system and overall score for each ESG objective for greater clarity.
Assess a value system that includes financial metrics.	Gather and implement stakeholder feedback about financial value of impact. Investigate third party systems and certified tools that provide standardisation and assurance.
Develop an optimised approach to collecting and reporting data to inform impact reporting.	Following the establishment of Outcomes Framework and agreed indicators, SGCH will develop its plans to measure long-term impact and setting targets.
Consider areas identified as gaps in our reporting capabilities applying an ‘if not, why not’ rationale for stakeholders.	SGCH has no specific commitments for two of the three SRS Environmental themes, this requires further investigation.
Consider feasibility of gathering information about properties that are not developed by SGCH, including energy efficiency.	The Safe and Sustainable Homes standard is being implemented which will improve portfolio knowledge over time. Assess which factors are out of scope and provide transparent information.

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Organisation

Group structure



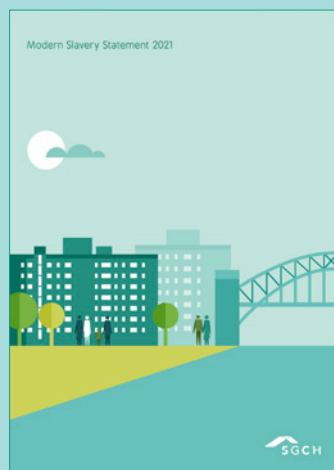
SGCH Corporate Reporting Suite

For details about our directors, executive team and strategic plan, please read our [Annual Report 2021](#) or visit sgch.com.au

Annual Report 2021

Modern Slavery Statement 2021

Impact Report 2022



For further information please contact
report author:

Michelle Moore-Fonseca

Head of Corporate Affairs, Impact
and Communications

Qualifications

BA (Comms), Grad Dip (Comms Management)
MBAX (Social Impact) *expected completion 2022*

Experience

Michelle Moore-Fonseca leads our Corporate Affairs, Impact and Communications team working with a group of multi-disciplinary specialists. In her final year of studying MBAX (Social Impact) at UNSW, Michelle is passionate about communicating the difference SGCH is making for our customers, and growing our impact through engagement and opportunities. With a background in media and communications roles in government and not-for-profits, Michelle has worked across housing, health and education.



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