



Environmental Sustainability & Decarbonisation Policy

**Clear governance.
Strong practice.
Safe services.**



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1. Purpose

D2 PropCo recognises that environmental sustainability and carbon reduction are now core expectations for any organisation operating within the housing and property sectors. As a responsible landlord and asset owning organisation, D2 understands that environmental performance directly affects resident wellbeing, asset quality, operational resilience, and long term financial sustainability.

This Policy sets out D2's commitment to managing environmental risks, improving energy efficiency, and embedding sustainable practice across all areas of operation. It provides a proportionate, practical framework that reflects D2's size, operating model, and growth trajectory, while aligning with national decarbonisation ambitions across England and Wales.

2. Scope

Environmental sustainability touches every part of D2's business model, from the homes we manage, to the contractors we work with, to the way our staff operate day to day. This section ensures clarity about who the Policy applies to and the operational environments it covers, so that everyone connected to D2 understands their responsibilities. This Policy applies to:

- All D2 employees
- Agency workers and temporary staff
- Contractors, subcontractors, and suppliers
- Volunteers and consultants
- Any individual or organisation acting on behalf of D2

It covers all operational environments, including:

- Housing and property management
- Repairs, maintenance, and planned works
- Office and workspace operations
- Procurement and supply chain activity
- Resident engagement relating to energy efficiency or sustainability



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3. Legislative & Regulatory Framework

Environmental responsibilities are shaped by a wide range of statutory and regulatory requirements across England and Wales. This section provides the legal context for D2's commitments and ensures staff understand the frameworks that underpin sustainable and compliant practice.

UK Wide Legislation & Frameworks

Energy Performance of Buildings (England & Wales) Regulations 2012

Sets out requirements for Energy Performance Certificates (EPCs), ensuring properties meet minimum energy efficiency standards and that residents receive accurate information about energy performance.

Minimum Energy Efficiency Standards (MEES)

Establishes the minimum EPC rating required for rented properties, helping to reduce carbon emissions and improve living conditions for residents.

Housing Act 2004 (Housing Health and Safety Rating System – HHSRS)

Provides the national framework for assessing hazards in residential properties, including excess cold, damp and mould, and fire risk all of which relate to environmental performance and resident wellbeing.

Environmental Protection Act 1990

Provides the legal basis for managing waste, preventing pollution, and protecting the environment from harm, including responsibilities for landlords and property owners.

Climate Change Act 2008 (as amended)

Creates the UK's legally binding carbon reduction targets and underpins national decarbonisation policy, shaping expectations for organisations to reduce emissions over time.

Health & Safety at Work etc. Act 1974

Links environmental conditions to safe working environments, ensuring that workplaces and properties are maintained in a way that protects staff, contractors, and residents.



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Public Contracts Regulations 2015

Requires ethical and sustainable procurement practices, ensuring environmental considerations are embedded into tendering and contract management.

Waste (England and Wales) Regulations 2011

Requires organisations transporting waste to hold a valid Waste Carrier Licence and comply with duty of care obligations, ensuring waste is handled safely and legally.

Wales Specific Legislation & National Frameworks

Well being of Future Generations (Wales) Act 2015

Requires public bodies and partners to work sustainably, balancing long term environmental, social, and economic wellbeing.

Housing (Wales) Act 2014

Sets standards for property condition, management, and energy performance across the Welsh housing sector, influencing responsibilities as a landlord and asset owner.

Renting Homes (Wales) Act 2016 – Fitness for Human Habitation (FFHH)

Sets out the legal standards for safe, warm, and healthy homes in Wales, including requirements relating to damp, mould, ventilation, and energy efficiency.

Net Zero Wales Carbon Budget 2 (2021–2025)

Outlines national decarbonisation targets and pathways, shaping the wider policy environment and informing long term planning.

D2 aligns its practice with these frameworks to ensure safe, ethical, and sustainable operations across England and Wales.



**Our Purpose is Shelter.
Our Values are Strength.
Our Promise is Dignity.**

4. Policy Framework Alignment

This section explains how the Environmental Sustainability & Decarbonisation Policy fits within D2's wider governance structure. As a Tier 2 Operational Policy, it translates strategic commitments into practical requirements for staff and contractors.

This Policy aligns with and is governed by the following Tier 1 Policy Pillars:

- Health & Safety
- Risk Management
- Equality, Diversity & Inclusion
- HR Governance
- Data Protection
- Whistleblowing
- Safeguarding

These Pillars ensure a clear line of sight between governance expectations and operational delivery.

5. Organisational Commitment

D2's commitment to environmental sustainability is rooted in responsible asset stewardship, resident wellbeing, and long term organisational resilience. This section sets out the organisation's overarching principles and expectations. D2 commits to:

- Reducing carbon emissions across its operations and property portfolio
- Improving the energy efficiency of homes and workspaces
- Embedding sustainability into asset management, procurement, and operational decisions
- Ensuring compliance with all relevant environmental legislation
- Supporting residents to reduce energy use and improve comfort
- Working with contractors who demonstrate sustainable and ethical practice
- Maintaining accurate environmental data for assurance and reporting
- Taking a proportionate, realistic approach that reflects D2's scale and resources



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6. Roles & Responsibilities

Preventing environmental harm and improving sustainability is a shared responsibility across all levels of the organisation. This section clarifies expectations for leaders, managers, staff, and contractors, ensuring accountability and consistent practice.

Board & Managing Director

- Provide oversight through the Tier 1 Policy Pillars
- Ensure environmental risks are included in organisational risk management
- Receive annual sustainability and decarbonisation reports

Senior Management Team

- Implement this Policy across operational areas
- Ensure environmental considerations are embedded into asset decisions
- Monitor compliance through audits, contract reviews, and performance reporting

Managers & Supervisors

- Ensure staff understand and follow this Policy
- Integrate sustainability into day to day operational decisions
- Monitor contractor compliance and escalate concerns

All Staff

- Follow sustainable working practices
- Report environmental concerns or risks
- Support residents with basic energy efficiency advice

Contractors & Suppliers

- Must comply with this Policy and D2's Contractor Code of Conduct
- Must demonstrate environmentally responsible working practices
- Must cooperate with any environmental due diligence checks

While residents are not responsible for delivering this Policy, they play an important part in supporting sustainable living. D2 will provide clear, accessible information to help residents understand how energy efficient behaviours can reduce costs, improve comfort, and support environmental goals. Residents are encouraged to engage with this guidance and report any environmental concerns relating to their accommodation.



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7. Policy Principles

This section sets out the core principles that guide D2's approach to environmental sustainability and decarbonisation. Each principle is supported by clear expectations that translate strategic intent into operational practice.

7.1 Compliance & Minimum Standards

Environmental compliance is a foundational expectation for any responsible landlord or property owner. For D2, maintaining strong compliance protects residents, safeguards assets, and upholds our reputation with commissioners and partners.

D2 will:

- Meet all statutory environmental requirements, including EPC, MEES, waste regulations, and property related environmental standards.
- Maintain accurate, up to date environmental data for assurance and reporting.
- Ensure contractors operate in line with all relevant environmental legislation and D2's own standards.
- Monitor compliance through routine checks, audits, and contract management.

7.2 Carbon Reduction & Energy Efficiency

Decarbonisation is a long term journey requiring realistic, phased action. D2's approach focuses on practical, cost effective improvements that deliver immediate benefits and avoid future liabilities, such as insulation, heating optimisation, LED lighting and other energy efficiency measures.

D2 will:

- Develop and maintain a proportionate decarbonisation pathway aligned with national policy.
- Prioritise energy efficiency measures such as insulation, heating upgrades, LED lighting, and smart controls.
- Integrate energy considerations into all asset decisions, repairs, and planned works.
- Capture and monitor energy related data to inform future investment planning.

7.3 Sustainable Asset Management

Sustainable asset management ensures that homes remain safe, efficient, and fit for the future. Poor quality or short term fixes can create long term carbon liabilities and increased operational costs.



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D2 will:

- Embed sustainability into stock condition surveys, planned works, and lifecycle costing.
- Avoid decisions that increase future carbon or compliance risk.
- Ensure refurbishment and maintenance programmes consider environmental impact and long term efficiency.
- Use asset data to prioritise investment where it delivers the greatest environmental and resident benefit.

7.4 Sustainable Operations (Offices & Workspaces)

D2's environmental impact extends beyond its property portfolio. How we operate as an organisation, from energy use to travel, shapes our overall carbon footprint and demonstrates our commitment to responsible practice.

D2 will:

- Reduce energy use across offices and workspaces.
- Promote low carbon behaviours such as recycling, reduced travel, and digital first processes.
- Ensure office refurbishments and equipment purchases consider environmental impact.
- Monitor operational energy use and identify opportunities for improvement.

7.5 Procurement & Supply Chain

Contractors and suppliers play a critical role in delivering D2's environmental commitments. Embedding sustainability into procurement ensures that environmental standards are upheld consistently across all works.

D2 will:

- Require contractors to demonstrate environmental competence and carbon aware working practices.
- Include sustainability criteria in tendering, scoring, and contract monitoring.
- Prioritise local supply chains where appropriate to reduce transport emissions.
- Maintain clear environmental requirements within all contracts and frameworks.



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7.6 Resident Engagement & Behaviour Change

Residents are key partners in achieving environmental outcomes. Clear communication and practical support can reduce energy use, improve comfort, and help address fuel poverty.

D2 will:

- Provide accessible guidance on energy efficiency and sustainable living.
- Support residents to reduce energy costs through advice and signposting.
- Communicate clearly about any decarbonisation works, ensuring residents understand the purpose and benefits.
- Work with partners to deliver targeted support where needed.

7.7 Governance, Assurance & Reporting

Strong governance ensures that environmental commitments are monitored, evidenced, and continuously improved. For D2, proportionate reporting provides transparency and supports strategic decision making.

D2 will:

- Provide the Board with an annual sustainability and decarbonisation update.
- Maintain a simple KPI set covering energy performance, carbon impact, and compliance.
- Use learning loops to capture what works, what doesn't, and where investment is needed.
- Review this Policy annually or sooner if legislation or organisational needs change.



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8. Monitoring & Review

Environmental sustainability requires ongoing oversight, learning, and adaptation. This section ensures that D2’s commitments are not static but are actively monitored, evidenced, and strengthened over time. Monitoring provides assurance to the Board, commissioners, and partners that D2 is delivering safe, sustainable, and compliant services, while review mechanisms ensure the Policy remains current and proportionate.

D2 will monitor compliance with this Policy through:

- KPI reporting
- Contract monitoring
- Stock condition and EPC data
- Internal audits
- Resident feedback
- Annual Board reporting

This Policy will be reviewed annually or sooner if required by legislation, organisational change, or emerging environmental risks.

9. Policy Approval & Version Control

Policy Owner:	Managing Director
Approval:	Senior Management Team
Date:	07/05/2026
Tier:	2 – Operational Policy
Linked Policy Pillars (Tier 1):	Safeguarding HR Governance Whistleblowing Health & Safety Risk Management Data Protection Equality, Diversity & Inclusion
Review Cycle:	Annual

Lets Talk

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