



CHRYSALIS GROUP & SUBSIDIARIES

Chrysalis Group Services Limited
Touchstone Developments & Investments Ltd
Chrysalis Supported Housing Limited
Opoka CIO
Compass Project CIC
Blackfields Furniture Ltd

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) POLICY

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Within the Group, there is:

- A private Non-Profit Registered Social Landlord (RSL), regulated and registered by the Regulator of Social Housing and the Financial Conduct Authority, providing specialist supported homes and related services to vulnerable people across England & Wales.
- A Charitable Incorporated Organisation (CIO), Opoka, regulated and registered by the Charities Commission, that supports Polish women and children escaping domestic abuse, helping them establish their recoveries and build new lives free from the threat of abuse.
- A Community Interest Company (CIC), The Compass Project 2012, an addiction recovery-driven project offering a range of support services, providing a pragmatic solution to those recovering from addiction by giving direct interpersonal peer mentorship, counselling, group support, and structured supported homes, alongside a variety of work and retail-based training opportunities.
- A specialist commercial investment, consultancy and property management company, Touchstone Development & Investments Ltd, that supports the wider strategy and property management requirements of the Group.
- A commercial cabinetry and furniture manufacturing company, Blackfields Furniture, offering both internal and external services, adding value within the group.

It is therefore essential that the Governance Framework used within the Group is fit for all of the entities and their stakeholders, recognising the regulatory requirements and specific needs of each organisation within the group. It is also essential that, as service users may access services of more than one organisation within the group, policies and procedures, wherever possible, are consistently applied across the group, that staff are trained using the same guidelines, and that proper information sharing protocols are in place.

For this reason, it has been agreed that all governance-based policies are group-wide but will apply to all entities within the group to meet our mission:

To safeguard and promote the well-being of our service users and communities across the UK, providing appropriately designed high-quality, good-value, sustainable services and homes, demonstrating that all activities through the group can underpin our commitment to deliver for social good whilst being underpinned by a sound commercial ethos.

1 Introduction

1.1 Chrysalis recognises that organisations of all kinds are, increasingly, determined to achieve and demonstrate sound Environmental, Social and Governance (ESG) performance by controlling the impact on the environment and society by their activities, products and services. This is in the context of growing environmental and social awareness, increasingly stringent legislation, and other factors promoting environmental protection and best practice for society.

1.2 Chrysalis recognises that good ESG management must be an integral and fundamental part of our corporate business strategy. Helping to save the environment and consider our social impact is not only our future, but also our business and our commitment to this challenge is total. Our aim is to help reduce our environmental footprint and improve social impacts, to meet the needs of the present without compromising the ability of future generations, while having a positive impact on our communities, enabling Chrysalis to be part of the solution, not part of the problem.

1.3 Chrysalis aims to implement the highest ESG standards appropriate to our size and sector. The prosperity of the group and of the communities within which it operates requires a commitment by it to the sustainable management of our activities.

1.4 Rapidly developing legal and voluntary frameworks, stakeholder demands and increasing environmental concerns, all mean that ESG is fast becoming a top priority for businesses and for not-for-profit organisations. To keep pace with this change, Chrysalis wishes to:

- keep abreast of the most up to date information available to it;
- understand the risks and opportunities ESG presents; and
- take action to ensure that the group continues to satisfy stakeholders and places itself in the best position for long term, sustainable development.

1.5 It is recognised that a failure to tackle ESG issues that are relevant to Chrysalis may lead to, amongst other things, regulatory enforcement, as well as posing a litigious, physical, commercial, financial and reputational risk to Chrysalis that may adversely affect our sustainability and resilience.

The directors have decided to develop a robust and transparent ESG policy that affects and enhances all areas of the group's business in line with ESG issues, namely new property schemes, service user support, and community service delivery.

2 Scope

2.1 This policy covers the entire establishment as part of the management review process that includes all buildings, goods and services used and provided by Chrysalis and everyone working for us. It concerns the immediate impacts of our activities and policies. The policy excludes the indirect impact of our goods and services that we cannot control or influence and our suppliers' impact that we are unable to influence.

3 Policy Commitment

The ESG policy of Chrysalis is to ensure so far as it is applicable and reasonably practicable that our operations will be carried out with a commitment to:

- protecting and enhancing the environment by minimising negative impact and maximising positive impact on the environment;
- ensuring appropriate conduct towards, positive impact on and good relationships with employees, customers/service users, suppliers, subcontractors, and the community in which it operates; and
- conduct our business with integrity and high standards of business ethics, through appropriate structures, systems, processes and procedures.

The ESG Commitment is a fundamental principle of the group's business. Fulfilling the ESG Commitment is the responsibility of the board.

4 General ESG Principles

4.1 In fulfilling the ESG Commitment, Chrysalis seeks to:

- comply with all applicable local and national laws, rules, regulations and other measures having the force of law that are relevant to any aspects of our ESG Commitment; and
- where it is practicable and appropriate to do so, establish and meet standards relevant to any aspects of our ESG Commitment which are higher than the standards imposed by law.

4.2 All employees must, in carrying out their duties, adhere to the principles and objectives of this ESG Policy. Training will be given to employees to ensure that they are familiar with, and work in accordance with, this ESG Policy.

4.3 Chrysalis expects suppliers of goods and services to the group and contractors working for the group and their suppliers and sub-contractors to adopt and implement the ESG Commitment in their own businesses.

4.4 All contractors working on behalf of Chrysalis are expected to adopt standards fully consistent with those set out in this ESG Policy Statement and to achieve comparable levels of performance.

5 Audit

Chrysalis is a SME and operates in supported housing sector.

In the first instance, it will carry out a comprehensive ESG audit and material risk assessment

across our business to establish:

- what ESG means for the group;
- which stakeholders should be consulted; and
- an ESG baseline.

Chrysalis are proud to be early adopters of the ESG Social Housing Standards and along with other housing associations, have committed to the following:

- Continue to report against the Standard on an annual basis for as long as we remain an Adopter.
- Provide feedback on the Standard as a way of supporting the further development of the Standard.
- Encourage others to adopt the Standard.

The reporting standard evolved from the ESG Social Housing Working Group, a unique collaboration of 18 banks and investors, housing associations, service providers and impact investing organisations.

The Good Economy, a specialist impact advisory firm, led the process of researching and developing the ESG criteria, and a culmination of work led to the initial [White paper](#).

You can [read 'The Sustainability Reporting Standard for Social Housing' full report here](#).

The reporting requirements focus on ten core themes under the headings 'Environmental', 'Social' and 'Governance'.

ESG Area	Theme #	Theme Name
Environment	T1	Climate Change
	T2	Ecology
	T3	Resource Management
Social	T4	Affordability and Security
	T5	Building Safety and Quality
	T6	Resident Voice
	T7	Resident Support
	T8	Placemaking
Governance	T9	Structure and Governance
	T10	Board and Trustees
	T11	Staff Welfare
	T12	Supply Chain Management

Materiality

Chrysalis Group considers the following to be material to it:

- Reuse and recycling, including building materials
- Social impact through service user support
- Utilities usage and efficiency
- Training and mentoring

Stakeholders

Chrysalis will consult with key stakeholders including employees, suppliers, and partners.

6 Objectives and Framework

Having carried out a thorough ESG audit as set out above, Chrysalis will identify our priority areas and set out our ESG objectives. It will implement an ESG framework based on these priorities through new policies, processes, and practices relevant to the 's size and sector.

7 Policy Statements

7.1 Strategy

Chrysalis' (ESG) strategy underpins the group's activities across all our subsidiaries where we operate. It sets out the group's approach to sustainable purpose and forms the basis of the group's decisions by focusing on business ethics and compliance, people and culture and community involvement. Chrysalis delivers products and services to our stakeholders that support, impact and underpin socially responsible themes.

7.2 Environmental, Sustainability and Social Impact

The group's ESG Policy forms part of our overall ESG strategy and should be read and implemented alongside and in accordance with the Group's Governance Handbook and other policies and frameworks detailed in 'supporting documents'. This Environmental, Sustainability and Social Impact Policy ("this policy") is an internal document setting out our organisation's environmental and social commitments and is consistent with our corporate policy. It ensures we stay within the law and monitor our environmental and social impact, due to our activities that are designed to reduce the harmful impact on the environment while improving our positive social impact. It keeps the group's employees or anyone working with and on the group's behalf informed about their related roles and responsibilities.

7.3 Purchasing

Chrysalis readily acknowledges that it has both a moral and a legal responsibility to minimise our impact on the environment and provide positive social impacts. Chrysalis is committed to seeking opportunities to continually improve the operations whether any goods or services are environmentally and / or socially preferable and these will be important factors when any purchasing decision is made.

7.4 Estates

Chrysalis ensures, where practicable, either through our own actions or by negotiation with any landlord, that buildings occupied by us are designed, constructed and operated to optimise their environmental performance.

7.5 Environment

Chrysalis will use decision-making to enable our service users to benefit from our environmental risk prevention activities, also demonstrating that, where relevant, environmental issues are considered when making decisions, planning and developing policy, programmes and projects.

We will improve our own environmental record, and monitoring progress against the environmental aims and other indicators, trying to predict future changes and acting with the intention of maximising human benefit and minimising environmental degradation due to human activities.

7.6 Utilities

Chrysalis looks for operational opportunities to reduce consumption of resources including water and by carefully examining contracts and focusing on running our business while we take control of our gas, water, electricity sources and telecoms services. We have the experience and market knowledge to ensure that our business and tenant usage costs are kept down to the minimum, whilst the business runs effectively, and resources are managed efficiently.

7.7 Social Responsibility

Chrysalis looks for operational opportunities to improve social impact and have a positive impact within the communities it operates through the selection and delivery of the products and services it provides through the adoptions of the principles of the 17 international sustainable development goals.

7.8 Governance

Chrysalis is aware of the responsibility to operate a strong corporate governance framework as a public as well as working within regulated markets. As such it has laid out our corporate governance framework as a separate document Chrysalis Governance Handbook (CM18).

7.9 Regulations

Chrysalis aims to meet, and in some cases exceed, all relevant, current and foreseen statutory regulations (including the Environmental Information Regulations), charity codes of practice and other requirements that we adopt. Manufacturers of goods must fulfil any restrictions imposed by their regulator, and provide users with instructions on how to use their products safely.

Chrysalis also specifies that contractors comply with the same when working on our premises.

We will develop and maintain emergency procedures for effectively dealing with significant hazards where they exist and limiting the risk to health and the environment.

7.10 Communication

Chrysalis will communicate openly with staff and others, educating, training, empowering and motivating our colleagues, and other relevant persons, contractors and organisations to encourage them to support our environmental, social and governance objectives.

We will respond appropriately to reasonable external requests for environment, social and governance information.

8 **Objectives and Targets**

8.2 We shall set annual environment and social objectives and targets which are regularly monitored and reviewed. These have replaced the various types of written authorisation such as licenses and consents. Our ESG strategy highlights 6 priority areas:

- Climate Action: Making progress towards becoming a net zero business within a low carbon economy
- Equality, Diversity and Inclusion: Accelerating progress to improve representation and diverse talent pipelines. Equal access for all to our services and to jobs for staff.
- Empowering colleagues and our communities: Sustaining a skilled workforce today and for the future, continuing to prioritise colleague health and wellbeing, and taking action to help and collaborate with communities in need.
- Supporting and connecting with our service users: Being clear and transparent about how we can help service users improve their sustainability and social performance through an ESG-centric approach.
- Acting with integrity in everything that we do: Taking ownership and holding ourselves accountable for the way we do business.
- Building trust and increasing transparency: Enhancing the credibility of our own ESG disclosure, consistent with our purpose of delivering positive outcomes with our colleagues, service users and communities.

8.2 **Environmental**

Chrysalis has produced the following objectives as a framework for the introduction of practices to implement the environmental aspects of the ESG Commitment:

- *Identifying and managing environmental risks and hazards*
- *Promoting environmental principles by sharing experience with regulatory bodies, other companies, employees and members of the public*
- *Promoting a culture of environmental awareness amongst all employees*
- *Involving customers, suppliers and subcontractors in the implementation of these ESG objectives*
- *Continuously improving environmental performance and integration of recognised environmental best practice into business operations including the carbon footprint of business activities*
- *Focusing on action to conserve resources and energy, to minimise waste emission to air, water and land by evaluating operations and ensuring they are as efficient as possible*
- *Managing waste generated from business operations according to the principles of reduction, re-use and recycling through registered carriers wherever possible*
- *Giving due consideration to environmental issues and energy performance in the acquisition or refurbishment of existing buildings, and the design and location of new*

buildings

- *Promoting environmentally friendly responsible purchasing*
- *Taking steps to improve environmental efficiency of transport and business travel, including considering whether, to avoid travelling, any meetings can be held remotely*
- *Where possible, using recycled or ecologically friendly paper*
- *Reducing consumption of resources and improving efficiency of those resources by printing double sided where practicable*
- *Recycling of all paper products, ink or toner cartridges and packaging materials*
- *Where possible, reducing consumption of resources by*
 - *fitting LED lighting when replacing bulbs*
 - *ensuring that lights are turned off in empty areas*
 - *working to reduce heat loss through open doors or poorly sealed windows*

8.3 **Social**

Chrysalis has produced the following objectives as a framework for the introduction of practices to implement the social aspects of the ESG Commitment:

- Prohibiting any infringement of civil or human rights by the group, our officers and employees, and by those in our goods and services supply chains. In particular, by prohibiting any participation in or connection with any modern slavery, child labour or human trafficking
- Prohibiting any bribery or corruption of Chrysalis, or by the group, any of our officers or employees
- Prohibiting any money laundering by any of our officers or employees
- Encouraging ethical behaviour and decision making within the group and amongst our supply chain
- Ensuring compliance by the group with workplace health and safety laws and standards, and mitigating risks to health and safety in the workplace
- Maintaining suitable privacy and data security measures in respect of all stakeholders of the group
- Maintaining an inclusive and collaborative workplace where the wellbeing of employees is a high priority
- Providing and maintaining a working environment free from all forms of discrimination, harassment and bullying under any circumstances, for example gender, gender identity or expression, race, colour, creed, religion, nationality or national origin, ethnicity or ethnic origin, ancestry, age, marital status or sexual preference
- Creating a positive and rewarding workplace for Chrysalis employees
- Encouraging and assisting to provide a work/ life balance with a flexible and considerate approach to employment and working practices, including working from home
- Pursuing a fair approach to remuneration, employee benefits, working hours and attendance, leave, sick leave and other aspects of wellbeing
- Supporting the local community by employing local people, engaging with local suppliers, where appropriate making positive contributions to the community and to worthy causes
- Encouraging employees to participate in and contribute to activities which benefit the welfare of members/sections of the local community
- Encouraging employees to participate in appropriate further education and training which supports their professional development, allowing paid time-off where circumstances permit, including any education or training that the group is able to provide in-house
- Paying the group's suppliers properly and on time

8.4 **Governance**

Chrysalis has produced the following objectives as a framework for the introduction of practices to implement the governance aspects of the ESG Commitment:

- Ensuring that the group complies with, at least, all applicable local and national laws and regulations, relevant standards and codes of practice relating both generally and in particular to transparency and corporate governance
- Establishing clear and effective governance for ESG, promoting the use of best practice on corporate governance when relevant and possible, and setting goals and establishing accountability and reports to our board
- Ensuring that the group promotes strong oversight and transparency at all levels of our organisation
- Adopting and maintaining suitable and clear governance structures, including terms of reference for the board that, amongst other matters, set out the required composition of the board, our powers and responsibilities
- Appointing and maintaining an audit and risk committee and adopting and maintaining suitable and clear terms of reference for that committee
- Appointing and maintaining a directors' nomination and remuneration committee and adopting and maintaining suitable and clear terms of reference for that committee
- Ensuring that the group maintains exemplary board stewardship and management accountability
- Ensuring that the group adopts and implements adequate internal controls, processes, procedures, and proactive risk management
- The group is committed to establishing and maintaining high standards of business ethics through a strong code of ethics and business conduct, ongoing ethics training, and promotion of a culture of integrity, honesty, ethical and responsible conduct in our business activities and behaviours
- The group is committed to ensuring that no corruption, bribery, money laundering or internal misconduct activities are taking place in the business
- Establishing and maintaining detailed policies covering anti-bribery and corruption, code/s of conduct, conflicts of interest, privacy and human resources, as part of the governance structure of the
- Engaging with stakeholders about ESG issues
- Ensuring that the group cultivates strong stakeholder relationships through transparency, open communications, and responding to stakeholder input on ESG issues
- Dealing with regulators, auditors, and other relevant stakeholders in an open and co-operative manner
- Ensuring the resilience and long-term preservation of value for the group's business
- Ensuring that the group mitigates risk exposure and builds the resilience of our business to climate change, earthquakes, and other catastrophic events

9 Measuring and reporting compliance

The Directors will adopt and implement (and vary from time to time as they deem necessary) detailed clear written requirements to monitor and report on compliance with this ESG Policy Statement, including:

- metrics and methods for measurement, by Chrysalis of compliance sufficient to show trends over time and progress against established objectives and any targets; and requirements as to reporting to stakeholders at regular intervals not exceeding 12 months on the information derived from that measurement and on disclosures on ESG

issues.

- Chrysalis Supported Association will publish a report measuring itself against the ESG Social Housing Standard annually.

The Directors will publish to stakeholders all written requirements when they are adopted and whenever they are varied.

Related Documents

CM18	Governance Handbook
CM03	Code of Conduct