

ESG | 2025 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A safe, affordable home changes lives.

It's where people raise families, build careers, and plan for the future. That's why our responsibility as a housing association goes far beyond maintaining homes. It's about creating the conditions for people and communities to thrive.

This report reflects the first year of our *Tenants at Heart* corporate plan, a plan shaped with tenants and built around what matters most to them. As I look back on the last year, what I'm most proud of isn't any single statistic or achievement. It's the progress we've made in turning that commitment into action.

We've invested £55m in our existing homes, delivering the largest improvement programme in Midland Heart's history. A significant number of our homes were built before the First World War, making them among the oldest homes managed by housing associations today and often requiring more complex improvements to meet modern standards. During the year, we upgraded over 1,200 homes to improve energy efficiency and affordability, helping more tenants live in warmer, more comfortable homes at a time when many households continue to face financial pressures. Today, 84% of our homes are rated EPC C or above, while every new home we completed this year achieved EPC B or higher.

We've also continued to invest in the future. During the year we delivered 356 new affordable homes and increased our ambition to provide 2,750 new homes by 2030, helping address the housing shortage across the region.

But this report also demonstrates that sustainability is about much more than buildings and carbon emissions.

We launched our first ever Tenant Census, helping us better understand the needs of the people who live in our homes and identifying thousands of new data insights, vulnerabilities and support requirements. Our Money Advice Team secured millions of pounds of additional income for tenants, helping households facing financial hardship. And we continued

strengthening the ways tenants influence our organisation, achieving a 97% score through our TPAS Tenant Engagement accreditation.

Of course, we're not complacent. While overall satisfaction remains strong, we know there are areas where we need to improve. We remain focused on providing better experiences for tenants, particularly in areas such as complaints and anti-social behaviour, and we're committed to being open about both our successes and the challenges that remain.

I'm also pleased that this year saw Midland Heart achieve the regulator's highest ratings for governance, viability and consumer standards. Those ratings matter because they demonstrate that we have the strength, resilience and accountability needed to continue investing in homes, services and communities for the long term.

Throughout this report you'll find examples of environmental, social and governance activity, but at its heart this is a report about people. Behind every investment, every improvement and every performance measure is a tenant whose home, wellbeing or future has been positively impacted.

As expectations of our sector continue to grow, our focus remains the same: listening to our tenants, investing in our homes and communities, and delivering the services people deserve.

That's what *Tenants at Heart* means in practice, and that's the story this report tells.

Glenn Harris MBE
Chief Executive



INTRODUCTION FROM THE CHIEF EXECUTIVE

“It's reassuring to see a report that is both transparent and realistic. It shows the progress Midland Heart is making, where more work is needed, and how decisions are being shaped around what matters most to tenants.”
My Impact Tenant Group



INTRODUCTION TO THE REPORT

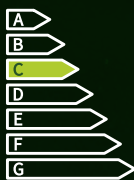
Midland Heart has been continuing to provide quality safe and affordable homes, and services that put tenants at the heart of what we do. This ESG Report summarises our environmental, social and governance (ESG) performance for 2025-26, showing how we are delivering against our new tenant-led Sustainability Plan, investing in our homes and services, reducing carbon emissions, creating social value, and maintaining strong governance, assurance, and transparency.

The report begins with an overview of our new Plan, tenant and stakeholder priorities, standards, risk, and governance, before moving into our performance across three core areas:

- **The homes we rent** – how we are improving the energy efficiency, safety, comfort, and affordability of existing homes.
- **The homes we build** – how we are delivering new affordable homes, embedding energy efficiency, and creating long-term social value.
- **The way we work** – how we are strengthening our workforce, value for money, and sustainable finance to deliver investment and improve services for tenants.

The report also includes our response to the Sustainable Reporting Standard for Social Housing, updates on sustainable finance performance, and supporting appendices covering assurance, standards, and carbon reporting methodology.

OUR CORE PERFORMANCE



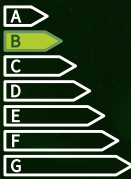
84%
(up 4%) of our homes are now **EPC C** or above



£9.5m invested in **delivering energy efficiency** Improvements in our existing homes.



846 tonnes
CO₂ emissions reduction for scope 1&2 putting us within a Paris aligned target



356
new affordable homes are all at **EPC B** or above (30% achieved EPC A)



87.2% Overall **tenant satisfaction**



SHIFT Environment Gold award 2026



97% **TPAS** score and **accreditation confirmed**



G1 V1 C1
from the Regulator of Social Housing



THE HOMES WE RENT

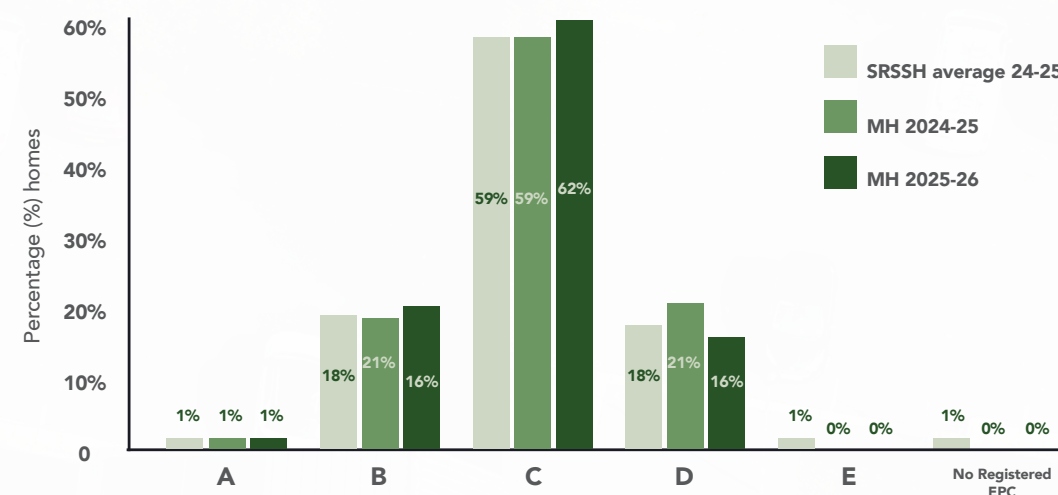
Energy efficiency and affordability in our homes

Thanks to our high-profile Retrofit and Homes for Modern Living programmes, we are investing in our oldest and least energy efficient homes up until 2030.

This year's investment story:

- We invested over £9.5m in upgrading over 1,200 homes to EPC C, with 300 of them also receiving refurbishment measures, such as new kitchens and bathrooms.
- Installed over 1,500 energy efficiency measures, including solar PV, solid wall insulation and triple glazed windows
- Improved the proportion of our homes that are EPC C or above to over our year one 83% target, achieving 84%. This keeps us around sector average even with a proportionally higher portfolio of older homes.

EPC Bandings: Existing Homes



The SRSSH average is taken from adopter landlords between 10-50k homes using 24-25 inputted figures.



Social Housing Decarbonisation Fund (SHDF) Wave 2

Solid wall insulation at 209 Stoney Stanton, Coventry (SHDF Wave 2 Project completed in September 2025).

External and internal wall insulation and new windows were scheduled to be installed. However, because the tenant works nights, we needed to adjust the delivery schedule, which led to some logistical challenges, such as subcontractor delays.

Our team quickly intervened and visited every day, so that we could monitor progress and minimise disruption to the tenant's routine.

A total of £40,000 was spent on this particular property, which included using a complementary £10,000 SHDF Wave 2 grant.

The tenant really appreciated the result. She highlighted the anticipated energy efficiency benefits and how the upgrades will help keep her home, now EPC C-rated, warmer.



INVESTING IN OUR OLDEST HOMES

In 2025-26, we invested £55m in our existing homes, delivering our largest ever programme of modernisation and improvement. This included replacing key components such as kitchens, bathrooms, windows, and roofs, helping us provide safer, warmer, and higher-quality homes for tenants.

Within this wider investment, our Retrofit and Homes for Modern Living programmes are targeting £100m of investment in our oldest and least energy efficient homes by 2030. Homes for Modern Living is our flagship programme under Tenants at Heart, designed to improve comfort, energy efficiency, and long-term resilience.

In its first year, Homes for Modern Living targeted 300 properties for upgrades to EPC C or above. Works included insulation, ventilation, damp and mould prevention, major component replacement, improved lighting and security, and wider improvements to interiors and outdoor spaces.

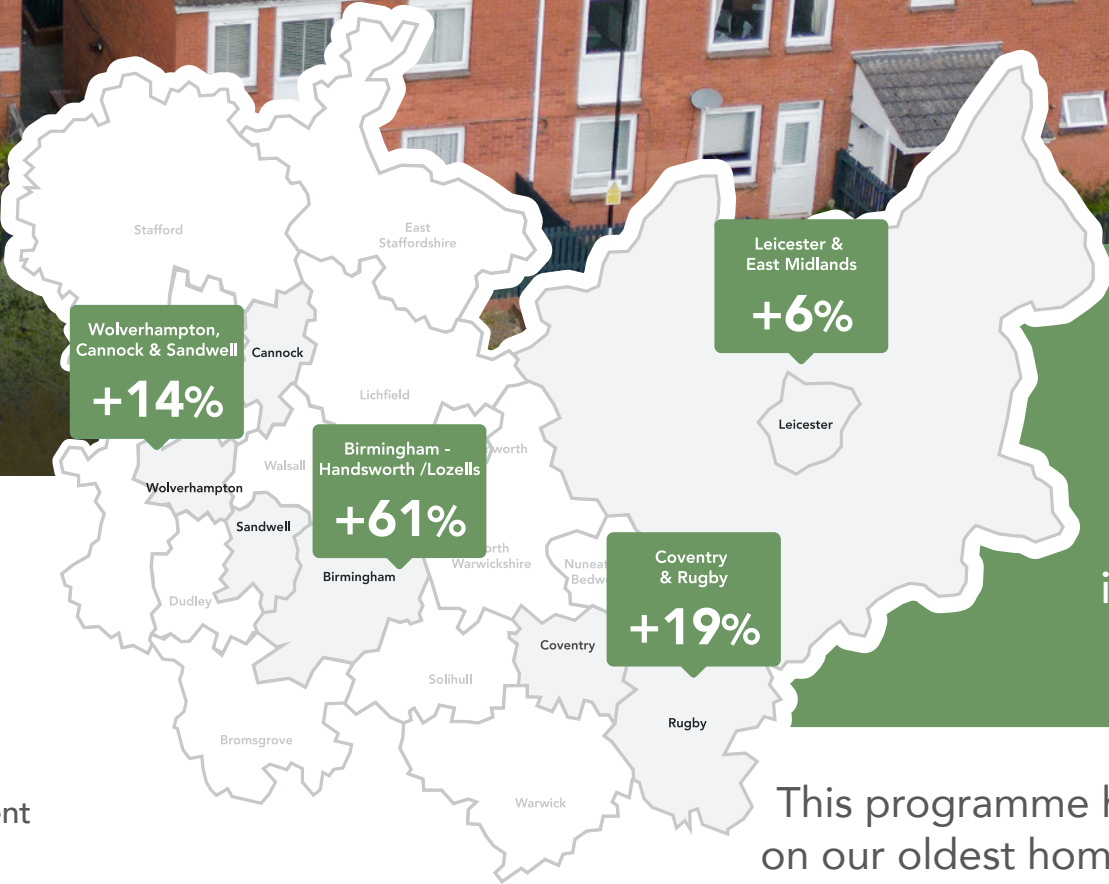
Properties are selected based on social deprivation, age, energy performance, and repair history, with works coordinated to reduce repeat visits and minimise disruption for tenants. Year 1 focused on Handsworth and Lozells, where more than half of the programme was delivered, aligning investment with our “Quality services with local impact” approach.

The programme is already creating measurable tenant benefit, with an indicative £4.2m of social value identified through HACT from investment measures and tenant feedback.

Tenants consistently reported feeling the benefits of quieter, warmer, and more modern homes.

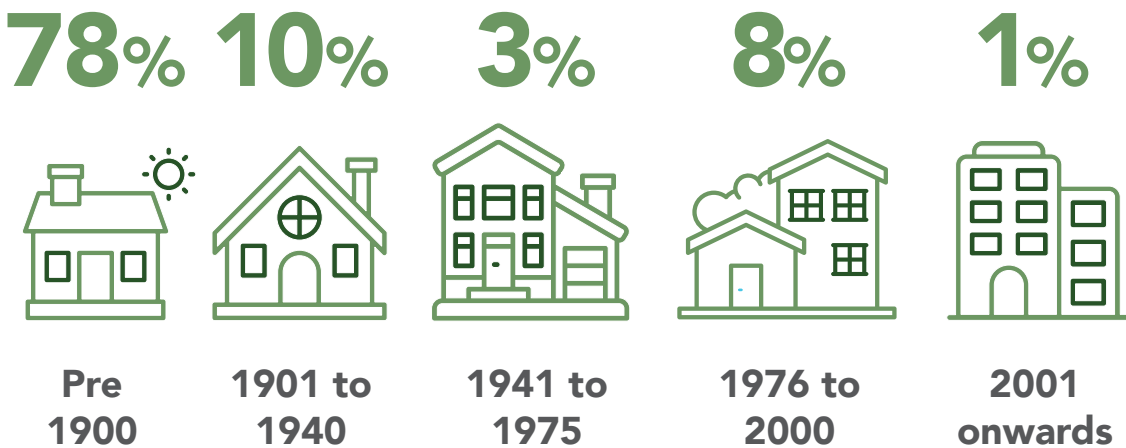
One Coventry tenant said:

Just wanted to say thank you so much for all your support, for listening to me and getting things done. You’ve been fab.



Coventry, Rugby, Leicester and Wolverhampton were the additional areas that saw significant investment through year 1 of the programme.

This programme has been focused on our oldest homes.



AIR QUALITY AND THE LOCAL ENVIRONMENT

Air quality in homes

Midland Heart manages emergency hazards in line with Awaab’s Law and Housing Health and Safety Rating System (HHSRS). Reports are triaged on receipt, with emergency hazards investigated within 24 hours and significant hazards within 10 working days.

Damp and mould reports are assessed to agree the right response, from initial treatment to a surveyor inspection. Repeat reports, vulnerable households, extensive mould, and suspected defects are prioritised.

Where hazards are found, tenants receive a written summary and remedial works are progressed to Awaab’s Law timescales,

supported by daily oversight, weekly reviews, and compliance reporting.

We use property intelligence, repairs data, survey findings, and AICO sensors to identify higher-risk homes and intervene early.

Surveyors use tools such as thermal imaging, borescopes, fan testing, and drones to diagnose root causes including leaks, poor ventilation, insulation gaps, and condensation risks. Trends also inform future investment.

Tenants receive advice through our website, leaflets, and seasonal campaigns to support prevention and early reporting.

This combines compliance, proactive monitoring, root cause diagnosis, and tenant engagement to reduce damp and mould risk.

AICO sensors

We received a potential damp and mould notification triggered by our AICO environmental sensors which help us to smartly monitor both temperatures, air quality, and humidity in our homes.

Our tenant advised us that whilst there was no damp and mould present they felt the home was not being ventilated.

With advice around ventilation and heating, including ventilating her property for 30

minutes every day, two weeks later our AICO dashboard showed a humidity level decrease to 63%, still above the recommended range. Continued engagement with the tenant led to readings further decreasing to 53%, within the recommended range.

To date we have 550 sensors installed in our homes. We are continuing to roll-out AICO sensor technology in thousands of our properties due to the insights they provide us and the actions we can then take with our tenants to ensure their safety and the best possible air quality.



Reducing pollution from our fleet

Global climate, air quality, and cost-efficiency priorities continue to spearhead the push towards Electric Vehicles (EVs) and shape our sustainability journey.

We received our order of 16 electric Ford e-Transit 65kW vans, kickstarting our plans for an all-electric fleet, and generating potential savings of around £300,000 when comparing EV charging to fuel bills.

Our new fleet provider contract, together with our Executive-approved fleet and vehicle management plan, has seen our EVs initially being introduced in some of our most densely populated areas. In these areas, staff drive fewer miles and therefore require less charging.

Typically, we are looking at a 75 to 85% reduction in tank-to-wheel (and electricity-use) operational carbon emissions when comparing mid-EV consumption to diesel equivalents (c. 3 tonnes per year, per van).

Environmentally considered procurement

We have targeted the reduction of environmental impact from how our contractors deliver services within our supply chain.

Our simplified environmental and social value section within our tender questions targets prospective contractors on key material issues:

- Top management environmental management policies and systems
- A clear waste management plan
- Commitments to and evidenced delivery of reductions in environmental impact like electric vehicle implementation and the removal of harmful substances and their use in our localities and homes
- Social value legacy through tangible tenant offers and regional employment and skills development opportunities.



LOCALITIES INVESTMENT

Locality working and tailored communications are central to Tenants at Heart. Our first pilot in Handsworth tested proactive, joined-up working, stronger neighbourhood management, and more consistent local communication.

The model combines a consistent core offer with a tailored “locality plus” approach, shaped by tenant insight, surveys, and community engagement.

The Handsworth pilot launched in July 2025, followed by Drakelow in Derbyshire in December.

Across both areas, walkabouts have covered 29 roads and 608 tenants’ homes, generating more than 150 face-to-face conversations and 38 additional HomeChecker surveys.

This increased local presence has helped identify and resolve issues that may otherwise have gone unmanaged, including missed refuse collections, unreported repairs, untidy gardens, waste concerns, two subletting cases, one abandoned property, 10 guttering repairs and seven mutual exchange opportunities.

We also sent 5,000+ text messages to keep tenants updated on walkabouts, events, mobile waste centres, and Winter Warm Pack distribution.

Partnership working has also improved across both localities, including joint walkabouts with Derbyshire Police and the local councillor, closer working with Birmingham City Council’s Community Safety Team, collaboration with South Derbyshire District Council on the local lettings plan, and stronger links with voluntary sector organisations in Handsworth.



Our first ever tenant census

We launched our first ever Tenant Census to help us know more about our tenants’ needs.

- 31,650 households invited; 4,938 responses received
- 16,675 total tenant-record updates made; 6,001 updates corrected existing information, 10,674 updates added new information
- 2,946 previously unrecorded vulnerabilities identified and over 900 reasonable adjustment requests recorded
- Average of 3.37 data improvements per completed census
- 84% of completed data fields matched, closely matched, or corrected existing legacy records

TENANT SATISFACTION

Overall satisfaction remained strong at **87.2%** in 2025-26, down 1.6 points from 88.8% in 2024-25. This reflects our transaction-based tenant satisfaction programme, not the separately reported Tenant Satisfaction Measures.

Around 11,500 telephone interviews were completed across services including repairs, income, gas, electrical inspections, complaints, communal services, and ASB.

MEL Research, our independent research partner, completes interviews shortly after tenants receive a service, providing timely

insight. Results are reported to service leads at operational and directorate level, with contractor performance also monitored through the programme.

We will continue to focus on quality homes and tenant services and expanding our localities working to increase the satisfaction of our tenants.

We have published our Annual Tenant Satisfaction Measures (TSM) Summary Report 25-26 here.

View our TSM Results



Building safety and quality

We reported 100% on Building Safety compliance including for third party properties. We had one property that did not have a gas certificate at year-end but this has now been completed. The Regulator of Social Housing submission document rounds this up to 100%.

We have 3 properties that do not meet decent homes and this aligns to the Statistical Data Return (SDR). Again, given the very low numbers this also gets rounded up to 100%. Updates have been provided to Board through the Property Services monthly performance report.

Supporting tenants in hardship

Our Tenant Hardship Fund helps tenants alleviate financial hardship. It is accessible to all our tenants and administered by our Money Advice Team.

This year we:

- Maximised tenant income by £4.4m, increasing income and reducing debt liability.
- Obtained Universal Credit awards of £841,134. This was supported by an awareness campaign reminding tenants that it was necessary to migrate to Universal Credit in line with the government’s welfare changes.
- Helped eligible tenants obtain an additional £948,704 in housing benefit, and £185,254 in attendance allowance for those over 65 to help with care needs.
- Secured £92,071 from charities, trust funds, and tenant hardship funds to help reduce debt and purchase essential goods and services, such as ovens, bedding, and fridges.
- Provided additional support for our tenants who were struggling to cope with food and energy price inflation – responding to 120 requests for help with emergency food, issuing vouchers via the Trussell Trust foodbank portal and emergency shopping vouchers.
- Issued over 148 requests for help with heating cost and supporting our building safety team to clear gas meter debt to enable gas safety checks.

A tenant that received white goods through the fund said:

“I am so happy about the result. I can’t express my gratitude to you, thank you very much for the help you provided for me.”



THE HOMES WE BUILD

Energy efficiency and affordability

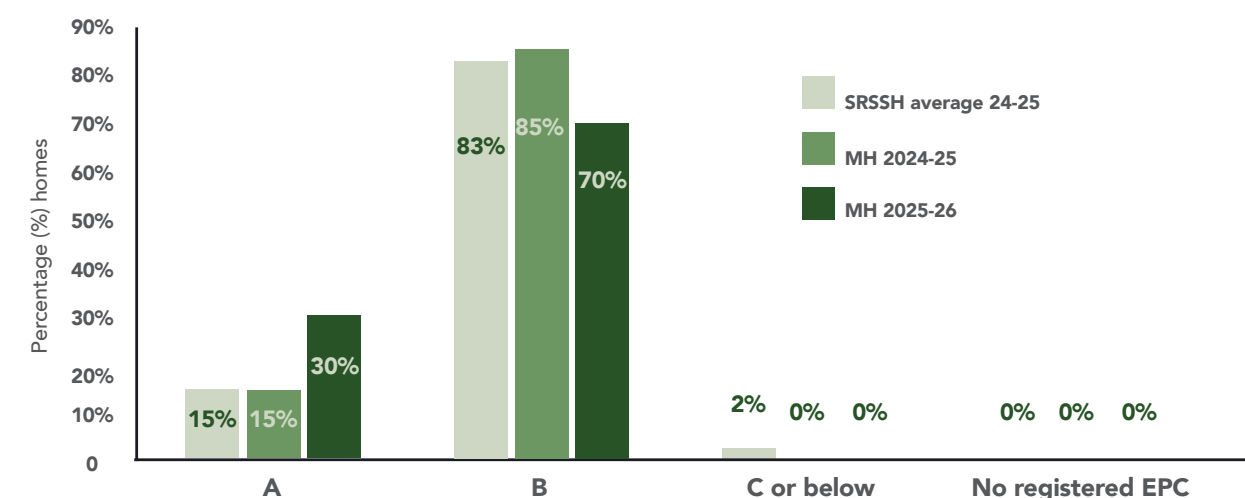
This year we handed over 356 new homes to tenants that all achieved EPC B or above. 30% of these homes achieved EPC A. Providing high levels of energy efficiency and affordability and thermal comfort for tenants.

In the year ahead we will push forward with Project 100, the region's first net zero neighbourhood that will align with the UK Net Zero Carbon Building Standard (NZCBS).

For the Project 100 conditional contracts were successfully exchanged in March 2026. Work is continuing with Keon Homes and a net zero carbon specialist to develop the design and specification, as part of aiming to achieve the UK NZCBS.

Full details will be shared with relevant tenant groups and other engaged stakeholders like local groups as the scheme progresses through the planning application process.

EPC Bandings: New Build



The SRSSH average is taken from adopter landlords between 10-50k homes using 24-25 inputted figures.



A regional social value legacy

Building new homes remains a national priority. The Government's commitment to deliver 1.5 million homes by the end of this Parliament has kept housing high on the public, political and media agenda.

Policy support has also strengthened the sector's capacity to build. The £39 billion Social and Affordable Homes Programme, the CPI+1% rent settlement and rent convergence have provided greater stability and additional funding for housing associations developing new social and affordable homes.



Against this backdrop, we have increased our development target from 2,250 to 2,750 new homes by 2030.



We are building more affordable homes that support families and vulnerable groups in areas with above-average urban deprivation and long waiting lists.



This year, we invested £136m in new homes



Working with our social value partner, the Housing Association Charitable Trust (HACT), we recorded a new build legacy social value impact of £33.5m

As we scale up delivery towards 2,750 new homes by 2030, we will continue to track and report the long-term social value created through our investment in new affordable housing.





Yardley Brook

Yardley Brook is of historical importance to the City of Birmingham. Commissioned in 1890, the former sewage works pumped treated water into the River Cole for 80 years, making a lasting impact on the natural and employment landscape.

Fast forward to today, this almost 50-acre site is now the canvas of renewal and the creation of a new neighbourhood of 300 affordable homes – over 200 of these homes will be social rent. The site has been brought back to life because of Birmingham City Council, Midland Heart and Morro Partnerships working closely with the Mayor and the West Midlands Combined Authority to support the remediation of the former sewage works through their brownfield remediation fund.

This is an excellent example of how housing associations can work with the public sector to deliver affordable homes at scale.

The investment will provide a significant social value and a lasting legacy of improving skills locally and a boost for the local supply chain. The value of both will be tracked together with our Developer partners, Morro Partnerships.





THE WAY WE WORK

Business-wide Resourcing

Continued investment in early careers and professional development to build current and future skills.

- RICS Surveying Graduate campaign attracted 213 applicants, with 9 offers made for a September 2026 start.
- More than 1,500 applications received for 10 paid internship roles across summer and placement pathways.
- Five colleagues completed apprenticeships in 2025-26, with a further five expected to complete in Q1 2026-27.

Supporting sector skills through the new Regional Skills Academy, including work to shape the first social housing-focused surveying qualification.

- Five colleagues will join the first Higher National Certificate cohort in September 2026, with funding reducing the cost per colleague from £9,000 to £4,500.
- 69 colleagues are receiving formal development, including 13 on the pathway to Royal Institute of Chartered Surveyors status.
- 42 of 55 in-scope colleagues are registered for their Chartered Institute of Housing qualification ahead of the October 2026 transition.



We ensure our tenants' voices are heard throughout our governance arrangements, including at our Board and its Committees. Quarterly Board tenant insight reports inform on the ways we have engaged and used tenants' views and include regular reporting on the outcomes of tenant scrutiny activity through our Operations Committee.

Our My Voice framework was set up to provide a range of ways for tenants to get involved. This includes activities tenants can do from home, at organised meetings, and in their local area.



Tenant Participation Advisory Service accreditation

We were proud to be awarded an accreditation in Tenant Engagement by the Tenant Participation Advisory Service (Tpas). As England's leading tenant engagement experts, Tpas promote, support and champion tenant involvement and empowerment in social housing and their membership base covering around three million homes.

Our accreditation in Tenant Engagement means that Tpas have thoroughly assessed how we engage and involve our tenants and found that we are doing the right things to meet their standards. **The pass rate for accreditation is 80%, we scored a proud 97%.**

Our work was praised in a variety of areas, all of which contributed to the accreditation.

"Before Midland Heart had to, now they do it because they care"

"Seeing a real shift in the last five years, the change is earth shattering"

"I love being involved. We can challenge them; they listen and act"

Value for Money

We need financial capacity to deliver on sustainable growth to 2030. Maintaining strong financial resilience ensures we can keep investing in safe, quality homes and tenant services. It is about Value for Money (VFM) and how we are guided by our five fundamental principles of: **Efficiency, Effectiveness, Economy, Equity, and Sustainability.**

Sustainability-Linked Loan (SLL) Performance

Aligned to our commitment to sustainability, several of our loan facilities contain ambitious Key Performance Indicators (KPI). Hitting these KPIs helps us borrow at better interest rates saving on the cost of our debt. Below we have outlined these targets as well as our performance.

- The cumulative number of new homes completed with a registered EPC Band B and above (Since April 2024) reached 1,169 as at March 2026, outperforming the cumulative target of 1,050
- 356 new homes were delivered during the year with a registered EPC rating of Band B or above, exceeding the in year target of 325 for 2025-26
- Registered EPC certificates for existing properties show performance of 84.0% (including new build) and 83.6% (excluding new build), both exceeding the 83% SLL target
- Customer referrals to Money Advice totalled 2,729 cases during the year, below the annual target of 3,000, with 5,311 cumulative referrals recorded against a cumulative target of 6,000 as at March 2026
- The Regulator of Social Housing governance rating remained at G1, meeting the SLL requirement for the year



Social Value Impact and Legacy

Our priority in social value is our tenants. We want to secure, deliver, and record the tangible impact of social value on our tenants.

Where this cannot be achieved, we want to build a regional legacy, aligning the requirements of social value to our targets and values.

Our Commercial Social Value Charter holds our supply chain to this. The Charter was approved by the Executive this year and **we are already building a legacy:**



£33.5m through building of new affordable homes and contributions to the local economy and community through employment and responsible practices



Indicative £7.7m from direct tenant financial support by our Money Advice Team to move tenants out of arrears and reduce their financial burden.



Indicative £4.2m through tenant benefits from the investment in some of our oldest homes.



A first look of £320k through our supply chain and the first supplier contracts to deliver under the Social Value Charter, including social value that directly supported tenants like gutter clearance and charitable support.

Our social value impact is verified by the Housing Association Charitable Trust (HACT).



Commercial Waste Strategy

Our total waste services were re-procured and awarded to Reconomy (Nationwide Waste Broker) in March 2025 as part of our Commercial Waste Strategy.

The model has centralised our waste services to target VFM, productivity and tenant outcomes.

What we have found:

- We now have a wider network of regional tipping sites so our teams can tip waste closer to the job and save time and fuel costs
- Our buying power has increased enabling us to secure better rates across many of our waste contracts and tipping sites
- All our waste documentation is now accessible online, reducing paperwork and resource to evidence our compliance with our Duty of Care
- Our relationship with Reconomy provides ongoing consultancy support, helping us respond to issues such as the Birmingham bin strikes, changes to soft furnishings disposal requirements, and wider operational and compliance needs.

First year key outcomes:

- 99% landfill diversion and 71% recycling rate outperforming industry averages
- £400k overall Birmingham Bin Strikes waste saving through increased capacity and productivity changes removing reliance on third-party waste suppliers
- Within the £400k, an indicative £60k waste saving directly related to waste cost optimisation, mainly through mixed and black bag waste, soft furnishings, rebates and reducing third party waste services





SUSTAINABILITY REPORTING STANDARD FOR SOCIAL HOUSING

We are a voluntary adopter and funder of the Sustainability Reporting Standard for Social Housing (SRSSH).

The SRSSH provides a voluntary framework for housing providers to report on their ESG performance transparently and consistently. Through the SRSSH we are contributing to consistent, reliable, and quality sector reporting.

This year is our fifth ESG Report aligned to the SRSSH framework and its embedded United Nations Sustainable Development Goals (SDGs) since we started as an early adopter in 2020.

We have responded to all the 44 core criteria and responded to the enhanced criteria where available and relevant.

A summary of key criteria has been provided in this Report under an appendix. You can access the full Disclosure Against Criteria (v2.1 input tool) on our Investor Hub.

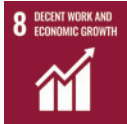
Click here to access the full Disclosure Against Criteria (v2.1 input tool) on our Investor Hub



The SRSSH and the United Nations Sustainable Development Goals

We have embedded the SRSSH aligned United Nations (UN) Sustainable Development Goals (SDGs) in our strategy and reporting, providing annual updates on our performance.

The SDGs are a set of 17 interconnected goals adopted by the UN in 2015 to achieve a better and more sustainable future for all by 2030. They address global challenges like poverty, inequality, climate change, environmental degradation, peace, and justice. The central aim of the SDGs is to “leave no one behind” and “reach the furthest behind first.”

SDG goal & target(s)		Policy or Measure
 8.5	8.5	<ul style="list-style-type: none">3.6% Median Gender Pay Gap5.9% Median Ethnicity Pay Gap
 10.1 10.2	10.1 10.2	<ul style="list-style-type: none">(Updated) now based on all colleague development. 6% of colleagues are receiving investment in their formal development£4.4m income maximisation secured for referred tenants and 99% tenancies sustained through our Money Advice Team
 11.1 11.3	11.1 11.3	<ul style="list-style-type: none">100% of homes are compliant with Decent Homes356 new affordable homes built
 12.5 12.6 12.7	12.5 12.6 12.7	<ul style="list-style-type: none">99% total landfill diversion for all wastes.Annual disclosures using the SRSSHAll key supplier tenders include a 10% weighting on environmental management and social value
 13.2	13.2	<ul style="list-style-type: none">New Sustainability Plan including corporate science-aligned CO2 emissions reduction target
 15.5 15.9	15.5 15.9	<ul style="list-style-type: none">New tenant-led and considered Grounds Maintenance specification and contractsOnsite Biodiversity Net Gain (BNG) target in the Sustainability Plan
 16.9	16.9	<ul style="list-style-type: none">We have the highest G1 V1 C1 rating from the Regulator of Social Housing

SUSTAINABLE FINANCE ALLOCATION & IMPACT REPORT

Since we published our first Sustainable Finance Framework (SFF) in 2023 we have evolved our sustainable finance facilities to align our Sustainability Plan with our funding and financial strategy.

To date we have £300m of loan facilities linked to our environmental and social performance like our ambitious target to build high volumes of new energy efficient affordable homes.

This year’s allocation & impact report continues our transparency on how we have financed a select number of eligible areas which are fundamental elements of our business model and deliver the most positive societal and environmental impacts.

An amount equivalent to the net proceeds raised under this Sustainable Finance Framework may be used to finance and/or refinance in whole or in part new or existing Eligible Projects, subject to the ICMA and LMA principles. The use of proceeds will not be used for activities that fall outside the framework’s activities and criteria.

The table summarises our material expenditure for the second allocation & impact report. Our full allocation & impact report is accessible on our investor hub online.

ICMA & LMA category	Indicative alignment to the UN SDGs	Strategic key theme	Description	Quantum	Impact (no. homes (*schemes))	
					2024-25	2025-26
Energy efficiency	11. Sustainable cities and communities	The homes we build	The construction of new homes classified as EPC ‘B’ or higher in the United Kingdom	EPC B or above	812	356
	13. Climate action	The homes we rent	Retrofitting existing homes to EPC C or above by at least EPC one band from EPC D or below	EPC band movements	261	555



Methodology and assurance

In 2023 we appointed DNV Business Assurance Services UK Limited (DNV) to independently verify our Sustainable Finance Framework and its alignment with the relevant ICMA and LMA Principles. In 2025 we received limited assurance from Newbridge Advisors LLP for calculating use of proceeds in our impact reports.

Methodology clarifications:

Refining our reporting categories – we have refined our reporting to three categories, removing the construction and acquisition of affordable housing. All our new build homes are achieving EPC B so we will maintain the construction of affordable housing in scope through the energy efficiency category.

Total eligible expenditure (£000s)		Eligible expenditure excluding grant (£000s)		Cumulative net eligible expenditure (£000s)
2024-25	2025-26	2024-25	2025-26	
£114,552	£130,669	£105,366	£108,648	£214,014
£11,477	£6,843	£9,028	£6,843	£15,870



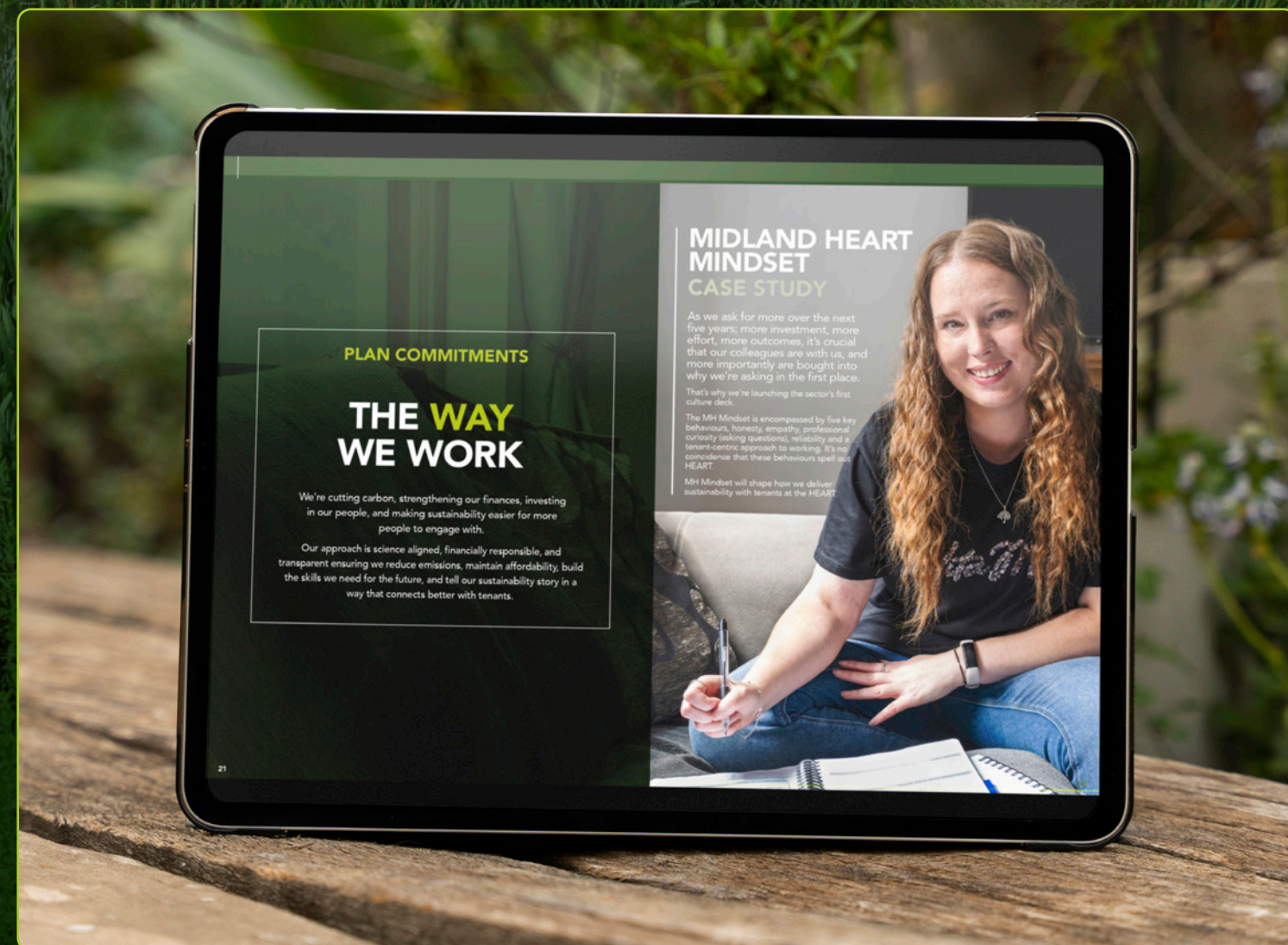
OUR NEW SUSTAINABILITY PLAN TO 2030

Last year we successfully concluded Our Carbon Reduction Plan 21-25, our first plan to reduce the environmental impact of our organisation in homes we rent, the homes we build and the way we work. The Plan's successes included achieving c.100% EPC D or above in all our homes and delivering Project 80, the first lived in homes to meet the Future Homes Standard in the UK.

Under our corporate plan, Tenants at Heart, we have published our new Sustainability Plan to 2030 to transition the next steps of our journey. The new Plan will work as a catalyst to support the delivery of sustainability and social value within Tenants at Heart.

To make the plan fit to deliver sustainability, we will ensure that:

- Tenants are prioritised. The Plan will focus on what is material to our tenants, as the key stakeholder by listening to their voice.
- We maintain alignment with science and key standards to deliver wide-reaching sustainability commitments and tangible outcomes.
- Responsibilities are clearly defined so everyone in Midland Heart knows their role in delivering tenant-centric sustainability change.
- We are realistic about the pace of change. The transition to net zero must be fair and inclusive, ensuring that the benefits and burdens are shared equitably across society.



OUR 2030 **PLAN** AT A GLANCE

[Link to the plan here](#)

Our Plan's commitment to tenants

TENANTS AT HEART

This plan sits within our Tenants at Heart corporate plan that was built by tenants for tenants.



Tenants are prioritised. The Plan will focus on what is material to our tenants, as the key stakeholder, by listening to their voice.



We maintain alignment with science and standards to deliver wide-reaching sustainability commitments and tangible outcomes.



Accountability is defined to deliver tenant-centric change.



We are realistic about the pace of change. The transition to net zero must be fair and inclusive, ensuring that the benefits and burdens are shared equitably across society.

Tenants and stakeholders told us sustainability means:



Homes that are more affordable to heat



Clear communication of our investment story



User-friendly technology



Safer, more healthy homes and neighbourhoods



Opportunities for skills, jobs and social value

SO THIS PLAN COMMITS US TO DELIVERING...



The homes we rent

- Minimum energy efficiency, affordability and thermal comfort target
- Reduce construction and operational waste and resource use
- Improve air quality in our homes
- Make positive changes to the environmental and social conditions within our localities



The homes we build

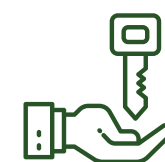
- Deliver 2,750 new energy efficient and affordable homes in nature-positive schemes
- Build the Project 100 net zero neighbourhood that achieves a tenant-friendly operational net zero emissions



The way we work

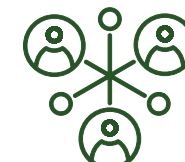
- Reduce our operational carbon emissions in alignment with what science tells us
- Secure our financial resilience to continue to invest for tenants
- Build a sustainable workforce that can meet the needs of our tenants and sustainable growth
- Make our sustainability story more accessible to tenants

... TO ACHIEVE OUR 2030 VISION OF SUCCESS



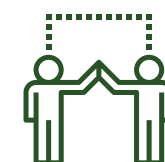
For Tenants

- Thermal comfort & affordability
- Healthier living conditions
- Clearer communication
- A fair and inclusive transition



For Other Stakeholders

- Supply chain stability
- Investment in the right technology
- Regional economy boost and social value legacy



For Our Organisation & Colleagues

- Stronger financial resilience
- Low-carbon operations
- Future-ready workforce
- Credible assured reporting



For the Environment

- Lower emissions and pollution
- Reduced waste and resource use
- Improved outdoor & green space
- Nature integrated new homes



STATEMENT OF TENANT AND STAKEHOLDER IMPACT

We asked our tenants and other key stakeholders what sustainability-related issues they would prioritise to understand what is material.

We have also worked directly with our My Impact Tenant Group, part of the tenant My Voice Framework, and used insights from what shaped the Tenants at Heart corporate plan to make sure this Sustainability Plan reflects what is important to tenants. We have listened, tested ideas, and shaped the plan together so it feels relevant and grounded in real experience.

The feedback we have had has been really encouraging. Tenants have told us the plan is clear and strikes the right balance between ambition and being realistic about what can be delivered over the next four years.

“Love the approach. This hits the mark and tells the story about what we are going to do.”

My Impact Group Tenant

“The sustainability plan details clearly what Midland Heart intends to achieve in the next four years.”

Trevor Stanley
Midland Heart tenant
and Chair of My Impact

Statement of standards and verification

The Plan is built on the principle of credible reliable reporting. To deliver and evidence this we have aligned to and embedded relevant recognised standards, including:

- The Sustainable Reporting Standard for Social Housing and their aligned United Nations Sustainable Development Goals (SDGs)
- Core carbon emissions and energy intensity reporting regulation and standards, including: Streamlined Energy and Carbon Reporting (SECR) requirements, the Greenhouse Gas (GHG) Protocol Standard and the Government's corporate Environmental Reporting Guidelines
- The Sustainable Finance Framework (SFF), that outlines our approach for how we link our sustainability performance to how we borrow money, has received second party opinion
- This Plan has been subject to a third-party review by SHIFT, environmental consultancy.
- Further related externally reported information will be subject to ongoing second or third-party audit or scrutiny

We are actively managing alignment with current and upcoming accounting standards under the UK Sustainable Reporting Standards (SRS). This includes the SRS' adoption of the International Financial Reporting Standards S1 and S2.



STATEMENT OF GOVERNANCE

Our approach to sustainability is through strong governance. Our sustainability governance framework sets out how we embed sustainability governance within our organisation.

Reporting of progress will be regular and include key stakeholders.



Progress on the Plan and adherence to relevant standards will be made transparent annually in our external reporting: the Financial Statements and in our ESG Report.



We will regularly update key stakeholders (e.g. our tenants and investors) with updates on the Plan and specific areas of focus, where relevant.



Progress on the plan will be regularly reviewed by our ESG Committee and New Business Group, that approves new homes, as part of our Sustainability Governance Framework. The ESG Committee convenes bi-monthly and the New Business Group convenes monthly.



The Plan performance and the ESG Report will be shared with the My Impact Tenant Group prior to publishing.



OUR TENANTS AND OTHER STAKEHOLDERS

INCLUDES:

My Voice Framework – for involved tenants to make their voices heard
Strategic network groups – including the West Midlands Housing Association Partnership
Colleague Champions Group – colleague engagement network group



MIDLAND HEART BOARD

Our Executive and Non-Executive Management Team



SUSTAINABILITY PLAN 2026-2030



ESG COMMITTEE

Chair: Deputy Chief Executive
 Overall ESG related strategic delivery and performance evaluation



NEW BUSINESS GROUP

Chief Executive
 Accountable for the selection and evaluation of key new build development projects



OTHER KEY GROUPS

Audit & Risk Committee
 Value For Money Steering Group



THE HOMES WE RENT

Executive sponsors:
 Executive Director of Property Services
 Executive Director of Tenancy Services



THE HOMES WE BUILD

Deputy Chief Executive



THE WAY WE WORK

Executive Director of Corporate Resources



DELIVERY PROGRAMMES AND PROJECTS

STRATEGIC AND LOCAL CLIMATE CHANGE RISK MANAGEMENT

We face three main climate-related risk categories: transitional financial, transitional non-financial, and physical risks. Across all areas, including finance, policy change, and supply chain resilience, risks are being strategically and operationally managed. A few areas (like policy and severe weather impacts) are noted as emerging risks, but overall risk management systems are in place.

Our Risk Management Policy sets out how we identify and manage strategic and operational climate risks. The Board Audit and Risk Committee reviews strategic risks quarterly, including transitional risks arising from decarbonisation like the cost of retrofitting homes, and emerging risks such as more frequent severe weather events and policy change.

We work with retained insurance and risk consultants, Gibbs Laidler, alongside insurer reviews and independent analysis from SHIFT, to help monitor physical climate risks across our portfolio and horizon-scan for emerging threats. Key threats for the sector include flooding, windstorm, and overheating. Gibbs Laidler assesses flood and storm risk factors at postcode level and aggregates these into an overall location score to support prioritisation and mitigation planning.

At a strategic level, policy risk includes the Government’s published plan for the new Minimum Energy Efficiency Standards (MEES) for social housing and underlying Home Energy Model (HEM) calculation methodology that will replace how EPCs are calculated and what makes a home compliant to let or sell.

We have raised concerns with the timing of MEES as our energy efficiency investment targets EPC C by 2030 are set using the current system and not a new version of an EPC through HEM. Under any system, we are committed to hitting energy efficiency targets and making our homes more affordable and comfortable for tenants as we work towards net zero 2050.

At a local level, whether we are directly managing risk or triaging emerging risk, we are making sure that our homes and the tenants that live within them are secure from the significant threats from climate change. We show this in the Plan through our risk drivers and priority actions to 2030.

DRIVERS OF CLIMATE RISK IN OUR HOMES



Age of homes

One-third of our homes are over 100 years old



Energy efficiency and affordability

16% of our homes are a current EPC D rating for energy efficiency. Energy prices remain near a decade high.



Heating system types

75% of our homes use direct fossil fuels for heating



Flood risk ratings

4% of our homes are at a medium to high overall flood risk rating



Overheating risk ratings

14% of homes are at a medium to high overheating risk rating

According to a desktop assessment by SHIFT environmental consultancy



Tenant diversity and socio-economic needs

We’ve invested in 6 of the top 10% most deprived areas nationally. Our tenant-base is one of the most diverse nationally: c40% of tenants are considered ethnically diverse and over 13 different languages are spoken within our homes.

PRIORITY ACTIONS TO 2030



Improving energy efficiency

£53million investment in achieving minimum standards of energy efficiency by 2030



Modernising our oldest homes

£300million to be invested in improving the quality of our homes including new efficient heating systems and water use devices



Increased dedicated resource to manage air quality

Dedicated resource to monitor and manage the air quality within our homes



Inclusive and effective consultation with tenants

Tenant consultation on key issues like awareness of energy efficiency improvements in homes and managing air quality and excess temperature (heat or cold) risks

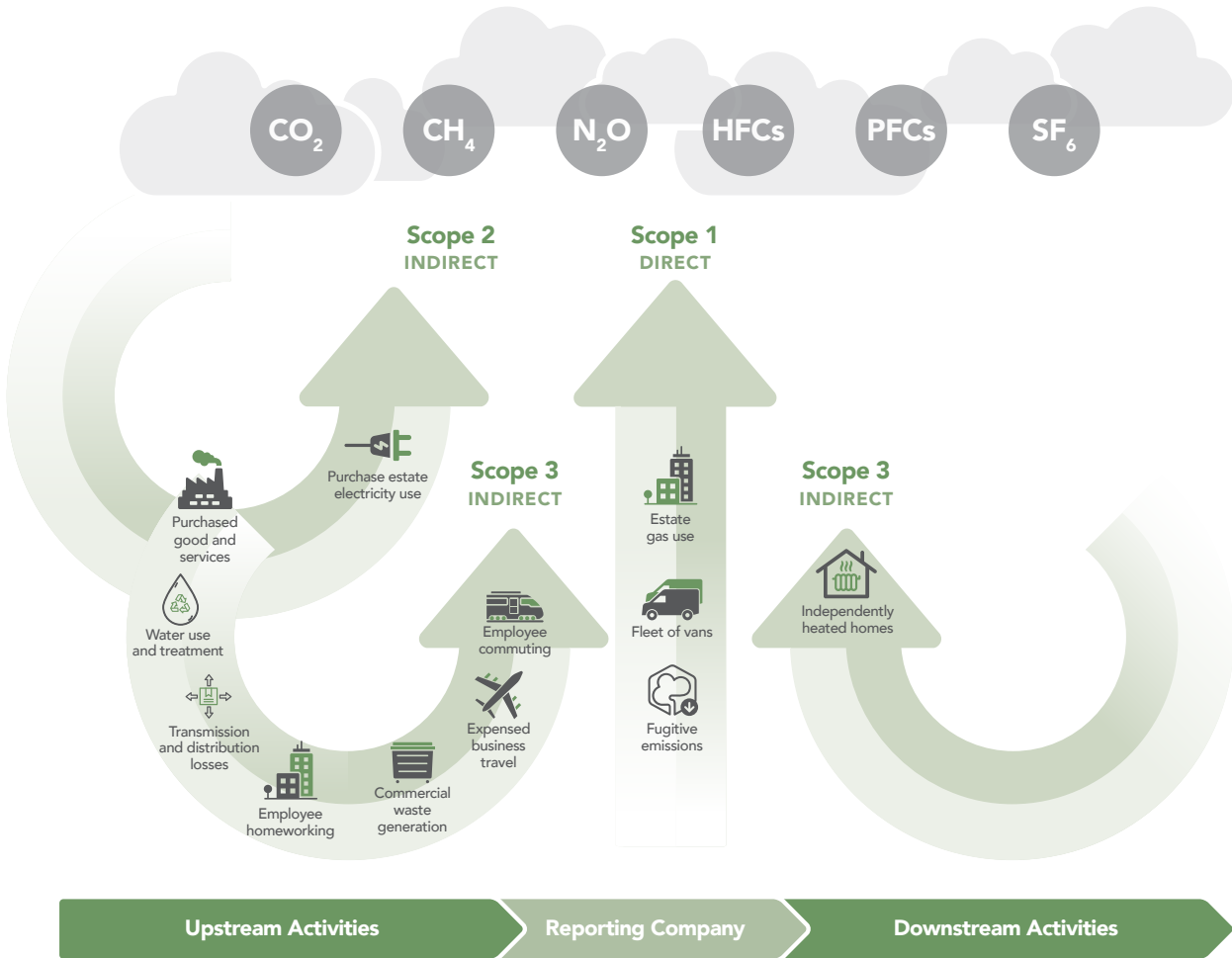
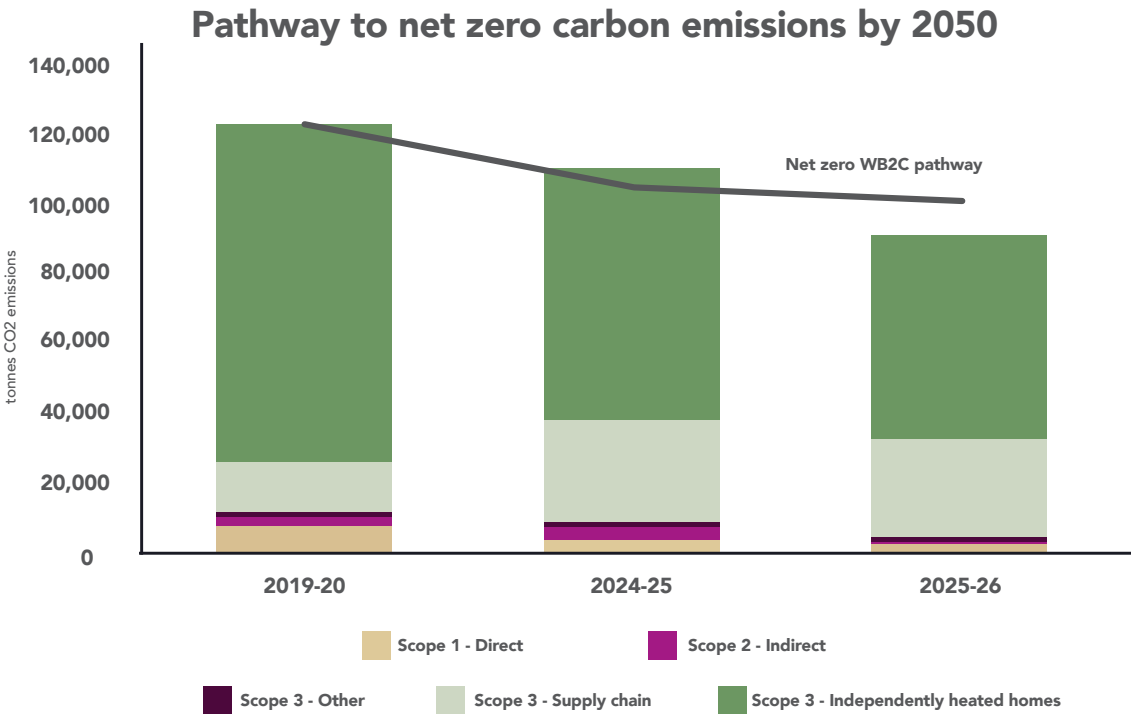


Advancing new build standards

Adherence to key building design and construction standards to manage climate risks like flooding and overheating in new homes

OUR CARBON (CO2) EMISSIONS

- Our total CO2 emissions were 91,593 tonnes, representing a decrease of c. 12,000 tonnes compared to last year. This is equivalent to the emissions from driving an average petrol car c. 45m miles and the annual driving emissions of 4,500 cars. We are c. 32,000 tonnes below our 2019-20 baseline and on track to meet our science aligned Well Below 2°C (WB2C) net zero target for 2050.
- Key drivers of change:
- Property portfolio simplification – The sale of properties last year led to significant reductions in our Scope 1 and 2 purchased energy emissions. This has been partially offset by the building of new energy efficient homes.
 - Purchasing bulk renewable electricity – our purchased contracted electricity is fully renewable (REGO backed) since October 2025.
 - Fleet and travel emissions – Scope 1 fuel use from our van fleet increased slightly reflecting a higher number of jobs attended by operatives. Expensed fuel use by colleagues also rose, driven by increasing scheme visits and policy change.
 - Home energy efficiency – Improvements to independently heated homes delivered a combined c. 7,000 tonnes reduction in Scope 3 emissions. We have now reached 84% EPC C or above, up from 80% last year.



Corporate science-aligned CO2 target

Under our corporate plan we first introduced our WB2C science aligned Scope 1 & 2 operational emissions absolute reduction target.

In year one we reduced Scope 1 and 2 carbon emissions by 846 tonnes CO2e against a target of 200 tonnes CO2e, driven by a reduction in heat and power emissions from the divestment of some of our large schemes, the continued decarbonisation of the UK electricity grid and our first bulk purchase of 16 electric vans.

Our target is science-aligned within a WB2C pathway and based on current performance, sits within a 1.5°C pathway.

You can find our Streamlined Energy & Carbon Reporting (SECR) disclosure in our Annual Report

[Link to the plan here](#)



THE YEAR AHEAD

In this first year of the Sustainability Plan, our focus will be on moving from ambition to action. We will work closely with tenants, colleagues, investors, and other stakeholders to deliver the commitments that matter most, making sure sustainability performance is embedded across our core projects and programmes.

We will continue to listen to and involve tenants through our My Impact Group and wider engagement activity, using their feedback to shape priorities and review progress. At the same time, we will strengthen the foundations that support long-term delivery, including clear governance, robust data, and transparent reporting.

We will be open about our progress, celebrate successes and be honest about challenges. By reporting against recognised standards and subjecting our performance to scrutiny, we will ensure stakeholders can see the difference the plan is making.

Year one will be about building momentum, demonstrating early progress, and creating the confidence that we can deliver meaningful, lasting change for our homes, communities, and environment.

Navigating the regulatory and policy environment

The year ahead will require us to navigate a more demanding policy and regulatory environment. Key areas include preparing for new Minimum Energy Efficiency Standards for social housing, the Future Homes Standard, the next phase of Awaab's Law, the new Decent Homes Standard, and the Social Tenant Access to Information Requirements. Together, these changes will increase expectations around the quality, safety, transparency, and energy performance of homes.

Our focus in 2026-27 will be to manage these requirements in a planned and proportionate way, aligning investment decisions with tenant outcomes, compliance obligations, Value For Money and our long-term sustainability commitments.



Year ahead deliverables

In the homes we rent

- Retrofit 1,200 homes to EPC C or above including c. 300 homes using over £2m of grant within the WMCA's devolved retrofit grant programme.
- Maintain above an industry leading landfill diversion rate above 95% as we continue to optimise our waste services together with Reconomy, our centralised waste broker
- Complete our Property Investment procurement process to embed the new water use device specifications in the delivery of new kitchen & bathroom contracts after April 2027
- Increase the numbers of smart components in our homes through a targeted uplift in the number of AICO environmental sensors that detect air quality, including temperature and humidity
- Report on the social value impact of our investment in our localities and tenants, including the work of our Money Advice Team supporting tenants in hardship.
- Review the outcomes of the first year of our bulk fleet EV use to understand elements like service delivery performance to tenants as well as fuel cost and carbon emissions savings

In the homes we build

- Build 450 new energy efficient and affordable homes at EPC B or above
- Target scheme onsite biodiversity where required and appropriate in our planning or offsite biodiversity that supports our wildlife and green space regionally
- Complete the planning process for the Project 100 net zero neighbourhood, share the design details with tenant groups and commence construction

In the way we work

- Reduce our operational (Scope 1 & 2) carbon emissions by a further 500 tonnes, equivalent to removing emissions from around 170 homes.
- Maintain bill stability through incremental purchases of energy below the price cap. We do not anticipate any bulk purchases of energy in the year ahead.
- Record and report VFM cost savings across our sustainability-linked projects and programmes including through competitively priced funding.
- Continue our progress to close the green skills gap through our business-wide resourcing across our early careers programme with 20 colleagues and other development programmes
- Leverage social value offers from our supply chain that have a tangible impact to our tenants



"We support this report as a transparent reflection of the progress we are making to deliver better outcomes for our tenants, communities and the environment, while continuing to learn and improve."

ESG Committee



APPENDIX

Environmental

C1	Core	Distribution of EPC ratings of the housing provider's existing homes (those completed before the last financial year).	Page 7
	Enhanced	Average SAP rating of existing homes (those completed before the last financial year).	74
		Energy use intensity of existing homes (those completed before the last financial year).	194
C2	Core	Distribution of EPC ratings of the housing provider's new homes (those completed in the last financial year).	Page 19
	Enhanced	Average SAP rating of new homes (those completed in the last financial year).	85
C3	Core	Does the housing provider have a Net Zero target and strategy? If so, what is it and when does the housing provider intend to be net zero by?	Yes, net zero emissions by 2050 across all Scopes.
	Enhanced	Is the housing provider's net zero commitment in line with the Science Based Target (SBT) initiative?	Yes
		Does the housing provider have a costing net zero transition plan?	Partial. We have a plan to meet the current legal requirements, and we have stress tested further expenditure to meet draft MEES requirements to 2039
C4	Core	What progress has the housing provider achieved in the last 12 months towards its Net Zero targets and strategy? What retrofit activities has the housing provider undertaken in the last 12 months in relation to its housing stock?	Page 46 & 47 Page 7
	Enhanced	Number of homes that have been retrofitted in the last financial year.	# of homes 1,327
		Homes that have been retrofitted in the last financial year as a percentage of the total homes the housing providers is aiming to retrofit.	% of homes 22.8%
C5	Core	Scope 1, Scope 2 and Scope 3 Green House Gas emissions	tCO2e 91,593
		Scope 1, Scope 2 and Scope 3 Green House Gas emissions per home	tCO2e/home 2.67
	Enhanced	Does the housing provider qualify for SECR reporting?	Yes
		SECR Intensity Ratio for Total Emissions (Scope 1-3 (3 where required))	kgCO2e/home 0.11

C6 to C8	Core	Has the housing provider mapped and assessed climate risks related to: Flood, Water stress, Overheating, Wind and storms, Wildfire, Transitional (financial and non-financial)	Coverage on Page 44 & 45
C9	Core	Does the housing provider have a strategy to enhance green space and promote biodiversity on or near homes?	Yes, in the 2030 Sustainability Plan
	Enhanced	Biodiversity Net Gain (BNG) of new homes (those completed in the last financial year).	10%
		Does the housing provider have a Biodiversity Net Gain target for new homes?	Yes 10%
		Does the housing provider's BNG target exceed minimum requirements?	No
C10	Core	Does the housing provider have a strategy to identify, manage and reduce pollutants that could cause material harm? If so, how does the housing provider target and measure performance?	Yes Qualitative response Page 12
C11	Core	Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building and repairs works? If so, how does the housing provider target and measure performance?	Yes, in the 2030 Sustainability Plan Qualitative response Page 13
C12	Core	Does the housing provider have a strategy for waste management incorporating building materials? If so, how does the housing provider target and measure performance?	Yes, in the 2030 Sustainability Plan Qualitative response Page 13 & 30
	Enhanced	% of materials that are recycled and/or diverted from landfill	99%
C13	Core	Does the housing provider have a strategy for water management? If so, how does the housing provider target and measure performance?	Yes, in the 2030 Sustainability Plan Qualitative response Page 44 & 45
C14	Core	How is sustainability considered when procuring goods and services? What measures are in place to monitor the sustainability of the supply chain when procuring goods and services?	Qualitative response Page 13
	Enhanced	What is the relative weighting of environmental impact considerations in procurement policies?	5% Environmental 5% Social Value
		How does the housing provider monitor supply chain risks, and what initiatives has the housing provider taken to drive higher sustainability performance across its supply chain?	Strategic and operational risk management within our Risk Management Framework



Social

C15	Core	For properties that are subject to the rent regulation regime, report against one or more Affordability Metric.	% of PRS rent	58.3%
			% of LHA rent	73.5%
C16	Core	Number, and share, of existing homes (owned and/or managed and completed before the last financial year).	# of General Needs (social rent) units	21,015
			# of Intermediate Rent units	7
			# of Affordable Rent units	5,012
			# of Supported Housing units	545
			# of Housing for Older People units	1,414
			# of Low-cost Home Ownership units	2,548
			# of Care Home units	18
			# of Private Rented Sector units	0
			# of Private Market Sale units	133
C17	Core	Number, and share, of new homes (owned and/or managed, and completed in the last financial year).	# of General Needs (social rent) units	124
			# of Intermediate Rent units	0
			# of Affordable Rent units	112
			# of Supported Housing units	0
			# of Housing for Older People units	0
			# of Low-cost Home Ownership units	120
			# of Care Home units	0
			# of Private Rented Sector units	0
			# of Private Market Sale units	0
C18	Core	How is the housing provider trying to reduce the effect of high energy costs on its residents?	# of Other units	3,744
C19	Core	Describe the condition of the housing provider's portfolio, with reference to:	% of homes (with gas safety checks)	100%
			% of homes (with fire risk assessments)	100%
			% of homes (with electrical safety checks)	100%
			% of homes (with asbestos checks)	100%
			% of homes (with legionella assessments)	100%
			% of homes (with lift safety checks)	100%

C20	Core	What % of the housing provider's homes meet the national housing quality standard? Of those which fail, what is the housing provider doing to address these failings?	% homes	99.99% (rounded to 100%)
			Qualitative response	See Full Disclosure
	Enhanced	What is the target date for bringing homes that do not meet the standard into compliance?	As soon as reasonably practicable and homes become accessible.	
C21	Core	How do you manage and mitigate the risk of emergency hazards, including damp and mould? How do you reduce the likelihood of damp and mould hazards occurring?	Page 12 and see Full Disclosure	
C22	Core	What are the results of the housing provider's most recent tenant satisfaction survey? How has the housing provider acted on these results?	% of residents satisfied	87.2%
			Qualitative response	Page 16
C23	Core	What arrangements are in place to enable residents to hold management to account for the provision of services?	Page 26 & 27	
C24	Core	Report one or both of the following quantitative metrics: - % of Stage 1 and Stage 2 complaints responded to within target timeframes (varies by nation). - Average time in working days to respond to Stage 1 and Stage 2 complaints How have reported complaints resulted in change of practice within the housing provider?	% of complaints	Stage 1: 81% Stage 2: 79%
			Qualitative response	See Full Disclosure
C25	Core	In the last 12 months, what additional support have you provided to your tenants? Please include support across any of the following areas, as well as any other relevant services: - Employment & skills - Wellbeing & mental health - Vulnerable tenants	Page 14 & 17	
C26	Core	In the last 12 months, what interventions has the housing provider made to foster stronger communities and places, considering both: - Physical changes to shared spaces or public realm - Events, activities, and signposting	Page 14	
C27	Core	How is social value creation considered when procuring goods and services? What measures are in place to monitor the delivery of this Social Value?	Page 13 & 20	
	Enhanced	What is the relative weighting of Social Value considerations in procurement policies?	5%	
		How much Social Value has been delivered from the housing provider's supply chain in the last 12 months?	£320k	

Governance

C28	Core	What is the housing provider's most recent regulatory grading/status?	G1 V1 C1 status from the Regulator of Social Housing	
C29	Core	Explain how the housing provider's board manages ESG risks. Are ESG risks incorporated into the housing provider's risk register?	Page 9 Yes	
	Enhanced	Is the housing provider required to report against TCFD?	No	
		If yes, is the housing provider doing so?	NA	
C30	Core	Has the housing provider been subject to any adverse regulatory findings in the last 12 months that resulted in enforcement or other equivalent action?	No	
C31	Core	How does the housing provider ensure it gets input from a diverse range of people into the governance processes?	See Full Disclosure	
C32	Core	Does the housing provider have policies that incorporate Equality, Diversity and Inclusion (EDI) into the recruitment and selection of board members and senior management? How do they do this?	Yes. See Full Disclosure	
C33	Core	What % of the housing provider's Board and Senior Management Team have turned over in the last two years?	% Board	19%
			% Management Team	20%
			Management Team has been defined as the Executive Board.	
C34	Core	Number of board members on the housing provider's Audit Committee with recent and relevant financial experience.	2 The Chair is a retired FD and another member works in Finance with a large organisation.	
C35	Core	What % of the housing provider's board are non-executive directors?	70%	
C36	Core	For how many years has the housing provider's current external audit firm partner been responsible for auditing the accounts?	20 years. The audit team/partner within KPMG has been rotated in accordance with audit standards.	
C37	Core	When was the housing provider's last independently-run board-effectiveness review?	01/06/2025	

C38	Core	How does the housing provider handle conflicts of interest at the board?	We have an annual declarations process where members confirm their interests. They are encouraged to notify the Company Secretary as soon as possible if any arise within the year. There is a declaration of interests agenda item at the start of every board meeting.	
C39	Core	Does the housing provider pay the Real Living Wage?	Yes	
C40	Core	What is the housing provider's median gender pay gap?	3.6%	
C41	Core	What is the housing provider's CEO: median-worker pay ratio?	10.78:1	
C42	Core	How is the housing provider ensuring equality, diversity and inclusion (EDI) is promoted across its staff?	See Full Disclosure	
C43	Core	What activity has the housing provider undertaken over the last 12 months to support the physical and mental health of its staff? What impact has this had on staff and the wider organisation?	See Full Disclosure	
C44	Core	What activity has the housing provider undertaken over the last 12 months to support the professional development of its staff? What impact has this had on staff and the wider organisation?	Page 25	
	Enhanced	What % of employees have received a qualification that is relevant to their professional development within the last year?	6%	



Credible, reliable reporting

We have been an adopter and supporter of the SRSSH since its inception. The SRSSH provides a voluntary framework for housing providers to report on their ESG performance transparently and consistently. Through the SRSSH we are contributing to consistent, reliable, and quality sector reporting.

We are actively managing alignment with current and upcoming accounting standards under the UK Sustainable Reporting Standards (SRS). This includes the SRS' adoption of the International Financial Reporting Standards S1 and S2.

We adhere to the relevant core carbon emissions and energy intensity reporting regulation and standards, including: Streamlined Energy and Carbon Reporting (SECR) requirements, the Greenhouse Gas (GHG) Protocol Standard and the Government's corporate Environmental Reporting Guidelines under The Companies Act 2006 (Strategic Report and Directors' Reports) Regulations.

Greenhouse gas (GHG) or CO2 emissions are calculated in line with the GHG Protocol methodology. These are disclosed annually and include Scopes 1, 2 and 3 and a relevant intensity metric to the sector.

Scope 3 emissions are industry relevant, including independently heated homes. A historical period and baseline are used in reporting and to evidence trend analysis. Scope 3 emissions have been reported for the assessed scope 3 categories and activities using the GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions. Homeworker emissions use an 'enhanced case' market-based approach to record energy use at home.

The corporate Scope 1 & 2 target uses a location-based approach to align with an absolute decarbonisation methodology for a near-term science-aligned target

We regularly review our alignment to the GHG Protocol Accounting and Reporting Principles and the UK Government's Environmental Reporting Guidelines. We used the 2025 UK Government conversion factors to calculate associated tonnes CO2 emissions equivalents.

Core environmental data within Report has been subject to a third-party review by SHIFT, Environmental Consultancy. High level investment data has been subject to audit by our financial auditor KPMG. Social Value impact data has been subject to audit by HACT. Further related externally reported information will be subject to ongoing second or third-party audit or scrutiny.

Core reportable information is regularly reviewed by our ESG Committee and New Business Group as part of our Sustainability Governance Framework. The ESG Committee convenes bi-monthly and the New Business Group convenes monthly.



Glossary

ASB

Anti-Social Behaviour. Problems such as harassment, noise nuisance, vandalism or other behaviour that negatively affects residents.

CO2 emissions

Carbon Dioxide Equivalent. A standard measure used to compare the climate impact of different greenhouse gases (GHG), including carbon dioxide (CO2), methane and nitrous oxide.

EDI

Equality, Diversity and Inclusion. Policies and practices that promote fairness and equal opportunities for all.

EPC

Energy Performance Certificate. A rating that measures the energy efficiency of a home, from A (most efficient) to G (least efficient).

ESG

Environmental, Social and Governance. A framework used to assess an organisation's environmental impact, social value and governance practices.

EV

Electric Vehicle. A vehicle powered by electricity rather than petrol or diesel (fossil fuels).

HACT

Housing Associations' Charitable Trust. An organisation that helps housing providers measure and report social value.

HHSRS

Housing Health and Safety Rating System. The framework used to assess and manage health and safety hazards in homes.

MEES

Minimum Energy Efficiency Standards. Proposed Government requirements setting minimum energy performance levels for homes to 2039.

NZCBS

Net Zero Carbon Building Standard. A UK standard being developed to define and verify net zero carbon buildings.

SDGs

United Nations Sustainable Development Goals. Seventeen global goals designed to address environmental, social and economic challenges by 2030.

SECR

Streamlined Energy and Carbon Reporting. A UK regulatory reporting framework for energy use and carbon emissions.

SHDF

Social Housing Decarbonisation Fund. Government funding to improve the energy efficiency and carbon intensity of social housing. It has since become the Warm Homes: Social Housing Fund.

SLL

Sustainability-Linked Loan. A loan where borrowing costs are linked to achieving agreed sustainability performance targets.

SRSSH

Sustainability Reporting Standard for Social Housing. The social housing sector's voluntary ESG reporting framework for housing providers.

TSM

Tenant Satisfaction Measures. A set of measures used by social housing providers to report tenant satisfaction and service performance.

VFM

Value for Money. Achieving the best balance of cost, quality, outcomes and long-term benefit from resources invested.



Introduction



Our Story Across
Our Key Themes



Sustainability
Reporting Standard



Sustainable
Finance Report



Our 2030 Plan



The Year Ahead



Appendix

HOME



FOR MORE ABOUT OUR **SUSTAINABILITY** JOURNEY



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