Sustainable Finance Framework.

October 2024

Bromford.

Foreword.

Bromford is one of the largest developer housing associations in the United Kingdom. We own and manage over 47,000 social and affordable homes for people who can't access market housing, and we are a leading developer of new social and affordable homes. Sustainability has always been fundamental to our mission and continues to underpin everything we do. It runs to our core purpose and is the foundation upon which our 2023–2027 corporate strategy is built.

We believe that everyone should have a home that is safe, secure, warm and affordable. We have individual relationships with the 112,000 people who live in our homes and want each of them to be able to achieve their goals. Put simply, we want people to thrive.

In recent years we have demonstrated this commitment through a suite of reporting tools. Our statutory accounts, trading updates and investor presentations now present our sustainability performance alongside financial outcomes. We are proud to have pioneered sustainability-linked borrowing in our sector. Having established the first green and governance loans, we now have a portfolio of six Sustainability Linked Loans (SLLs) attached to seven Key Performance Indicators (KPIs) across a range of environmental, social and governance metrics. These loans continue to drive greater visibility, transparency and accountability of the core drivers of our ESG performance.

Our first sustainability impact report – Building A Sustainable Future – was published in 2022 and is now published annually. It is the central channel through which we will tell our story and demonstrate our progress against the sustainability commitments we have set out, so that our customers, colleagues, investors and other strategic partners can hold us to account.

This Sustainable Finance Framework ("Framework") is another essential component of

our sustainability story, cementing the relationship between finance and purpose. First launched in 2021, our updated Framework aligns our future financing to strategic commitments, underpinned throughout by a clear link to seven United Nations' Sustainable Development Goals and linked to updated International Capital Markets Association (ICMA) and Loan Market Association (LMA) principles too.

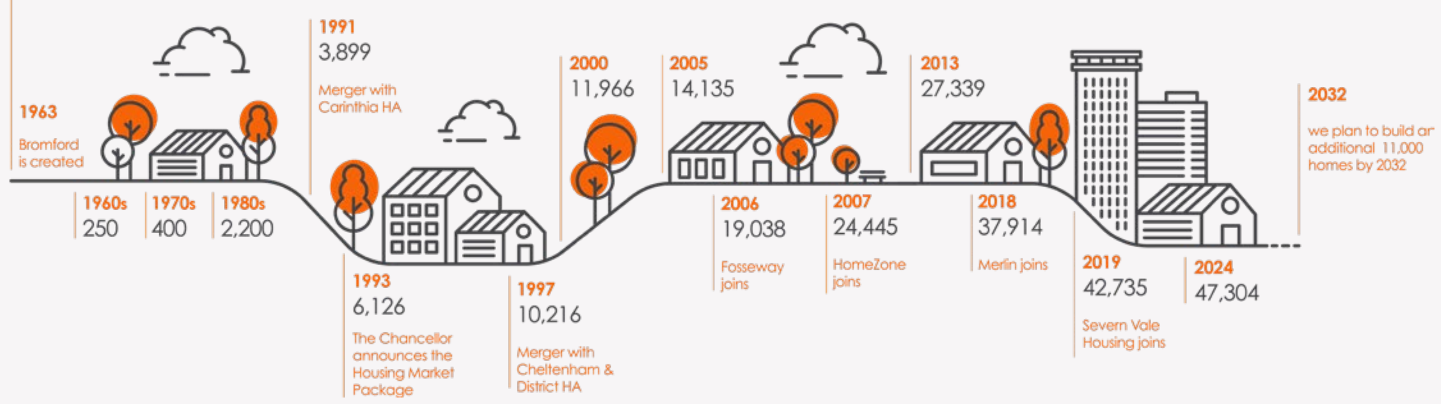
Our cross-directorate Sustainability Group is the custodian of this Framework and importantly connects our decision-making on sustainability projects to the required investment envelope in our business plan. It is sponsored by our Chief Finance Officer (CFO) and brings together specialists from all corners of the business to improve the way we collect data and report our performance and progress.

The narrative around our 10 core projects – ranging from the delivery of social homes and reducing homelessness, to creating an inclusive culture for colleagues and greening our office space and fleet – reflects the targets and impact measures we have carefully designed against our core strategic pillars of place, scale and impact.

Sustainability performance and reporting are continuously evolving. We will continue to refine our approach as we learn more about what truly drives positive environmental, social and governance outcomes for our customers and communities. We expect to develop our Framework further over the coming years in line with policy, technological and other macro drivers, so that it remains fit for purpose and pushes us to the limits of our potential.

Matthew Rose, director of treasury, Bromford

Our history.



Over half of our customers live in just four areas – Lichfield, Tewkesbury, Cotswolds and South Gloucestershire. We call these the big four. These are the places where we are the majority social landlord and own up to 75% of all the affordable homes. We think this places a responsibility on us to play our part in the wider success of these places and we will actively look to develop a leadership role

Where we operate.

Bromford was formed in 1963 and has grown to become one of the largest housing associations in the country. Today, we own and manage more than 47,000 homes spread across the West Midlands and the West of England.

Our purpose is to invest in homes and relationships so people can thrive.

Sustainability is central to our purpose – and to the investments we are making in the communities where our customers live. That's why we have a focussed geography with an emphasis on our big four areas of Lichfield, Tewkesbury, Cotswold and South Gloucestershire.

Across our big four areas, we serve a diverse range of people including those on low pay, reduced educational and health outcomes and greater experience of the care and criminal justice systems.

Others rightly have expectations of us and the role we can play to support these citizens achieve their aspirations and thrive. We intend to live up to them.

Directly related to our shift to scale, place and influence, we have a goal to be the number one developer of affordable homes in Gloucestershire and throughout the wider M5 corridor.

We will continue to be a major developer of new homes across a wider area too including in both the West Midlands and West of England Combined Authority regions.

The role of sustainable finance.

For our customers to see the true benefits of our sustainability strategy, a shared purpose and commitment must run right through the organisation – including the way we are funded and financed.

This Framework is therefore an essential component of our corporate strategy. It commits us to raising all future funding under the sustainability banner, aligning our future financing to strategic commitments, underpinned throughout by seven UN SDGs.

It is also a springboard for partnering with lenders and investors who share this vision to deliver meaningful change.

Like many of our peers, we have adopted a "use of proceeds" Framework, which means the net proceeds from the issuance of green, social or sustainable funding will be exclusively used to finance or refinance green and social projects.

We have also gone further by sharing in this document the KPIs that have been agreed bilaterally with funders. We have voluntarily aligned these to the LMA Sustainability Linked Loan Principles (2023) but this has not been verified by a third party. The net proceeds of SLLs are used for general corporate purposes.

After pioneering sustainability-linked borrowing in our sector – including the first loan linked to the energy efficiency of homes and the first ever bank deal linked to governance targets – we've committed to all future funding being tied to our sustainable objectives. To put this into context, we currently have c.£2bn of private finance, with plans to raise at least another £1bn over the next decade.

This Framework aims to encompass multiple funding instruments available to Bromford including secured listed debt, private placements in the UK and overseas and bank loans (term debt and revolving credit facilities). The externally reviewed Framework has been produced in accordance with:

International Capital Markets Association (ICMA)

i. Green Bond Principles (GBP) 2021 (with June 2022, Appendix I)
ii. Social Bond Principles (SBP) 2023
iii. Sustainability Bond Guidelines (SBG) 2021

In all cases, our Framework aligns to the four core components consistent with the named principles above:

1. use of proceeds
2. process for project evaluation and selection
3. management of proceeds
4. reporting

Loan Market Association (LMA)

i. Green Loan Principles (GLP) 2023
ii. Social Loan Principles (SLP) 2023

On a best endeavours basis, our Framework is also aligned with the LMA Sustainability Linked Loan Principles (2023) based around the following five core components:

1. Selection of KPIs
2. Calibration of SPTs
3. Loan Characteristics
4. Reporting
5. Verification

Purpose to action: our 4 pillars.

Investing for impact:

The places in which we live and work are what build our relationships. A shared sense of place can unite us and make us stronger as a community. Our strategic shift to a place-based approach seeks to make the most of these connections. By considering any investment we make within the context of the whole community and by collaborating with different partners, we aim to make a lasting difference to people's lives. Whatever Bromford does today has an impact for years to come so it's important we get our investment decisions right. We'll use a range of data and evidence so that what we build now and in the future creates new opportunities, promotes social and economic wellbeing, and reduces inequality over the long term.

Investing in relationships:

The most important relationships are the ones with our customers. We particularly value the relationship with our involved customers who give so much through our Customer and Communities Influence Network and Local Influence Networks. We cannot deliver on our purpose without strong relationships between our colleagues, customers and partners. So we are raising the bar on relationships that build strategic capability: being the organisation that people are excited to work with and for. We'll be one of the go-to organisations people think about when housing, place and investing for impact comes up – be that central government, the investor community, or the wider social purpose sector. We'll be known for solving problems and spotting opportunities that others don't see, with Bromford as an influencer locally and regionally. We'll continue to look beyond housing and the UK for the best ideas. We will think big but act local. We'll continue to grow in a sustainable way, but growth will be about where we can develop the very best relationships as that is the way we can best enable our customers to thrive.

Investing in homes:

We want all our customers to live in homes that are safe, that are affordable to run and which they can be proud of. We'll be clear about which of our existing homes can meet this benchmark and we'll continue to invest in them to bring them up to our home standard. For others, we'll have plans for disposal or regeneration and know how we'll keep them decent in the meantime. During the life of this strategy, we'll work with customers to explore how we can better tailor the home standard, and our investment, around individual customer aspiration rather than a one-size-fits-all approach. We will also move to a far more proactive maintenance service that identifies emerging problems before a customer needs to contact us and puts them in control of their home.

Investing so people can thrive:

All our investment is ultimately about enabling people to thrive. This means different things to different people. Each customer is unique so we recognise that different customers will need a different relationship. We won't do things to or for people, but we'll empower them to get what they want out of life. We'll focus on removing barriers or interventions that get in the way of customers doing things for themselves. We'll take a more proactive approach to helping our customers live in the right home for them as their needs and aspirations change. We'll improve pathways through our different types of homes and tenures and ensure they reflect the current and future customers in each place. We won't try and do everything. Our placebased approach means we are all about making connections - so we'll work with others who can add value for our customers. Equally our people have different skills and capabilities, and we want to be an employer where colleagues can thrive and fulfil their ambitions.

Our eight strategic objectives.

These eight objectives will turn our purpose into action over the life of this strategy. They demonstrate how we will invest in homes and relationships so people can thrive.

Place-based working

Relationships that support customer aspiration

Our move to scale

Home Standard - closing the gap

Proactive maintenance and compliance

Agile working to solve problems

Place-based pipeline of talent

Known as a leader and influencer

Our guiding principles.

Our updated Framework now incorporates those strategic objectives and our 'purpose to action' strategy, along with our new guiding principles, which include:

Build relationships

We are an organisation obsessive about the relationship we have with our customers. But the relationships between colleagues and with partners and stakeholders are also really important. We build purposeful relationships that demonstrate impact.

Think community

We think community first rather than services. We focus on what we do best – homes and relationships – and bring other partners on board to work with the community to solve other problems.

Places, not projects

We deliver places not projects and think strategically about where we invest, what a community aspires to be, and how we can help. We believe that our resource should flex in different places. One size does not fit all.

Invest for impact

Our approach to investment and procurement secures social and economic impact and delivers a better deal for people and the planet.

Develop trust

A successful relationship requires us to trust our customers and our customers to trust us. We believe that our customers have the same strengths and aspirations as anybody else and we never hold them back, talk them down or stand in the way of their ambition. Our services are designed to enable them to have the relationship they choose.

Seamless service

Our customers expect easy to access services and seamless experiences across both in person and digital services. We eliminate reactive or wasteful approaches through bold use of technology, process design and organisation. We ask all our colleagues, customers, and partners to work with us to identify smarter ways of running our business.

Data driven

We will develop our data and insight to give us a better understanding of the way Bromford operates and the external environment in which we are working. We will use this insight to inform our decision making, to improve how efficiently we deliver our services, and to ensure we are providing services our customers want and need now and in the future.

One Bromford

We are a business based on teamwork, collaboration, and agility: continually striving to improve our customer and colleague experience while demonstrating our impact with evidence of how people are thriving.

Evolving our sustainability approach.

This updated Framework reflects the journey we are on to identify, drive and report on sustainability activities that have a positive impact on our people and places.

We have set out below our approach to sustainability reporting. We adopt the Sustainability Reporting Standard for Social Housing (SRS) but remain keen to tell our own unique story by linking the objectives and targets of our 2023-2027 Corporate Strategy to our impact reporting. We see a future where reporting authorities are unified behind a single reporting standard and the SRS promotes a set of sustainability golden metrics, to simplify and streamline the reporting process so that attention is focused on the key drivers of sustainability. To further these aims, we will continue to engage on the SRS with its steward, Sustainability for Housing, our housing association peers and sector investors.

Above all, whilst our reporting is intended for a broad stakeholder audience including funders and investors, our sustainability ambitions will help current and future customers and colleagues to thrive, ensuring their voice is not lost.

Thriving customers and colleagues

We believe that sustainability is at its most powerful when it improves the lived experience of our customers and colleagues.

A number of tragic events in the sector in recent years - such as the Grenfell Tower fire in 2017 and the death of two-year old Awaab Ishak from exposure to serious mould in his home - have shone a light on the quality and condition of some social housing residents' homes. Customers are rightly demanding more from their landlords. The Social Housing Act 2023 has now come into effect, introducing new consumer regulation standards and requiring registered providers to report against a suite of Tenant Satisfaction Measures (TSMs). This strengthened regulatory regime will hold us and our peers to account against our commitments to customers.

In the first year of reporting against the TSMs we are proud to have delivered top-quartile performance against key measures, including overall satisfaction, and will strive to continuously improve the service we deliver to our customers and communities. To do so, we want to get to the root of what really makes a difference to our people. We will therefore continue to run regular workshops with our customers and colleagues so together we can co-create our sustainability plans, and so that we can also hear first-hand about how well our initiatives are working.

Having pioneered the first loans in the sector linked to energy efficiency and governance, we are pleased to have also developed our focus on the Social pillar of ESG. We now have a number of KPIs which are customer focused, ranging from customer advocacy to our number of outstanding repairs. We continue to develop our thinking to capture social value in its broadest sense and we look forward to developing this aspect of our framework even further.

In addition to this, we have maintained our focus on energy efficiency after developing ambitious targets to reduce our carbon emissions by 10% over the four years to 31 March 2028. This is an intensity-based metric measured in $kgCO_2/m^2$ that covers our Scope 1, 2 and 3 carbon emissions, making it the most comprehensive and wide-ranging measure of emissions reduction we can possibly quantify.

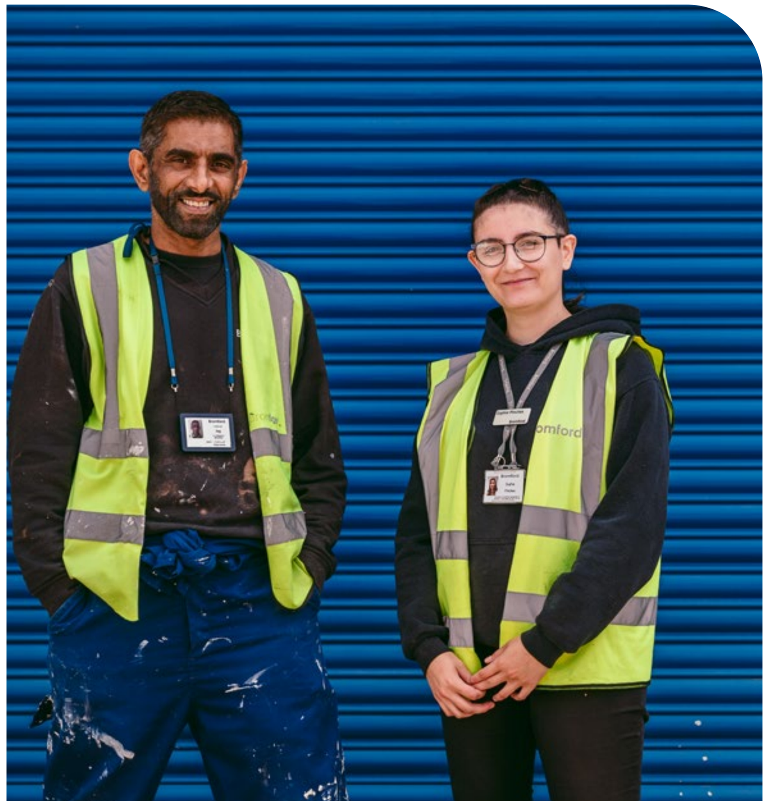
Each sustainability linked loan entered into since the publication of our last Framework in May 2023 is linked to two sustainability KPIs. This includes £200m of drawn funding, as well as a number of RCFs, unlocking the potential to generate over £100k of interest savings annually if the targets are met. Our full suite of KPIs is set out on pages 34 to 40 and, on a best endeavours basis, these have been aligned to the LMA Sustainability Linked Loans Principles (2023).

Our updated Framework

Ultimately our sustainability journey is as unique as our people and tailored to meet the specific needs of the customers and communities we serve.

This Framework therefore embeds the objectives and principles from our 2023-2027 Corporate Strategy. We have specifically refreshed our commitments within the eligible projects covered by this Framework to align with our core strategic pillars of place, scale and impact. We believe these changes help capture our strategic shift from homes to understanding the wider environment where our current and future customers live, and seeking to better understand the employment trends, educational performance and health provision in the places where we invest.

These enhancements are detailed throughout the Framework, setting out our ambitions on a range of initiatives from delivering affordable, energy efficient new homes and greening our fleet, to committing to our neighbourhood coaching model and creating places that truly celebrate equality, diversity and inclusion. Each of these projects are underpinned by KPIs in our corporate strategy as we strive for even more visibility and accountability around our performance.



Adopting the Sustainability Reporting Standard

We are proud to be an adopter of the SRS, which was designed in partnership by housing associations and sector funders and launched in November 2020. It was revised following an extensive consultation in 2023.

The Standard aims to provide a transparent, consistent and comparable approach to ESG reporting across UK social housing and helping to reduce the ESG reporting information burden on housing associations.

The collective approach has moved the dial and is one of the driving forces behind the sector elevating its narrative and focus on sustainability.

The reporting standard is based on 12 themes and 46 criteria for ESG reporting by housing associations. The current SRS criteria are aligned with international ESG frameworks and standards including the SDGs, the Global Reporting Initiative, the Sustainability Accounting Standards Board and ICMA/LMA. They will also be updated in 2023/24 in response to the changing housing environment and wider ESG reporting landscape.

We have made a commitment to report annually against this, as part of our broader annual impact reporting, as we see great value in the Standard.

However, we will always look to go beyond these metrics to tell our own story. Ultimately our sustainability journey is as unique as our people and tailored to meet the specific needs of the customers and communities we serve.

Unification across reporting authorities

We are determined to ensure that our sustainability work isn't lost in an industry of reporting. We believe that effective reporting allows for reflection and a move to action. We will continue to link our sustainability reporting to our internal decision making process, so it appropriately informs business planning and investment decisions.

We are now in an era with a growing body of reporting authorities driving an ever increasing demand for sustainability data. These include the SRS, Streamlined Energy and Carbon Report, Task-force for Climate-Related Financial Disclosure, International Sustainability Standards Board and guidelines from the Investment Association (trade body that represents investment managers and investment management funds). We see a future where reporting authorities are unified behind a single reporting standard, so reporting continues to unlock and enable outcomes for our people, rather than layering increasing burdens which inhibit delivery.

Notwithstanding the need for unification, we are aware of our stakeholders' needs for information today and, where possible, our annual impact report will be utilised to showcase our latest disclosure. Moreover, we are committed to remaining sector leading in our reporting and will align to new taxonomies and frameworks as and when they become relevant to our business.

Sustainability golden metrics

We support the SRS and respond to all 46 criteria against the standard. But we are already experiencing the challenges of communicating this volume of information with our stakeholders as the key drivers of our sustainability performance become buried and difficult to identify.

We believe it would be beneficial for the SRS to promote a set of sustainability golden metrics which shine a spotlight on the most significant drivers of ESG outcomes in the social housing sector. We see value in the dashboard reporting this would facilitate, similar to the Value for Money Sector Scorecard which provides a high level overview of our financial and operational health.

Corporate governance and reporting

We acknowledge and comply with The Regulatory Framework for Social Housing in England from April 2015 issued by the Regulator of Social Housing. We have also adopted the UK Corporate Governance Code and will comply with that code in all matters of financial and treasury management governance.

We are committed to a dual credit rating platform with current investment grade ratings from Moody's and S&P.

We continue to serve our stakeholders with regular corporate updates, but we want to go further in our sustainability reporting so that funders, investors and agencies have clearer sight of our performance and progress.

We will therefore set out our own sustainability golden metrics alongside our financial and operational performance in our key corporate documents, including our trading updates published twice a year. This will provide even greater visibility of activity and actions that drive truly sustainable outcomes. This will in turn help us to co-create with funders and investors new linkages, and ultimately make business and investment decisions with sustainability front and centre, enabling our customers to thrive.

We have already delivered this step-change in our reporting, as we developed and reported on our first set of sustainability golden metrics in our full-year trading update, published in May 2023. Since then, we have refined the set of golden metrics to reflect our greater corporate understanding and updates in the policy landscape, and reported on our performance in each semi-annual trading update. The metrics represent the key drivers of sustainable outcomes in our organisation, and we expect to continue refining these over time.

Robust audit

We also see a future where sustainability data is only published once it has been audited, in the same way financial performance is today. This will drive credibility and hold us to account. Sustainability reporting must meet the same standard as financial reporting to be taken seriously and help us ensure our baselining, progress and improvements are clear. We have already seen these benefits as we have developed our internal processes to respond to the assurance requirements of our existing sustainability-linked loans.

We are constantly striving to ensure robust data is available to support the cost-effective provision of external assurance. The verification requirements need to be considered in conjunction with the KPIs and expected benefits when entering into sustainability-linked facilities.

Benefits beyond margin savings

We believe that sustainability-linked loans are more than just about discounts or margin savings. When they work effectively, they create a new awareness and discussion throughout our organisation, and with our partners, to drive new outcomes on important pillars of sustainability.

The longer-term benefits that emerge from these narratives will add value beyond the annual savings against individual lending products.

Our gender pay gap linked loan has already demonstrated these benefits. In 2021, before we entered the loan, there was limited understanding of the gender pay gap or our performance against it amongst our colleagues. The loan helped drive new awareness and initiatives as we effectively reduced our gender pay gap. Bromford now marks International Women's Day each 8th March, has celebrated our new inaugural Female Accelerator Programme to support female colleagues develop their careers through networking and coaching, and is now officially recognised as a menopause friendly employer.

We have seen similar benefits from our loan linked to coaching customers into employment or training. Learnings from the strategic project group have been shared both internally and externally, and actions have been taken to address initial challenges, for example creating and appointing a new Future Careers Lead role. We have developed a clear pathway to support our performance against this metric, with plans to create a case management approach for recording customer outcomes, further develop and embed our coaching-led approach to customer engagement and leverage key relationships with local employers and training providers.

Our commitment to the UN's Sustainable Development Goals.

What we do today will shape the future of tomorrow and we are committed to building an organisation which will have a lasting impact on our clients, as well as the area we operate in.

We are committed to addressing social equality and climate change to the best of our ability, and to making as much of a contribution to the UN's Sustainable Development Goals as possible. We have mapped this contribution as follows:

Ending poverty in all its forms everywhere

1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

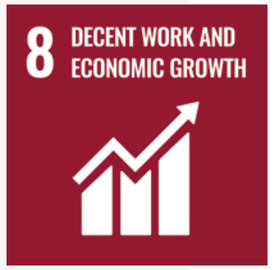
4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Ensure access to affordable, reliable, sustainable and modern energy for all

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services

7.2: By 2030, increase substantially the share of renewable energy in the global energy mix

7.3: By 2030, double the global rate of improvement in energy efficiency



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Reduce inequality within and among countries

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

Make cities and human settles inclusive, safe, resilient and sustainable

11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

Ensure sustainable consumption and production patterns

12.2: By 2030, achieve the sustainable management and efficient use of natural resources

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Delivering affordable homes and regeneration

The housing crisis remains one of the biggest challenges our society faces today, with homelessness and the demand for truly affordable housing continuing to increase. Addressing the supply crisis runs to the heart of our purpose as one of the largest housing associations in the country and a leading developer of affordable housing.

Our commitment to build **11,000 new homes by 2032**, with more than **10,000 of those being affordable**, is focused on ensuring that those most in need have access to housing. A key focus is to build more social rent, the most affordable tenure, across our core geography, and build on our reputation as a top developer of social rent homes in England.

According to information from **Inside Housing's annual Biggest Builders survey**, we were ranked first in the country for the number of social rent homes completed during 2023/24 and built more social rent homes than any other housing association in the country over the four years to 2023/24. Building as many homes for social rent as possible remains very important to us. Social rented homes can be as much as **£25 per week** cheaper than other tenures, meaning customers will have more disposable income.

We have therefore committed to being a **top 10 developer** of affordable homes through to 2028.

We believe we can make the biggest impact on place by investing at scale, and we will have our first spade in the ground on our first brand new community development by 2026. We want to go further still and have set ourselves the ambitious medium-term goal that **25% of our new homes** pipeline will be committed to large-scale brand new communities by 2035.

Our responsibility does not stop with new homes, and we have invested in a team that is reviewing the impact we can have in local areas by regenerating homes. We are the custodians of thousands of properties that were transferred via local authority large-scale voluntary transfers (LSVT), and with many of the LSVT homes either approaching or outlasting their forecasted life, they now present challenges in meeting the standards our customers expect and deserve. This presents us with opportunities to regenerate some of these properties, giving us the chance to play a significant role in shaping the local areas for years to come.

Carbon reduction: energy efficient new and existing homes

We want to deliver new homes in a way that not only reduces building costs, but also mitigates our impact on climate change.

We are utilising new, energy efficient enhancements and are on track for close to all our homes to be a minimum of **EPC C by 2028**. As a result, this will reduce how much CO2 a home will omit, with the aim of reducing our customers' fuel costs to minimise exposure to fuel poverty.

We will achieve this in a number of ways:

1. retrofitting homes to improve thermal performance of the external envelope by investing in external and internal wall insulation solutions, windows, and replacing inefficient heating systems with modern, highly efficient new ones, continuing to install low carbon forms of heating such as air source or ground source heat pumps. We are committed to continuing our no regrets approach to trialling new technology as it becomes available and working with external stakeholders to explore the use of local heat networks as they are developed.
2. creating a new Bromford Home Standard to make our new and existing homes future ready.
3. coaching customers to use their homes efficiently to maximise their comfort whilst supporting them to lower their energy bills.
4. We will take advantage of our scale and purchasing power, evidencing best practice and value for money through the delivery of our investment plans.

We calculate our **Scope 1, 2 and 3 CO2 emissions** twice a year on a per m^2 basis. This has been baselined at **30.42 kgCO2/m^2** as at March 2024, and we have set ourselves an ambitious target to **reduce this by 10%** over the coming years to 2028.

We are aware that our sector does not report consistently against Scope 3 CO2 emissions with different approaches to the inclusion of the supply chain and embodied carbon in particular. We openly acknowledge that we do not yet include the supply chain or embodied carbon in our reporting of scope 3 CO2 emissions. We will continue to work with the SRS, peers and other reporting authorities to develop our future approach to reporting as this space further develops.

Modern Methods of Construction (MMC)

MMC continues to be an important part of our broader new homes' ambitions. The implementation of our MMC framework in June 2022 has led to product development of steel frame Cat 1 and 2 systems with our house types. The Timber Frame Cat 2 development space has progressed rapidly over the last year, with panelised Cat 2 systems being routinely available combining the speed, quality and carbon reduction benefits of wider MMC delivery with the cost effectiveness of timber frame. This has enabled us to deliver starts against our strategic partnership with Homes England for up to **400 category 1 & 2 MMC homes** started onsite by 2026.

However, we still know all categories of MMC can deliver carbon reduction benefits in construction, increased construction speed and quality, as well as a reduction in our reliance on traditional resource-intensive building methods. This is why we are committed to building at least an additional **330 MMC units across all categories** to be completed by March 2029, with a firm aspiration to build more than this as our MMC partnerships become more embedded in our development practices.

Having said this, it should be acknowledged that MMC is a challenging market for a number of manufacturers in this space, with financial difficulties affecting some companies including our own partner Ilke Homes, leading to delays to completion and additional costs. We will continue to proactively monitor the market and be selective in the suppliers we choose to partner with.

Carbon reduction: commercial and company car fleet

We want to continue to reduce our carbon footprint when considering our commercial and company car fleet.

At October 2024, our commercial and company car fleet comprises of over **680 vehicles**.

- We have **550** vehicles in our commercial fleet, of which **71** are electric or hybrid. Where operationally possible*, as part of our annual replacement programme, all ICE vehicles will be replaced by greener alternatives.
- Our company car fleet totals **136** vehicles, of which **98** are either full electric or hybrid. This will be **100% by 2028**.

By 2027:

1. **77%*** of our commercial fleet will be electric or hybrid
2. **100%** of our company car fleet will be electric or hybrid

We anticipate this ambitious target to ultimately reduce our CO2e by **c.1,200 tonnes**.

*Due to the specialist nature of certain vehicles, 23% of our commercial fleet will remain diesel

As previously highlighted, we are committed to greening the fleet of company vehicles, but we are also encouraging our colleagues to travel to work more sustainably and further investment in infrastructure at our offices will provide an incentive to reduce carbon emissions from petrol and diesel cars.

Carbon reduction: green offices

Implementing initiatives to reduce the carbon footprint of our four primary office spaces remains a key part of our plans to improve the sustainability of our business.

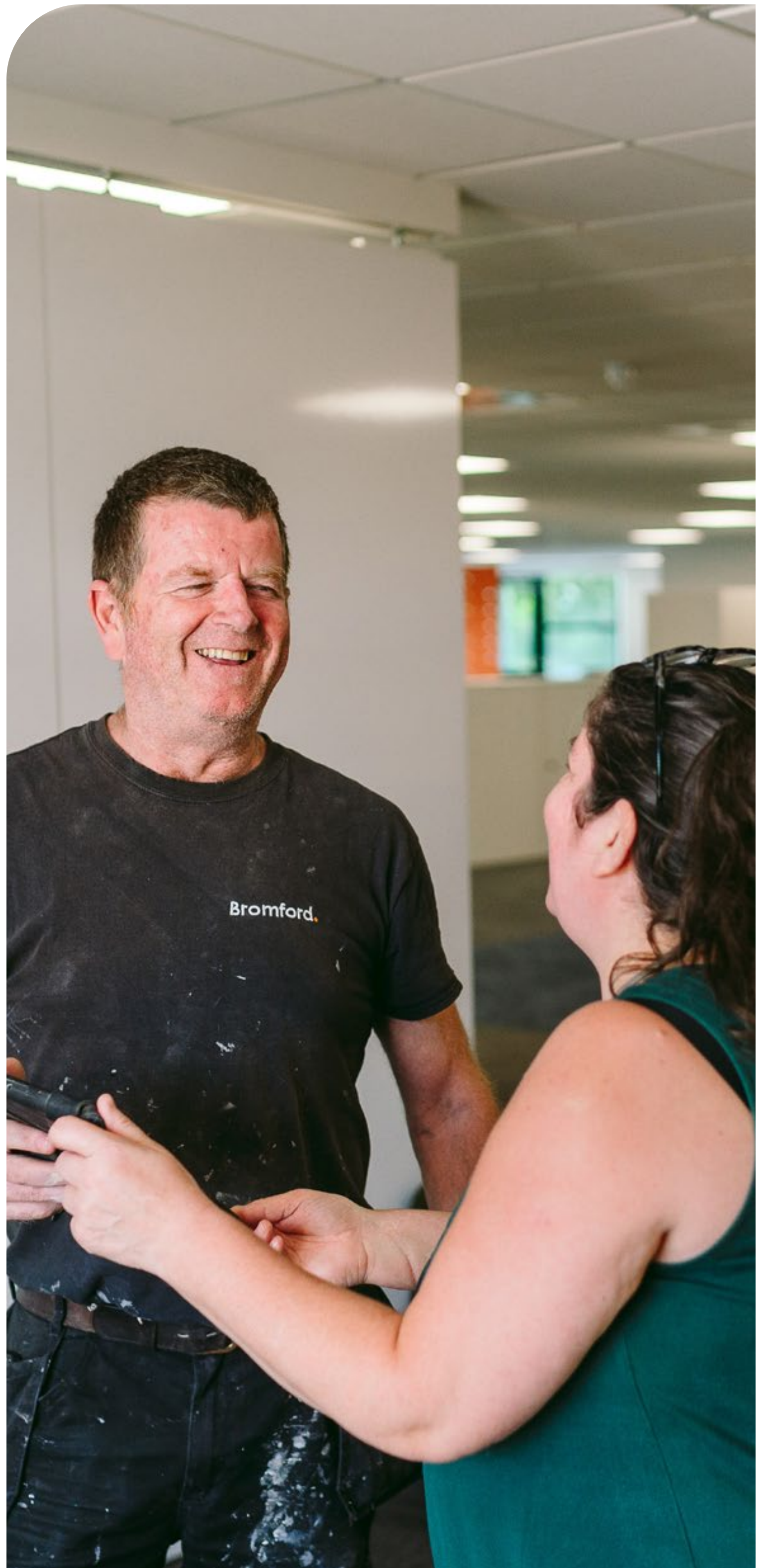
Selection and installation of appropriate technology to monitor and analyse energy usage will be delivered to automate energy efficiency monitoring of lighting, heating, cooling and ventilation systems, all vital in reducing our overall emissions.

We have continued our LED lighting installation programme and have now achieved **100%** low energy lighting across our main workspaces, replacing outdated energy intensive fluorescent lighting systems which are **80%** more energy efficient.

We have improved the controls and automation of our heating, ventilation and cooling systems at our workspaces, installing remote systems to enhance our monitoring and control. We have monitored the building management data and reduced operating hours by **14%**, therefore reducing HVAC-related energy consumption.

The successful implementation of solar photovoltaic systems to some of our office spaces has increased the proportion of energy provided from renewable sources and reduced our overall grid dependency. We are exploring the expansion of this scheme to all of our premisses with a view to further reduce our consumption of non-renewable energy. We are also reviewing the latest developments in energy battery storage technologies to further support renewable energy integration and carbon footprint reduction.

As previously highlighted, we are committed to greening the fleet of company vehicles, but we are also encouraging our colleagues to travel to work more sustainably. We have installed electric vehicle charging points at 3 of our offices, and by 2028 will look to expand our provision of electric charging points by **20%** to further support and incentivise sustainable travel. Plans are underway to implement the electric vehicle charging infrastructure at Bromford's last remaining workspace.



Homelessness reduction

Although street homelessness is the most obvious and extreme form of homelessness, it is just the tip of the iceberg.

Homelessness comes in many different forms and includes those living in B&B, temporary accommodation, hostels and sofa surfing in friends' homes. All forms of homelessness have been rising since 2010 in the UK.

Our plan builds out from our purpose of investing in homes and relationships and has links with every part of our strategy. It is built around three pledges:

1. to build more
2. to house more
3. to help more

The plan will help us to address homelessness by helping build the resilience of our existing customers to reduce the risk of them falling into homelessness and enabling us to respond quickly to rehouse those who are experiencing homelessness.

Firstly, we need to build more homes and we will maintain our position as a **top 10 developer** of affordable homes through to 2028, and a key provider of social rent homes, the most affordable tenure.

Secondly, we need to house more and we are committed to **directly let 25% of our homes by 2027**. This will allow us to create more sustainable communities for our customers to live in by minimising the disruption of temporary accommodation moves, providing housing that best suits the current needs and future aspirations of all our customers, from those experiencing homelessness to those whose needs or circumstances have changed.

Finally, we need to help more and with our housing first schemes running alongside our neighbourhood coaches, we are ready to work with individuals or families who have experienced rough sleeping or time in temporary accommodation.

Neighbourhood coaching

Moving beyond simply providing a great home in the right location, our neighbourhood coaches seek to develop relationships with customers so they can thrive.

With a goal to have a relationship with each and every customer – built on mutual trust and respect; the neighbourhood coaching initiative establishes a relationship that helps customers achieve more for themselves, their families and their communities. Our neighbourhood coaches are out working in their communities every day helping customers and communities to thrive. All our customers will have an Annual Customer Review with their Neighbourhood Coach and this will provide us with rich insight and data and enable us to have conversations about how we can help our customers more.

The neighbourhood coaches concentrate on the positives in people; focusing on what they can do rather than what they can't. We want to coach customers to take control of their own lives, so they can work together with others and help make the place they live somewhere great. Customers tell us that by knowing their neighbourhood coach they are significantly more likely to get what they need from their community and do more themselves to contribute to the community, including offering support to others.

Our coaches recognise communities have different strengths and needs so the way we at Bromford invest in relationships will differ from place to place. For our customers to thrive the communities they are part of need to thrive socially and economically. We have developed the **customer thrive index** and by 2027, expect this to be **74% or higher**. This will sit alongside a broader **customer advocacy target score of 85%**.

We pride ourselves in providing high quality properties for all customers and by 2027, our coaches will help reduce the gap in customer satisfaction between existing and new homes to **less than 5%**.

The percentage of live repairs will also fall and we aim for **>60%** of cases outstanding to be no older than **30 days** or less. Compliance with industry standards is paramount at Bromford and through to 2027, we will have **100% landlord compliance**.

Finally, whilst feedback from our customers is vital in developing our business, we are focused on reducing this engagement being in in the form of a complaint. We have therefore set ourselves a target range of **58-35 complaints** per 1,000 homes demonstrating our ambition to constantly improve our services, operating with a transparent complaints process, thereby reducing our complaints.

Equality, diversity and inclusion

For us to continue to succeed, our people and customers need to be provided with the opportunities and tools to thrive. We are determined to do this in a way that is inclusive and celebrates equality and diversity as we know this makes us stronger and more effective in achieving our purpose. By 2027, we aim to have our colleague engagement scores reach **at least 80%** and are already committed to reducing our gender pay gap from the median group level of **7.2% set in 2020**.

The most important relationships are the ones with our customers. We particularly value the relationship with our involved customers who give so much through our Customer and Communities Influence Network and Local Influence Networks.

We also recognise that the needs and aspirations of each of our customers are different, and that they can change over time. We want to ensure that all customers have a pathway to the home that is right for them, not just when they first move in, but throughout their time with Bromford. We know we must constantly listen to and learn from our customers to improve and by 2027, we want at least **85% of our customers** to be recommending Bromford.

Customer engagement is therefore fundamental to our success and our customers' expectations about the convenience, visibility, personalisation and responsiveness of our services will continue to rise. Our customer engagement plan has been developed alongside customers to ensure we put the customers' voice at the heart of what we do.

The plan provides a wide range of ways for customers to get involved in influencing our services, holding us to account and co-creating services for the future. It ensures that customers scrutinise services and have a framework in which they can hold us to account for service improvement.

As well as annual conversations with all customers living in our homes, collection of tenant satisfaction measures and a valuable feedback programme, this year we launched a new digital platform to ensure even more customers can get involved at a time which suits them, on a subject that is important to them. We need to ensure we keep pace with the digital revolution and we intend to have **50% of transactions digital** by 2027.

Employment of apprentices and graduates

Providing opportunities to learn and develop is essential for the delivery of our strategy. We always aim to have an inclusive offer with access to education and training for our colleagues to support the development of future ready skills. An important aspect of this commitment to learning is both our apprenticeships and graduate schemes which offer formal qualification training. We joined the **5% club in 2022*** and in 2023 we were awarded the 'Silver' award demonstrating our progress to this commitment. We will continue to be a member of the movement through to 2027.

We have an established apprenticeship offering which provides excellent opportunities to give people a solid grounding in their chosen career; allowing them to develop new skills alongside our existing colleagues, gain accredited qualifications, whilst making a real contribution to meeting our strategic goals. We also play an important role in supporting our customers back into employment.

By 2027, we will:

1. Through upskilling existing colleagues or new apprenticeships, we will establish and employ a total of **60 new apprenticeships and graduates**
2. receive the official ranking as a **top 100 apprenticeship employer**
3. **Coach 1,000 customers** into some form of employment or training

*By joining The 5% Club, members aspire to achieve 5% of their workforce in earn and learn positions within five years of joining.

Alignment to ICMA and LMA principles.

Our Framework is aligned with the four core use of proceeds components set out by ICMA and the LMA.

1. Use of proceeds

An amount equivalent to net proceeds from the issuance of green, social or sustainable funding instruments - such as public bonds, private placements and drawn term loans - will be exclusively used to finance or re-finance a combination of both green and/or social projects.

Proceeds will not be used for activities that fall outside the eligible projects listed below, subject to the following ICMA and LMA principles: GBP, SBP, SBG, GLP and SLP, as set out on page 5 of this Framework. We at Bromford believe sustainability to be everyone's responsibility. This is reflected in our latest Corporate Strategy 2023-2027 and we have shown how this aligns with the principles, alongside the UN SDGs and the SRS.

The investment in the Eligible Projects has been measured through asset value, capital expenditure ("Capex") or operating expenditure ("Opex").

Eligible Categories – Social

Eligible Project	UN SDG alignment	SRS Criteria	Financing description	Financing line item	How we may measure our impact	Bromford Strategy 2023-2027	Our Projects	What we will measure
Affordable Housing	11.1, 11.7	T4 - affordability and security	Financing the development, acquisition, construction or modernisation of Affordable Housing and/or refinancing of existing owned Affordable Housing. Reduce the number of households that have no home in the UK to occupy. **Qualification:** Properties financed will comply with the UK Government's definition of Affordable Housing and Shared Ownership, based on the definitions of "low cost rental accommodation" and "low cost home ownership accommodation" in the Housing and Regeneration Act of 2008 **Target Population:** Low income or homeless households who are unable to own or rent locally on the open market, elderly persons, people with disabilities, unemployed individuals	Capex and/or Asset Value	• Number (#) of new affordable properties by category • Rent charged (£) versus the private sector rents and/or the local housing allowance	(2) Relationships that support customer aspiration (3) Our move to scale (8) Known as a leader and influencer	• Homelessness reduction • Delivering Affordable homes and regeneration	1. Directly let 25% of our homes by 2027 2. Continue to be a top 10 developer of affordable homes through to 2028 3. 11,000 new homes by 2032 4. First spade in the ground on our first brand new community by 2026 5. 25% of our new homes pipeline in large-scale brand-new communities 2035
Employment generation alleviating unemployment	1.4, 1.5, 4.4	T8 - placemaking	Financing to support customer focused initiatives and the delivery of programmes designed to prevent and alleviate unemployment. **Qualification:** People and education facilities for inclusive and effective learning environments **Target Population:** Underemployed, underserved, undereducated, marginalised population and vulnerable youth	Capex and/or Opex	• Number (#) of customers supported into employment • Number (#) of apprenticeships offered	(7) Place-based pipeline of talent	• Employment of apprenticeships and graduates	1. 60 new apprenticeships and graduates at Bromford by 2027 2. Becoming a recognised top 100 apprenticeship employer by 2027 3. We are part of the 5% club, and will continue to be through to 2027 4. 1,000 customers coached into some form employment or training by 2027
Socioeconomic advancements and empowerment	8.5, 10.2, 10.4	T7 – Resident Support T8 – Placemaking T11 – Staff Wellbeing	To eliminate inequalities, further our awareness of delivering for customer/employees and enable digitalisation in our communities. **Qualification:** Enable the technological development of services that improves the access to social protections and financial services. Decreased in the number of workers exposed to job insecurity or social insecurity **Target Population:** Underemployed, underserved, undereducated, marginalised population and vulnerable youth	Opex	• Gender, ethnicity and disability pay gaps for employees (%) • Number (#) or % of customers who have started transacting (£) digitally due to technology developments as a result of investment and / or training	(1) Placed-based working (2) Relationships that support customer aspiration (4) Home standard – closing the gap (5) Proactive maintenance and compliance (6) Agile working to solve problems	• Equality, diversity and inclusion • Neighbourhood coaching	1. Colleague engagement 80% by 2027 2. To continuously improve our gender pay gap through to 2027 3. Colleague sick days to be 7 days or less by 2027 4. 50% of customer transactions are digital by 2027 5. A number of positive pathway moves each year (iterative learning) 6. Customer Thrive Index of 74.2% by 2027 7. Customer advocacy 85% through to 2027 8. Any gap in customer satisfaction between existing and new homes is reducing (and <5%) by 2027 9. Complaints per 1,000 homes: target range of 58-35 through to 2027 10. 100% landlord compliance through to 2027 11. >60% of live repair jobs less than 30 days old through to 2027

Eligible Categories – Green

Eligible Project	UN SDG alignment	SRS Criteria	Financing description	Financing line item	How we may measure our impact	Bromford Strategy 2023-2027	Our Projects	What we will measure
Green buildings	1.5, 7.1, 7.3, 12.2	T1 – Climate change T2 – Ecology T3 – Resource Management	Financing the development, acquisition or construction of new green homes. **Qualification:** Buildings with or expected to achieve an EPC rating of A or B	Capex and/or Opex and/or Asset Value	• Number (#) of new buildings financed achieving EPC A or B • Avoided CO2 emissions (kgCO2/m²)	(4) Home standard – closing the gap	• Carbon reduction: energy efficient new homes • Modern Methods of Construction (MMC)	1. 100% of homes at EPC C by 2028 2. Total scope 1,2 & 3 emissions to be less than 27.35 kgCO2/m² by 2028. 3. Deliver at least 400 MMC units (cat 1 & 2) by 2026 4. All new homes developed by Bromford to achieve an EPC rating of A or B by 2025
Clean transport	7.3	T1 – Climate change	Finance the development of clean transportation for customers and employees **Qualification:** All newly acquired or leased vehicles with an emissions factor of 50 gCO2/km² or less Installation of infrastructure for charging electric vehicles at key business hubs.	Capex and/or Opex and/or Asset Value	• Number (#) of eligible vehicles (i.e. those with an emissions factor of 50 gCO2/km² or less) versus the fleet (%) • Number (#) of EV charging points installed • Installation of cycle paths (#) and supporting infrastructure such as racks (#)	(6) Agile working to solve problems	• Carbon reduction: commercial and company car fleet	1. 100% of our company car fleet to be electric or hybrid by 2027 2. 77% of our commercial van fleet to be electric or hybrid by 2027
Energy efficiency	12.2, 12.5, 12.7	T1 – Climate change	The renovation, retrofit, modernisation or improvement of existing buildings **Qualification:** retrofitting existing homes by at least one EPC band to a minimum EPC 'C'	Capex and/or Opex and/or Asset Value	• Number (#) of new buildings financed achieving EPC A or B • Number (#) or % of existing homes improved by at least one EPC band to a minimum EPC 'C' • Annual energy savings (kWh or kWh/m²) • Total CO2 emissions avoided (kgCO2/m²)	(4) Home standard – closing the gap	• Carbon reduction: existing homes • Carbon reduction: green offices	1. 100% of homes EPC C by 2028 2. Total scope 1,2 & 3 emissions to be less than 27.35 kgCO2/m² by 2028.

2. Process of project evaluation and selection

The Sustainability Group, which meets on a monthly basis, has overall accountability of the eligible projects.

The group has representation from across the senior executive team, as reflected in the structure chart below, and is supported by an operational task force from across all areas of the business. The executive sponsor is Paul Walsh (chief finance officer).

chief finance officer **Paul Walsh**	director of treasury **Matthew Rose**	chief investment officer **Martyn Blackman**	director of strategic property & sustainability **Laura Johnson (chair)**

The Sustainability Group will assess a project's eligibility and appropriate allocation of proceeds in accordance with this Framework and group governance principles. Dependent on the size of the expenditure relative to delegated levels of authority, either our Investment Forum, Executive Committee or Board (in ascending order according to level of expenditure) will ultimately approve the expenditure of finance raised in accordance with this Framework. In all cases, the Treasury Committee and Board will be notified of the projects selected.

There may also be circumstances where the eligible projects require updating, which can be to either:

1. Include additional eligible projects; or
2. remove and, on a best endeavours basis replace, identified eligible projects in the event originally selected projects become ineligible

The Sustainability Group are responsible for the two actions above. In all cases, the Sustainability Group will ensure that an amount equal to the net proceeds from outstanding funding instruments is allocated to eligible projects until the maturity of the funding instruments. The Sustainability Group is also responsible for the oversight of any social or environmental risks associated with the eligible projects. Where relevant, mitigants will be developed to address any possible materially adverse social and/or environmental risks associated with the selected projects.

To reflect the ongoing tracking, all risks will be continuously monitored to assess severity, taking into account the underlying benefits. Should the risks be considered material by the chief finance officer, projects will be removed and replaced, conforming with the process described in the Framework.

In accordance with ongoing reporting obligations, the selection, re-selection and tracking of eligible projects will occur at least once a year. In the event proceeds from a funding transaction have yet to be allocated, this tracking will take place on a quarterly basis.

Any changes to the Framework that are deemed material by the chief finance officer and, more broadly, any changes to our annual impact reporting, are signed off by the Sustainability Group, then Treasury Committee under delegated authority from Board.

3. Management of proceeds

Amounts equivalent to the proceeds from any sustainable debt instruments will be invested in eligible projects, selected in accordance with the Framework's use of proceeds criteria. We have the appropriate accounting and financial management systems to monitor the investment of proceeds. This management of cash and liquidity, along with the tracking of the allocation of sustainable issuances to eligible projects, is the responsibility of the treasury team. The internal monitoring system will be annually assessed by our auditors.

Where the funding instrument is a bond, private placement or loan, we intend to fully allocate the proceeds to eligible projects within 36 months following settlement. Additionally, where we elect to re-allocate and assign proceeds to existing eligible projects, we intend to look back no more than 24 months from the appropriate receipt of proceeds.

Pending allocation to eligible projects, the balance will be invested in cash or short-term liquidity money market instruments in accordance with our Treasury Management Policy. On a temporary basis, and adhering to the parameters laid out in this Framework, we may also look to use unallocated funds to repay debt whilst maintaining sufficient liquidity at all times in order to finance potential eligible green and social projects, as and when they become available.

We will annually report on the allocation of proceeds to eligible projects, and where applicable, the amount to be allocated, as per the funding instrument. Should a loan take the form of one or more tranches of a loan facility, each eligible tranche will be clearly designated with the proceeds appropriately tracked.

We will ensure that eligible projects financed, at all times exceed the net proceeds raised under our Framework, until maturity of the funding instruments. In the unlikely circumstance we need to replace an eligible project, we will strive to achieve this as soon as reasonably practicable.

4. Reporting

We are committed to enhancing the information presented to our stakeholders. We have made great strides recently with engaging our funding community to better understand their needs and we will continue to do so, regularly, in order to meet their requirements. As we have previously discussed, we monitor the development of external taxonomies and frameworks and will ensure our reporting is aligned to the most current and applicable to our business. As a minimum, on an annual basis, we will undertake:

Allocation reporting

Within 12 months of the end of the financial year in which proceeds are received from a green, social or sustainable funding instrument, an allocation report will be published showing the allocation of these proceeds. Allocation reports will be published annually as part of our impact report until the net proceeds of all green, social or sustainable funding instruments have been fully allocated, or in the event a reallocation of proceeds has taken place. The report will obtain assurances from a qualified third party. The allocation report will incorporate the following:

- total amount allocated to eligible projects – detailing the underlying category
- split between social and green allocation
- on a project by project basis, a break down of proceeds used for financing and/or refinancing
- the yearly investment and/or disbursement
- the amount and/or % split of allocation to new versus existing projects
- the balance of unallocated proceeds

Impact reporting

Our impact report will be used to report on a range of environmental and social impact measures of the eligible projects targeted by our funding instruments. The criteria related to the SRS will also be followed and disclosed in this report.

As we continue to invest in sustainability, our ability to use data to better represent the development of our business will evolve. Our impact report will remain at the forefront of this development and provide a snapshot of our sustainability journey. The impact report will include a breakdown of eligible projects and their associated impact metrics, calculation methodologies, assumptions used, and example case studies. The report will be produced annually. At all times, the latest version of this report will be made available on the sustainability and investor relations sections of our website.

External review

We are committed to transparency and will make any external review publicly available.

Second party opinion

DNV Business Assurance Services UK Limited has been selected to provide an external review via a second party opinion of our Framework. This will confirm alignment with ICMA's GBP, SBP and SBG as well as the LMA's GLP and SLP.

The second party opinion, as well as the Framework, will be made publicly available on our website.

Verification

We intend to request a verification by an external auditor or an assurance provider on the allocation of the funding instrument proceeds until the full allocation or a reallocation. We promote unification of reporting in the social housing sector and foresee a third party audit of our impact report a natural progression for Bromford in the coming years.

The associated report will be publicly available on our website.

Framework amendment

We will review the Framework on a periodic basis to ensure continued alignment to relevant ICMA and LMA principles as and when they are updated. Any update will be made to further our transparency and, should it be deemed material, will receive the appropriate external review and disclosures including a refreshed Second Party Opinion.

The latest version of all related documents will be available via **https://www.bromford.co.uk/about-us/investor-relations/**

Sustainability linked loan principles.

Given our track record in linking lending to sustainability metrics, on a best endeavours basis we have aligned our disclosure of the bilateral sustainability linked facilities we have entered in with the LMA Sustainability Linked Loan Principles (2023).

At this stage, the alignment of the SLL KPIs to the LMA Sustainability Linked Loan Principles (2023) has not been externally verified. We aim to disclose this within this framework, giving our stakeholders a sense of the direction of travel at Bromford and our unwavering commitment to do more for our customers and broader stakeholders, when it comes to sustainability.

1. Selection of KPIs

We have selected the KPIs outlined below, which are core and relevant indicators of our sustainability performance and each have high materiality for our stakeholders. We are aware the selection of KPIs will be a reflection of how credible our strategy is to make an impact.

KPI	UN SDG alignment	Bromford strategy 2023-27	Definition	Relevance	Methodology
Gender pay gap	8 Decent work and economic growth; 10 Reduced inequalities	(7)Placebased pipeline of talent	Differences in pay between women and men by age, region, full-time and part-time, and occupation	The gender pay gap reduces women's lifetime earnings and also affects their pensions - this is one of the significant causes of poverty in later life for women	The difference between the median hourly rate of pay of male colleagues and that of female colleagues Calculations for the pay gap metrics are based on a single pay period around the snapshot date of 5 April in each year
Colleague sick days	8 Decent work and economic growth	(6) Agile working to solve problems	Sickness absence refers to the time an employee is away from work due to physical or mental health issues	Whilst sickness absence is unavoidable, we seek to reduce the impact this has on our ability to deliver our day-to-day operations for our customers and the impact absence has on fellow colleagues. Reducing the number of sick days leads to strengthened organisational culture, employee retention and increased productivity	The mean number of days of sickness leave taken per colleague in each financial year

KPI	UN SDG alignment	Bromford strategy 2023-27	Definition	Relevance	Methodology
Customers coached into employment or training	4 Quality education; 8 Decent work and economic growth	(7) Place based pipeline of talent	Customers supported into employment or training through a positive intervention by Bromford	Our customers face financial pressures caused by the rising cost of living and compounded by rising unemployment in our core geographies	The number of unemployed customers who received coaching from Bromford and as a result entered employed work or substantive, career-enhancing training, measured on a cumulative basis from 1 April 2023
Customer advocacy	11 Sustainable cities and communities	(2) Relationships that support customer aspiration	A measurement of how satisfied customers are with the services they receive from Bromford	Customer satisfaction demonstrates the impact of our actions on the experiences of customers living in our homes	The percentage of customers who respond positively (a response of 7, 8, 9 or 10 out of 10) to the survey question "would you recommend Bromford to a friend?", aggregated across all nine transactional service areas
Average live repairs	11 Sustainable cities and communities	(4) Home Standard - closing the gap (5) Proactive maintenance and compliance	The number of outstanding live repair jobs at a point in time, covering all categories of repair including cases of condensation, damp and mould.	Everyone deserves to live in a home that is decent, safe and secure and does not harm their health or their life chances	The total average number of outstanding repair jobs calculated as the average of month end positions to 31 March in each financial year
Number of new homes built for social rent	1 No poverty; 11 Sustainable cities and communities	(3) Our move to scale	The number of new homes we build for social rent - the lowest cost tenure available to customers	There is a chronic shortage of affordable housing in the UK	The number of homes built for social rent that achieved practical completion during the financial year
Scope 1, 2 and 3 carbon emissions - intensity measure	7 Affordable and clean energy; 12 Responsible consumption and production	(4) Home Standard - closing the gap	Total direct and indirect carbon emissions created as a consequence of our business activities	c.20%*** of the UK's emissions originate from energy use in residential housing	Total carbon emissions (scope 1, 2 and 3) in kilograms, measured across the 12 month period to the reporting date, divided by the total floorspace of our homes in metres squared, measured at the reporting date

2. Calibration of Sustainability Performance Targets (SPTs)

Our SPTs are reflective of the ambition we have at Bromford. The Sustainability Group and Treasury Committee has oversight of the performance and, when used in a funding transaction, will be monitored on a monthly basis.

SPT	Baseline	Target	Ambition	Key factors that support achievement	Risks to supporting achievement
Continuously improve our gender pay gap from its existing median group level year-on-year OR be ranked within the top half of the Peer Group's performance	7.2% (2020)	Year on year out-performance OR ranking within the top half of the Peer Group's performance	• Eliminating all pay gaps within Bromford	1. Regular monitoring of diversity levels across all colleague grades and teams in the organisation 2. Female accelerator programme 3. Events such as international women's day 4. Mentoring 5. Recruitment with wording to encourage diverse applicants	1. Difficult labour market 2. Societal trends: Women strongly represented in direct customer facing roles (neighbourhood coaching / care and support etc)
Reduce colleague sick days	9.0 (2023)	6.5 by 2028	• Improved colleague wellbeing and employee colleague retention • Improvement seen through answers to Colleague Engagement survey questions • Increased productivity	1. Appointed a dedicated Inclusion and Engagement Lead who also leads on our Wellbeing plan. 2. A refreshed wellbeing framework that drives positive actions across the organisation. 3. We continue to promote and embed the colleague physio appointments which has been extended to cover our three main offices. 4. 'Mental health and wellbeing' training for leaders continues to be delivered as part of our Essential Leaders Programme. 5. Investment in the Yu Life app to promote colleague health and wellbeing. 6. A comprehensive Employee Assistance Programme through YuLife. 7. Monthly review and reporting of all absence, including return to work wellbeing conversation checks, and adherence to the Attendance policy with escalation for non-compliance to ensure leader accountability. 8. Daily 'ER drop-in' sessions for leaders, hosted by AHRBP's, to ensure compliance with attendance policy and to offer support.	1. The annual CIPD 'Health and wellbeing at work' report (October 2023) shows the highest sickness absence rates for over a decade. 2. The causes of absence are similar to previous years. Minor illness is most commonly responsible for short-term absence while mental ill health, musculoskeletal injuries, acute medical conditions and stress are the most common causes of long-term absence. 3. Adherence to Attendance policy and process by colleagues and leaders and engagement with initiatives relating to wellbeing and lifestyle.

SPT	Baseline	Target	Ambition	Key factors that support achievement	Risks to supporting achievement
Coach customers into employment or training	-	1,300 by 2028	• Develop new partnerships with training providers and local employers to help our customers get back into work	1. Engagement workshop delivered by external consultant to scope the project 2. Establishment of a working group and strategic oversight group to deliver the project 3. Review of data to establish target audience 4. Review of current relationships with skills and employability support providers 5. Undertaking a skill-scan survey to understand employability skills in the business, and pursuing leads 6. Research into third parties operating in the employability space and establishing strategic relationships 7. Creating and appointing a Future Careers Lead role to manage relationships with partners 8. Creating a case management approach for recording customer outcomes 9. Monitoring progress through quarterly reporting 10. Developing a marketing and communication plan to promote opportunities 11. Utilising social value in procurement contracts 12. Sharing progress openly with funders and other partners	1. Employment or training is not appropriate for every customer 2. Insufficient capacity to deliver the coaching 3. Duplicating existing services instead of adding value through a tailored approach 4. Not utilising existing support offerings from external partners 5. Challenges obtaining and storing enough evidence to validate a customer coached into employment or training due to data protection regulations and resource constraints

SPT	Baseline	Target	Ambition	Key factors that support achievement	Risks to supporting achievement
Improve our customer advocacy score	83% (2023)	87.5% by 2028	• Invest in homes and relationships so that communities and customers can thrive economically and socially • Provide seamless customer service through in-person and digital channels • Maximise efficiency and value for our customers	1. Continuous innovation and improvement in how we operate 2. Dynamic coaching model to support place-based working 3. Continuous monitoring and reporting of performance to Board 4. Responding to customer feedback	1. Competing investment priorities leading to challenges in our coaching approach 2. Poor quality data prevents us from identifying and responding to issues
Reduce the average number of outstanding repair jobs	10,285 (2024)	7,000 by 2028	• Continously reduce any gap in the customer experience of living in our existing or new homes • Percentage of live repair jobs less than 30 days old maintained between 80-90% • Ratio of reactive to planned spend is 35/65 • 50% of customer transactions are digital • Reduction in failure demand	1. Data-driven proactive repairs and maintenance 2. Continued investment in homes that can meet required standards, or plans to dispose of or regenerate those that can't 3. Digital contact and self-serve expansion	1. A lack of, or poor quality, data on stock condition 2. Labour market challenges in the service delivery space 3. Customer engagement with digital services
Build more homes for social rent	554 (2023)	1,804 by 2028	• Be a major developer of new homes, focusing on social and affordable rent tenures	1. Headroom in the business plan allowing continued development whilst maintaining credit strength and financial viability 2. Availability of land at competitive prices 3. Grant funding from Homes England	1. Macroeconomic factors creating pressure in the business plan 2. Demand for investment in existing homes and decarbonisation

SPT	Baseline	Target	Ambition	Key factors that support achievement	Risks to supporting achievement
Reduce our scope 1, 2 and 3 carbon emissions	30.42 kgCO2/ m² (2024)	27.35 kgCO2/ m² by 2028	• Reduce our CO2 emissions through delivery of initiatives across all three scopes	1. Fleet conversion to electric/ hybrid vehicles 2. Replacement of inefficient communal heating systems 3. Delivery of new energy efficient homes 4. Regeneration or strategic disposal of worst-performing homes 5. Retrofitting most inefficient homes via a fabric-first approach and incorporating low-carbon forms of heating and energy generation 6. Carbon savings delivered by planned investment programmes e.g. replacement of windows, doors and insulation works 7. Major refurbishment projects	1. Investment levels not economical for individual homes 2. Changing SAP methodology 3. Having up to date and accurate data and certificates 4. Poor data quality prevents effective monitoring of performance

3. Loan characteristics

The net proceeds of a Sustainability-Linked instrument will be for general corporate purposes.

The financial or structural characteristics of any Sustainability-Linked Instruments will be detailed in the corresponding instrument documentation and (amongst other options to be determined) might include:

i. coupon or margin step up(s)
ii. coupon or margin step down(s)
iii. a premium payment or penalty during the life of or at redemption of a Sustainability-Linked Instrument
iv. a change in the intended recipient of the above amounts, or other innovative adjustments

Any structural incentive will be applied for the interest period commencing on or after the interest payment date immediately following the notification date.

The notification date will be referenced in the instrument's documentation. We may also look for an external verifier to review each KPI against each SPT on an annual basis.

There may be circumstances where the baseline or SPT requires recalculation. Where possible, the relevant baseline and/or any relevant prior year reporting will be recalculated and will be disclosed to the relevant creditors in the annual SPT reporting.

Any savings that are achieved from meeting KPI targets on our bilateral sustainability linked loans will be reported to Sustainability Group who will consider their allocation to community investment projects.

4. Reporting

We intend to provide the holders of a Sustainability-Linked Instrument with adequate information about developments made to the KPI(s) and the achievement or not of the SPT(s).

Where possible, this will be on a semi-annual basis through our trading updates, in our annual impact report whilst they remain relevant and/or directly to the holders of a Sustainability-Linked Instrument as necessary.

5. Verification

Our Framework has aligned, where possible, to the industry standards put forward by ICMA and the LMA. We will look to formalise this verification in 2024 with a pre issuance review of the Framework and a post issuance performance review of the KPI and relevant SPT.

If you would like further information or to feed back on this report, please contact:

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