



Our Sustainable Future

Sustainability Update 2023/2024

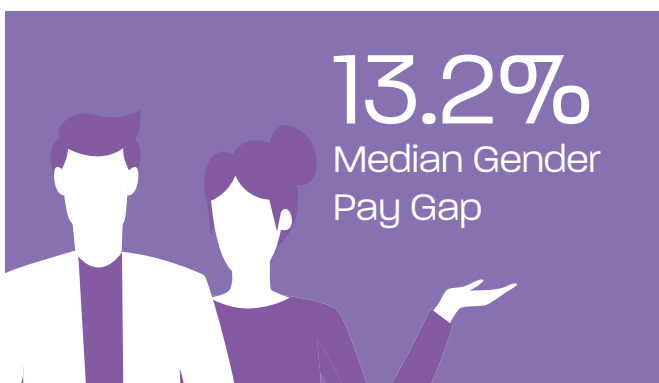
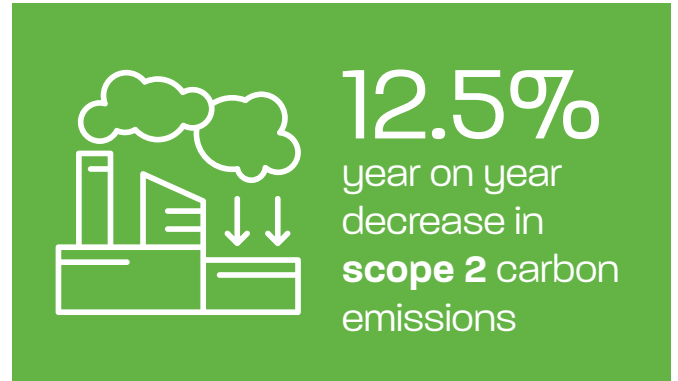
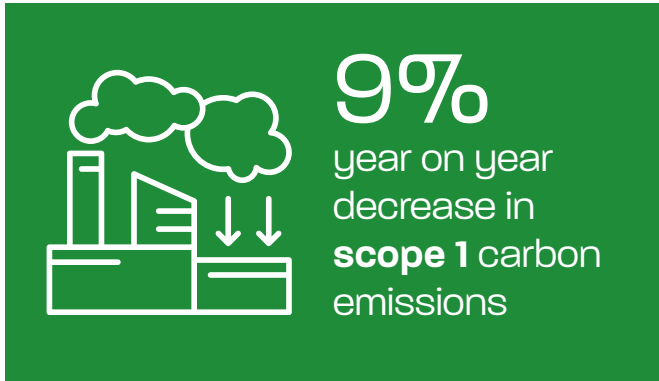




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Sustainability highlights 2023/24



Highlights



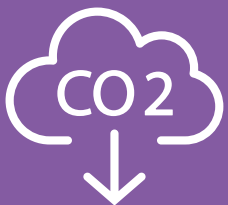
80%+
colleague engagement
score



£700m+
of social value delivered
annually



£350m+
of our debt linked to
ESG metrics



**Scope
1 & 2**
carbon emissions
down year on year

Introduction

In 2021 we launched 'Our Sustainable Future', a 10-year strategy accompanied by a 2030 Action Plan with specific goals covering four areas:

- Value and Care for Our Colleagues
- Empowering our Residents and their Communities
- Creating Our Net-Zero Legacy, and,
- Creating Efficient and Thriving Environments.

We are now half-way through our plan and have made good progress in key areas (see highlights column):

As a result, we were able to announce in October 2024 that we achieved the highest 'Frontrunner' ranking in all three categories of RITTERWALD's ESG rankings, the first English HA to achieve this.

While we have made significant strides, we acknowledge that challenges remain.

Therefore, over the past year we have reviewed our 2030 Action Plan and looking ahead will focus on four key areas: Sustainable Housing, Community Impact, Carbon Reduction, and Our People.

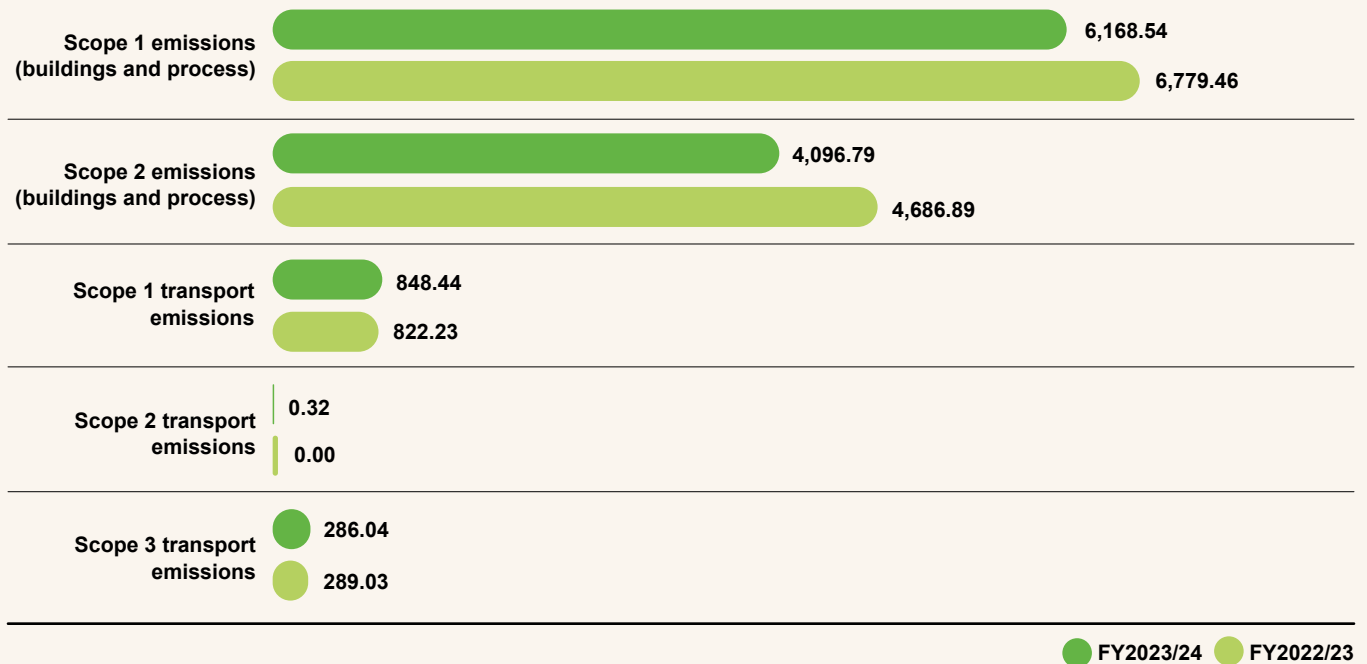
Environmental update

Progress reducing Scope 1 and 2 emissions

Scope 1 carbon emissions are those resulting directly from operations that are owned and controlled by MTVH such as using natural gas in our buildings, or fuel in our vehicles.

Scope 2 carbon emissions are the indirect emissions from the generation of power we purchase, primarily electricity.

Figure 1: Scope 1, 2* and 3 emissions (tCO2e): FY 2022/23 vs FY 2023/24



*Scope 2 transport emissions captured this year due to use of electric vehicles charged on MTVH sites.

Fig 1 shows MTVH's progress reducing Scope 1 and 2 emissions because of our 2030 Action Plan:

- Total carbon emissions have decreased by 9.36% in FY 23/24 compared to FY 22/23.
- Scope 1 (Natural Gas) emissions decreased by 9.01% in FY 23/24 compared to FY 22/23.
- Scope 2 (Electricity) emissions decreased by 12.59% in FY 23/24 compared to FY 22/23.
- Transport emissions increased by 2.12% in FY 23/24 compared to FY 22/23.
*This is due to an increase in electrical vehicles charged at MTVH Sites.

Highlights



400+
homes fitted with solar



£3.7m
secured from Green Heat
Network Fund



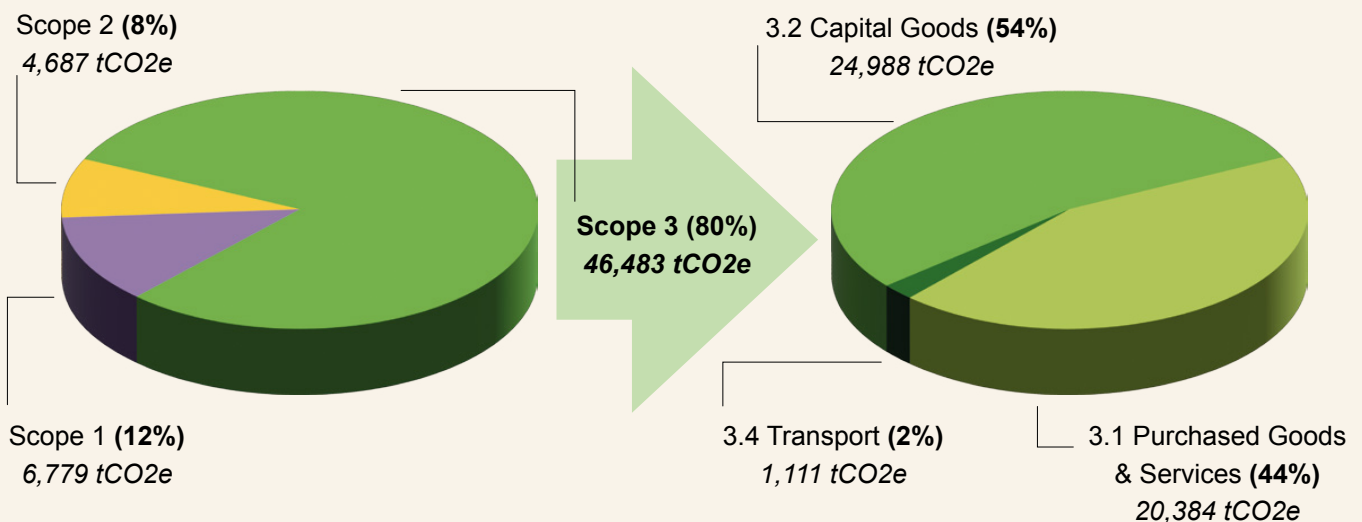
99.3%
of new homes rated
EPC C

Environmental update

Tackling Scope 3 emissions with Equipoise

Scope 3 emissions are all indirect emissions that occur in our value chain.

We have worked with sustainability consultancy Equipoise to calculate our Scope 3 emissions using a spend-based method. This data has allowed us to identify our highest emitting areas, namely Property and Development, and we will engage with suppliers, residents and other stakeholders to collaboratively reduce emissions through our operations. This will be embedded through a sustainable procurement policy to be released this financial year, actively promoting energy-efficient behaviours among tenants and continuing to invest in decarbonisation.



Sources: MTVH 2023 SECR Report & Equipoise Procurement Emissions Analysis

Environmental update

Improving the energy efficiency of our existing homes

As of March 2024, 78.9% of our social rented properties where an Energy Performance Certificate (EPC) is available, had an EPC of C or better.

We continue to work hard to decarbonise our housing stock, last year alone we improved 1,300 homes to EPC C or better delivering solar panels to over 400 homes, insulation measures to over 360 homes, heating control upgrades to nearly 500 homes and ventilation upgrades to over 2060 homes.

Building for an energy efficient, low carbon future

MTVH remains committed to build new social and affordable homes while addressing climate concerns. As an organisation we completed 867 affordable tenure homes last year, 91.1% of which were built to EPC B rating with 99.3% built to EPC C rating.

We are investing in District Heat Networks to decarbonise large numbers of new homes with a single energy solution. At our Clapham Park regeneration project in South London, we have secured £3.7m from the Government's Green Heat Network Fund (GHNF) to support the decarbonisation of its existing district heat network serving 569 homes.



Highlights



12.5

year average
tenancy length



3,675

residents access
money advice



£729,000

distributed by Tenant
Welfare Fund

Social update

MTVH has a long track record of delivering social value through both the housing we provide and our wider community investment activity where we work in partnership with communities in a sustained way over decades.

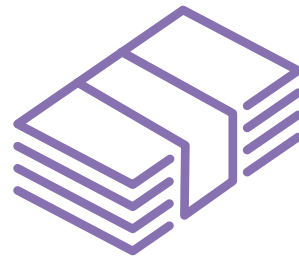
Affordable homes built

Of the 867 affordable tenure homes built in 2023/24 480 were for social rent, which provides tenants with a significant discount to open market rent. A review of average residential rent for each local authority where we have housing stock against the average social rent for MTVH's portfolio, shows MTVH's average rent is under 62% of local market rents on a national basis:



£162.54

MTVH average
social rent



£264.37

Average local
rent index

We also focus on establishing long-term tenures, to ensure individuals and families are settled within our communities and can build good lives around the security this brings. As of 2023/24 our average occupancy of a home by tenants is 12.52 years.

Social update

Community Investment

MTVH acts as a long-term community partner wherever we have homes, and our community investment activity builds communities where individuals can thrive and uncover new opportunities.

Over 2023/24 some of our achievements include:

- Providing money advice to 3,675 residents resulting in savings or gains worth £3m.
- Helping 219 people secured work after attending employment schemes backed by us.
- Providing £729,000 to residents from our Tenant Welfare Fund for rent adjustments, food, domestic fuel and other essential items.

To increase the amount of community impact work we can deliver going forward we launched The Molly Huggins Foundation in July 2024 as MTVH's registered charity. This will allow us to maximise the amount of co-funding secured from trusts and other foundations, increasing the community impact projects we can deliver.

We also require our larger supply chain partners to provide social value points by either backing our community projects with money, or help-in-kind. Total social value through supply chain partners in 2023/24 was £96,966 and 11,462 individuals took part via 87 supplier backed social value activities.

Our people

We are committed to the wellbeing and development of each of our 2000+ colleagues so they can be empowered to deliver the solutions and services our customers need.

We track our progress as a good employer through regular colleague surveys and pulse checks, using the results to design training and well-being processes that best meet colleague needs. Every member of staff has a learning pathway tailored to their role and in 2023/24 the average amount of time spent on training per FTE was 30 hours.



MTVH acts as a long-term community partner wherever we have homes.



Social update



Diversity and Inclusion (D&I)

As the housing association set up to provide homes for the Windrush generation we are fully committed to being an organisation where diversity and inclusion is a cultural strength that improves our business decision making.

Two key measures of D&I progress are our gender and ethnicity pay gaps, which we seek to reduce each year through our D&I strategy.

In the year to March 2024 our mean gender pay gap across the MTVH group was maintained at 16.5%. Our gender pay gap exists because there are a higher number of men in senior roles, and a disproportionate number of women work in our care and support operation which is not only an industry

which tends to attract more women but is also one where market rates of pay are lower compared to other areas. As of April 2024, 48% of MTVH colleagues working at 'head of and above' level were women, surpassing our 35% target.

We have now been monitoring our ethnicity pay gap for several years which has given us a tangible way of measuring progress and benchmarking performance. Using data provided by 88% of our colleagues, our mean ethnicity pay gap across the MTVH group has remained at 9.5%. Our median ethnicity pay gap is just 0.2%. As of April 2024, 22% of our colleagues working at 'head of and above' were ethnically diverse exceeding our 20% target.

Governance update



Ian Johnson
Chief Financial Officer

Davinder Dhillon
Non-Executive Board Director

MTVH's Chief Financial Officer, Ian Johnson, is MTVH's Sustainability Executive Sponsor responsible for delivering MTVH's sustainability performance against the 'Our Sustainable Future' 10-year strategy and 2030 Action Plan.

Non-Executive Board Director Davinder Dhillon is the Sustainability Non-Executive Sponsor and alongside Ian is accountable for reporting to the Board on the progress of the strategy and the risks and opportunities related to sustainability.

The day-to-day delivery of Action Plan 2030 that drives the Our Sustainable Future Strategy is the responsibility of the Sustainability Committee. The membership comprises relevant leads from our construction, regeneration, finance, D&I, procurement, people and asset management teams.

During 2024, Committee leads have benchmarked the 2030 Action Plan with the Executive Team and Board in order to update the Sustainability objectives set out in the Action Plan. This work will be completed by the end of 2024.

Disclosures

We report on our sustainability progress annually through this update and the following frameworks:

- Sustainability Reporting Standard for Social Housing (SRS)
- Streamlined Energy & Carbon Reporting (SECR)
- Use of Proceeds Report for Sustainability linked bonds
- ESG Statement in Annual Report

MTVH also continues to be independently certified on our sustainability credentials by global consultancy Ritterwald.

For the year to March 2024 Ritterwald ranked MTVH as 'Frontrunner', its highest ranking, across each of Environmental, Social and Governance performance, becoming the first English Housing Association to achieve this.

Conclusion

This report highlights some significant progress against the Our Sustainable Future strategy and 2030 Action Plan.

At the halfway point of the Our Sustainable Future strategy we have matured our approach through the development of the Sustainability Committee, and by the end of 2024 the refreshed 2030 Action Plan will be in place.

We remain committed to delivering our vision to provide decent homes and a chance to live well in a sustainable way. The alignment of our Board and leadership behind this objective, and the clear Governance processes we have in place, will ensure future risks are addressed and opportunities identified to deliver a positive impact across housing and wider society in a sustainable way.





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