

		ESG Position Statement					
		Doc No: P023					
Version No	Title	Author	Draft Date	Approved By	Approval Date	Live Date	Review Date
1	ESG Position Statement	P Latham	Oct 2024	Board	Oct 2024	Oct 2024	Oct 2027

1. ECBHA – ESG Position Statement

What is ESG

ESG is short for Environmental, Social and Governance, and represents a set of standards measuring a business's impact on society, the environment, and how transparent and accountable it is.

ESG is a collective term for a business's impact on the environment and society as well as the robustness and transparency of its governance.

2. Background to ESG & Social Housing

The social housing sector continues to face an urgent need for more high quality, affordable housing and continues to need to improve the quality and environmental sustainability of existing stock.

In addition, financial institutions are increasingly assessing the ESG performance of their investments in social and affordable housing. This is in part driven by the new UK Stewardship Code, launched in October 2019, which requires ESG related factors to be taken into account when making investment decisions.

In response to this in 2020, An ESG Social Housing Working Group collaboration of eighteen housing associations, banks and investors, and other sector experts developed the first [ESG Sustainability Reporting Standard \(SRS\) for Social Housing](#).

The objectives in developing the SRS were:

- To sustain and increase capital flows into the UK social housing sector against a backdrop of significant changes in the policy and investment environment.
- To develop sector approaches to measure, manage and report on ESG factors and impact performance.
- To create the basis for the development of ESG reporting standards and disclosure guidelines for the social housing sector that all market participants can use to account for positive social and environmental outcomes.

The SRS:

- Is a voluntary reporting framework
- Covers forty-eight ESG measures considering topics such as:
 - Affordability
 - Safety
 - Efficiency
 - Net Zero commitments
- Enables housing providers to report on their ESG performance in a transparent, consistent and comparable way
- Open to organisations of all sizes
- Can be used by organisations in manner that is proportional to its context

Since its launch in November 2020 to July 2024, 118 Housing Providers have adopted the SRS.

Reporting against the SRS is a voluntary public self-disclosure. This means that it is not submitted, reviewed or verified by a third-party. However there are organisations who provide ESG audit services.

Housing providers have a range of options when producing their ESG report; some providers choose a simple table or appendix to their annual report, others product an independent ESG report with numerous case studies and independent verifications. All approaches are acceptable. This enables the reporting to be proportional to the organisation.

The SRS is considered open-source – it is free to download and report against. If organisations want to formally adopt, then an annual contribution is expected, depending on organisation's size. However there is no charge for organisation with under 1000 homes.

3. ESG & ECBHA

Currently ECBHA activities, strategies and policies cover a wide variety of areas that would be considered to fall within ESG and the SRS, however there currently isn't a consistent and defined manner to capture progress and impact. Adoption of the SRS will support:

- Reporting the energy efficiency of ECBHA homes and the ongoing impact of investment towards net zero
- Demonstrating how the organisation is protecting homes and the wider environment
- Measuring and reducing the negative impact of waste
- Demonstrating the continued affordability and security and safety of ECBHA homes
- Supporting transparency of positive governance and HR practices
- Measuring and quantifying social impact

We anticipate adoptions of the SRS could provide the following benefits for ECBHA:

- Supports quantifying existing environmental and social impacts and how these change in response to the actions we take.
- Assists in highlighting the areas for additional and continuous improvement
- Supports enhance transparency

- Demonstrates where we are working towards standard beyond out mandatory regulatory and legislative requirements
- Providing a link to, and evolution of, the original spirit of innovation present when ECBHA was founded
- With ESG having growing relevance with financial institutions, adoption could assist in ensuring ECBHA has maximum financing and re-financing options.

4. ECBHA ESG Position Statement

ECBHA:

- Understands and supports the value that effective engagement with ESG can create for neighbourhoods, the sector and the organisation.
- wishes to progress towards registration as an adopter of the SRS in a manner and pace that is proportional for a smaller organisation.
- Commits to undertake an initial baseline review of its ability to respond to the defined SRS measures. This will be reported to the Board and recommendations made regarding progressing towards full adoption in a defined time period
- Will work towards introducing initial SRS ESG measures within the ECBHA 24/25 Annual Report onwards.
- Improving the quantity and quality of measures and impacts proportionately and incrementally year on year.
- Will review its commitment to and progress annually.

5. Roles, Responsibilities & Reporting

The Board has overall responsibility for ensuring these policy positions are fully implemented to ensure full compliance with the regulatory standards, legislation, and codes of practice.

The Board will receive regular updates on the implementation of this policy through:

- The provision of key performance indicators and other relevant data on a quarterly basis.
- An annual review of policy compliance report.
- Any identified non-compliance with the policy being raised with the Board through the Chief Executive Officer's operational exception reporting.
- Periodic policy compliance assessment within the internal audit programme.

The Chief Operations Officer is responsible for overseeing the operational implementation of this policy, supported by the wider ECBHA staff and leadership team.

Any non-compliance will be flagged by the Chief Operating Officer to the Chief Executive Officer in the first instance who will agree an appropriate course of corrective actions and necessary reporting and disclosures. Depending on severity and urgency this will be raised with the Chair for approval and the full Board made aware within the operational exception reporting at the next Board meeting or sooner if necessary.

It is the responsibility of all staff to support the implementation of this policy.

6. Data Recording, Sharing and Protection

Requirements for data recording has been outlined within each topic area within this policy. Overall it is further highlighted that, in line with the ECBHA ICT & Data Strategy, the organisation seeks to record data within its housing management system, SDM in the first instance as a secure and consistent repository. For any documents that are not suitable for this location, a secondary secure location for records is provided within the ECBHA SharePoint. Both locations are subject to robust back up arrangements.

Delivery of this policy may require the sharing of data with third party contractors and agencies. Some of this data will include personal data regulated under the General Data Protection Regulation (GDPR) provisions. Data sharing protocols will be put in place as necessary and appropriate consents sought and recorded to maintain compliance.

Data will only be shared for the purpose of delivering this policy and will only be retained inline with the National Housing Federation (NHF) data retention guidelines.

7. Monitoring & Review

We will monitor the performance of this policy and seek to identify areas for improvement. This policy will be reviewed every 3 years, or sooner if required by statutory, regulatory, or best practice.

8. Equality Impact Assessment

In implementing this policy, we aim to treat all customers fairly and equitably. An equality impact assessment has been carried out. Where customers require additional support, we will endeavour to provide a service that reasonably meet the needs of a particular individual or household.