

TENANT-LED SUSTAINABILITY

MIDLAND HEART'S SUSTAINABILITY PLAN 2026-2030

A man with glasses, wearing a dark suit, light blue shirt, and a patterned tie, is speaking at a podium. He is gesturing with his hands. The background is a blurred office setting.

INTRODUCTION FROM JOE REEVES

DEPUTY CHIEF EXECUTIVE

When we reached the midpoint of our last corporate strategy, sustainability wasn't yet a formal priority. But as the impact on our homes and communities grew clearer, we knew we needed a focused response. This led to our Carbon Reduction Plan, created to guide how we make homes warmer, more efficient and more affordable to run, while moving towards net zero by 2050.

Since then, we've made strong progress. All our homes now meet EPC D, with over 80% at EPC C or above. We've made our offices greener through solar PV and significantly cut our total carbon emissions by 20,000 tonnes – big steps that make a real difference for tenants and our environment.

Sustainability is now central to our new corporate plan, Tenants at Heart. This refreshed Sustainability Plan to 2030 strengthens our commitment and sets out the next phase of action.

Over the next four years, we'll continue to upgrade and modernise our homes, boosting energy efficiency and comfort. We're investing c.£300 million in our existing homes by 2030, with the aim of reducing tenants' energy bills.

We're also pushing innovation further. Building on Project 80, homes that we believe meet the Future Homes Standard, we're launching Project 100, creating a net zero neighbourhood and deepening our understanding of low carbon building.

This plan reflects the effort of colleagues across our organisation. From improving home energy performance to delivering greener workplaces, sustainability is a shared commitment – one that benefits tenants, communities and the environment.

This is Tenant-Led Sustainability.

JOE REEVES
DEPUTY CHIEF EXECUTIVE

OUR 2030 **PLAN** AT A GLANCE

Our Plan's commitment to tenants

TENANTS AT HEART

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



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



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



Accountability is defined to deliver tenant-centric change.



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

Tenants and stakeholders told us sustainability means:



Homes that are more affordable to heat



Clear communication of our investment story



User-friendly technology



Safer, more healthy homes and neighbourhoods



Opportunities for skills, jobs and social value

SO THIS PLAN COMMITS US TO DELIVERING...



The homes we rent

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



The homes we build

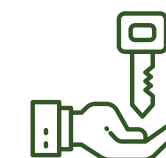
- Deliver 2,750 new energy efficient and affordable homes in nature-positive schemes
- Build the Project 100 net zero neighbourhood that achieves a tenant-friendly operational net zero emissions



The way we work

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

... TO ACHIEVE OUR 2030 VISION OF SUCCESS



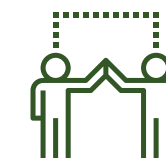
For Tenants

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



For Other Stakeholders

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



For Our Organisation & Colleagues

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



For the Environment

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

OUR PLAN'S COMMITMENT TO TENANTS

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

In 2025 we completed an assessment of materiality through a series of stakeholder interviews and various forms of analysis, including the use of Global Reporting Initiative (GRI) for category analysis. The outcomes of the assessment have been prioritised and broken down into key themes that form a basis for the Plan. A materiality reassessment will be completed before 2030 to reassess priorities and check we are on track to deliver on what our tenants and other key stakeholders think is material.

CATEGORY	KEY THEMES
Highest priority	
Our tenants and end users	Engage and empower tenants throughout the delivery of user friendly energy technologies, building trust, accountability and meaningful participation.
Social value & impact	Deliver measurable, long-term social value through inclusive engagement, skills development, jobs and opportunities for all communities.
Climate change	Reduce emissions, improve energy efficiency, support tenant affordability and understanding, and lead climate action across the sector and supply chain.
High priority	
Other engagement	Use clear, accessible and local communication to encourage tenant advocacy and active engagement in sustainability.
Corporate conduct	Ensure sustainability initiatives are financially viable, transparent and data-led, while influencing positive change across the wider sector.
Our workforce and green skills	Build capability by addressing skills gaps, raising awareness, and inspiring future generations to enter green careers.
Lower priority	
Pollution	Reduce pollution through cleaner transport, healthier homes and communities, and strong environmental standards in design and development.
Resources, recycling and the circular economy	Embed circular economy principles to reduce waste, use sustainable materials and promote longer product lifecycles.
Biodiversity & ecosystems	Protect and enhance biodiversity and green spaces while balancing development with environmental stewardship.

ENGAGING AND LISTENING TO OUR TENANTS

We've worked directly with our My Impact Tenant Group and used insights from what shaped the Tenants at Heart corporate plan to make sure this Sustainability Plan reflects what is important to tenants – from the cost of heating their homes to how clearly we explain what we're doing and why. We've listened, tested ideas, and shaped the plan together so it feels relevant and grounded in real experience.



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

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

Trevor Stanley, Midland Heart tenant and My Impact Chair

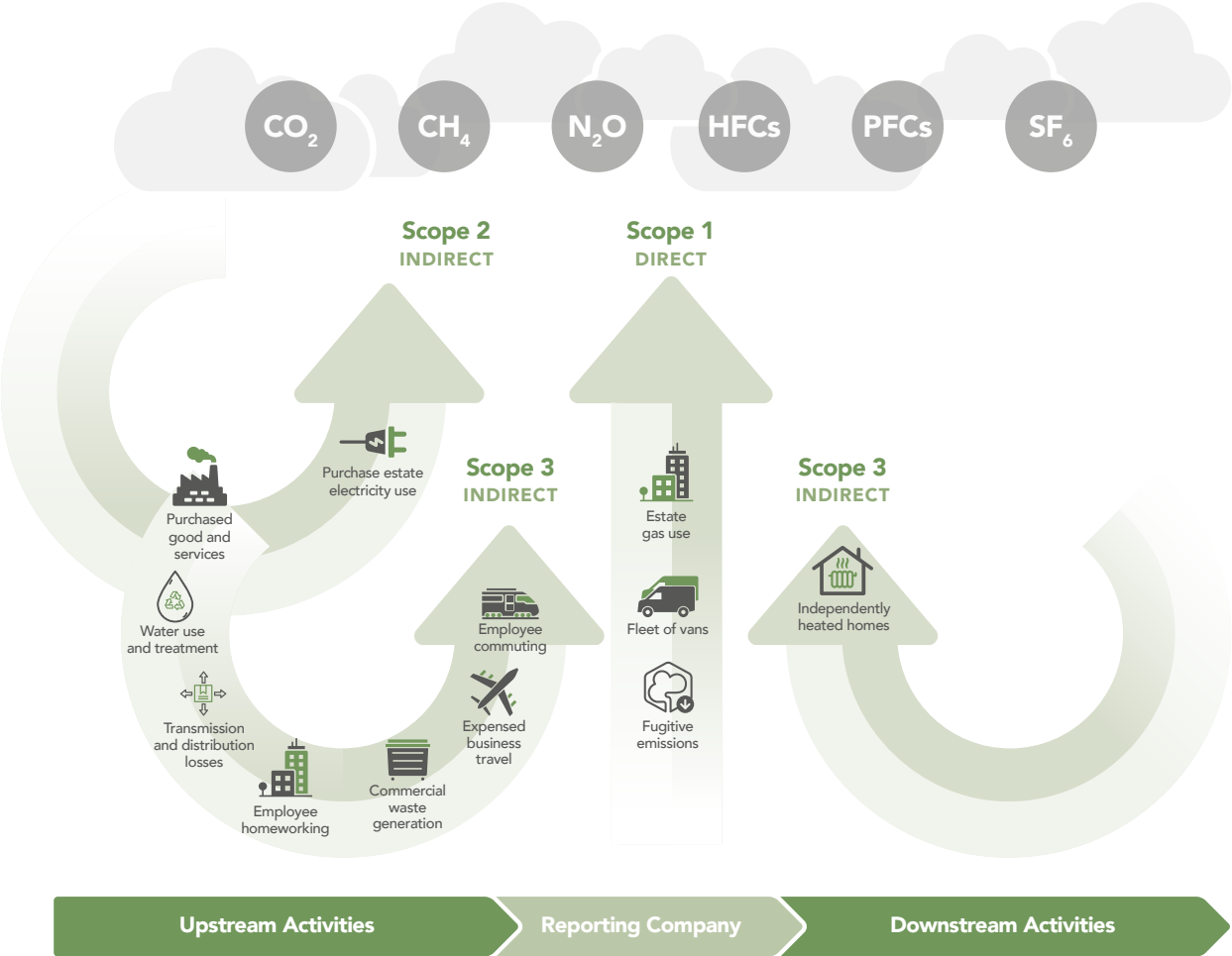
"Love the approach. This hits the mark and tells the story about what we are going to do."

My Impact Group

REDUCING OUR CARBON EMISSIONS AT A RESPONSIBLE PACE

We are committed to achieving net zero carbon emissions by 2050. This means that by 2050, our homes and services will produce no more carbon emissions than we can remove from the atmosphere. We must be realistic about the pace of change. The transition to net zero must be fair and inclusive, ensuring that the benefits and burdens are shared equitably across society.

In 2021 we re-baselined our carbon emissions to 2019. The re-baseline was in accordance with the Greenhouse Gas (GHG) Protocol standard to reflect consistent measurement and boundaries. We found that our baseline emissions were 123,825 tonnes CO2 emissions.



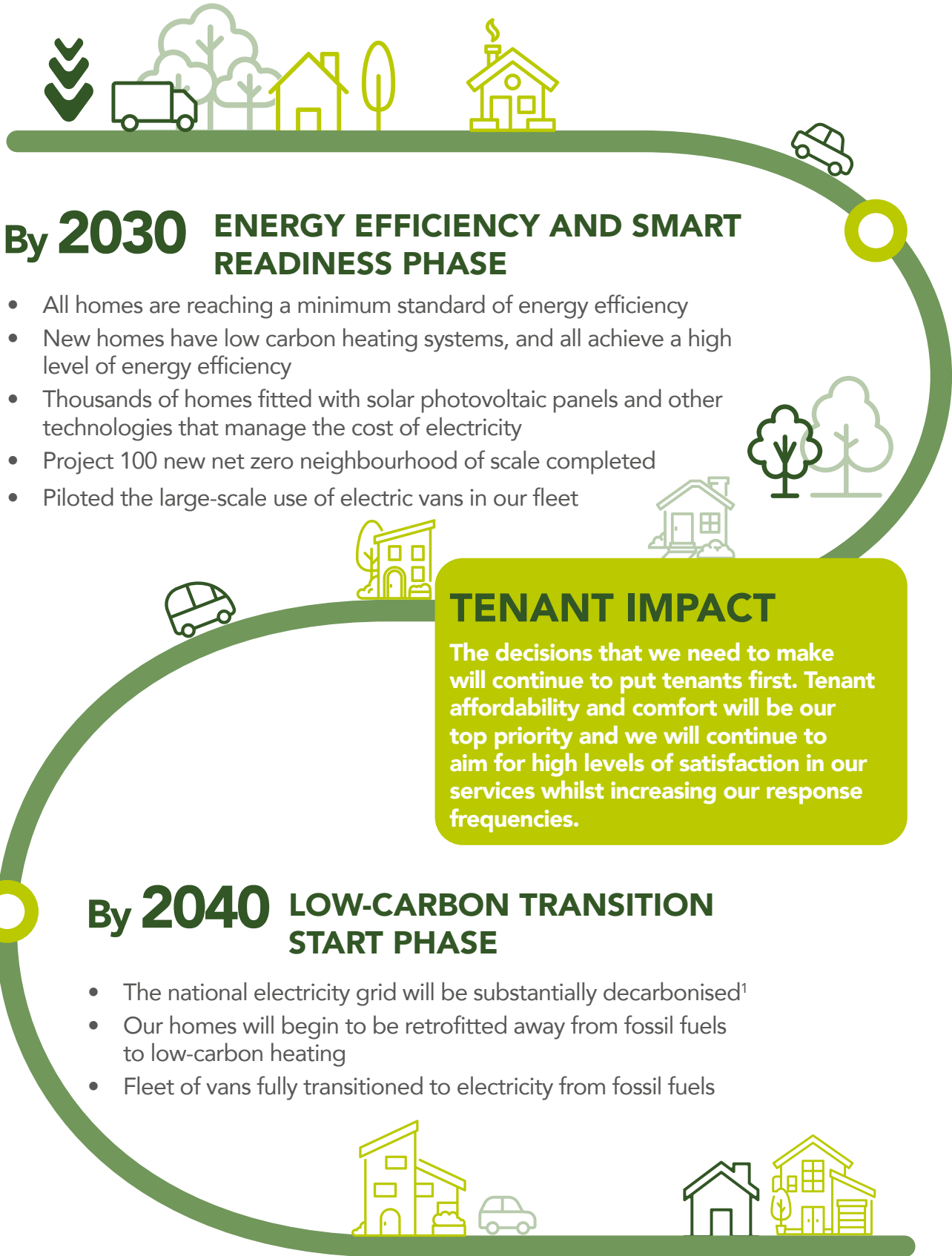
Since 2019 we have been delivering measures to reduce our overall emissions and tracking our progress against a science-aligned Well Below 2°C (WB2C) ‘Paris proof’ scenario. In 2025 we recorded a c.20,000 tonnes CO2 reduction, mostly through:

- Increasing the energy efficiency of our independently heated homes from below EPC D to 100% EPC D and above and 80% EPC C and above.
- Simplifying our portfolio through the sale of extra care living properties to invest in general needs homes.
- The decarbonisation of the national electricity grid.

We will continue to model, track, and publicly report our emissions aligned with science, standards, Value For Money (VFM) and our impact on tenants.

By 2025 DATA QUALITY AND TARGET PHASE

- All buildings have a lodged EPC including our offices which are all EPC B
- New EPC based affordability and thermal comfort targets to 2025 and 2030
- Project 80 Future Homes Standard pilot with 24 new homes completed
- Baselining, tracking and robust verification of carbon emissions



By 2030 ENERGY EFFICIENCY AND SMART READINESS PHASE

- All homes are reaching a minimum standard of energy efficiency
- New homes have low carbon heating systems, and all achieve a high level of energy efficiency
- Thousands of homes fitted with solar photovoltaic panels and other technologies that manage the cost of electricity
- Project 100 new net zero neighbourhood of scale completed
- Piloted the large-scale use of electric vans in our fleet

TENANT IMPACT

The decisions that we need to make will continue to put tenants first. Tenant affordability and comfort will be our top priority and we will continue to aim for high levels of satisfaction in our services whilst increasing our response frequencies.

By 2040 LOW-CARBON TRANSITION START PHASE

- The national electricity grid will be substantially decarbonised¹
- Our homes will begin to be retrofitted away from fossil fuels to low-carbon heating
- Fleet of vans fully transitioned to electricity from fossil fuels

¹According to the latest (2025) information from the Government

UNDERSTANDING THE CLIMATE RISK PROFILE OF OUR HOMES

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

Some of our climate transition risks define our uniqueness.

Our data goes beyond asset characteristics to understand how our investment in homes needs to address our unique challenges as we look to 2030 and beyond.

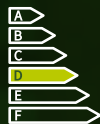
Whether we are directly managing risk or triaging emerging risk, we are making sure that our homes and the tenants that live within them are secure from the significant threats from climate change.

1. DRIVERS OF CLIMATE RISK IN OUR HOMES



Age of homes

One-third of our homes are over 100 years old



Energy efficiency and affordability

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



Heating system types

75% of our homes use direct fossil fuels for heating



Flood risk ratings

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



Overheating risk ratings

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

According to a desktop assessment by SHIFT environmental consultancy



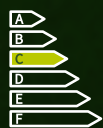
Tenant diversity and socio-economic needs

We've invested in 6 of the top 10% most deprived areas nationally. Our tenant-base is one of the most diverse nationally: c.40% of tenants are considered ethnically diverse and over 13 different languages are spoken within our homes.

2. RISK EXPOSURES AND VULNERABILITIES

Exposures (Assets and elements that could be adversely affected by a hazard)	Vulnerability factors (The characteristics that influence the degree of harm or loss from a hazard)	Exposures (Assets and elements that could be adversely affected by a hazard)	Vulnerability factors (The characteristics that influence the degree of harm or loss from a hazard)
Gas heating in homes (transition away from fossil fuels)	Policy compliance, cost and complexity of transition (e.g. technologies required), supply chain capacity, maintenance requirements, comfort and health impact to tenants	Extreme weather events (e.g. flooding, heatwaves, etc.)	Structural damage risk from subsidence, local drainage resilience, insurance premiums and/or availability, repairs costs, safety of tenants and health impacts, change of risk rating over time (e.g. flood)
Supply chain capacity constraints	Cost and complexity of transition (e.g. technologies required), maintenance and repairs demand	Water stress	Local water supply and usage pressures, natural landscape damage, cost of water
Air quality (in homes and in the local area)	Ventilation demand, damp & mould risk, regulatory compliance, safety of tenants and health impacts	Effective tenant engagement	Tenant participation in approaches to managing risk, incomplete tenant data
Excess temperatures (heat or cold)	Insulation and ventilation demand, regulatory compliance, higher energy demand and costs, safety of tenants and health impacts		

3. PRIORITY ACTIONS TO 2030



Improving energy efficiency

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



Modernising our oldest homes

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



Increased dedicated resource to manage air quality

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



Inclusive and effective consultation with tenants

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



Advancing new build standards

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

PLAN COMMITMENTS

THE HOMES WE RENT

We have the highest proportion of pre First World War homes of any housing association in the country. Our neighbourhoods are rooted in six of the country's most deprived areas, and our tenant community is one of the most diverse nationally.

This diversity brings strength, but our uniqueness also creates challenges. From improving air quality in urban environments to creating safe, modern living for families, we're working hard to ensure our localities support happier lives.

When homes are warmer, more efficient, and better maintained, and when neighbourhoods offer safer environments, tenants can focus more on what matters. That's the future we're investing in.

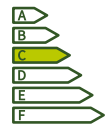
HOMES FOR MODERN LIVING CASE STUDY

Homes for Modern Living is our ambitious new investment programme, targeting our oldest and least energy-efficient homes, to make them fit for the future and modern living.

We will invest a record c.£300m over the next few years to improve our existing homes through a range of retrofit and aesthetic upgrades, improving the look, feel and thermal comfort of over 6,000 homes.

Our aim is to meet minimum standards of energy efficiency and ensure all our homes, regardless of their age and character are comfortable and affordable to live in.





MINIMUM ENERGY EFFICIENCY, AFFORDABILITY AND THERMAL COMFORT TARGET

We will retrofit 1,200 homes a year to reach existing EPC C up to 2028 and then the new Minimum Energy Efficiency Standards (MEES) up to 2030 and beyond, excluding any issues where we cannot complete the installation like tenant refusals and other exemptions.



REDUCE CONSTRUCTION AND OPERATIONAL WASTE AND RESOURCE USE

Applying approaches like the Waste Hierarchy: Reduce, Reuse, Recycle, Recover, Dispose and principles of the Circular Economy Model we can ensure that we reduce the footprint of our services and reduce costs associated with purchasing new products and materials. We will track this through:

- Moving our managed wastes into a central waste brokerage contract and **maintaining an industry leading 95% landfill diversion rate** so most of our waste is recycled or recovered as energy.
- Introducing a **new water use device standard within our bathroom specification** to support with water use and bill savings in 100% of new bathrooms¹



IMPROVE AIR QUALITY IN OUR HOMES

Over the next five years we will install thousands of 'smart' components that can talk to us and our systems, including our roll-out of environmental conditions sensors in homes. We must maintain secure channels to capture this data and process it effectively. Ensuring that we can proactively monitor, flag and manage homes that require immediate and long-term interventions through our specialist teams and services.

We will track this through the **increasing technology being installed in our homes**, helping us to better identify issues and improve air quality and overall comfort for tenants.



MAKE POSITIVE CHANGES TO THE ENVIRONMENTAL AND SOCIAL CONDITIONS WITHIN OUR LOCALITIES

We will continue to focus on providing high quality, tenant-centric services while strengthening our approach to local neighbourhood management. We will work with tenants and partners to invest in local areas and work collaboratively to tackle tenants' priorities like flytipping. We will track this through:

- Recording the **social value impact of our investment**. This means producing a total value in pounds (£) that we can attribute to our targeted measures to improve environmental and social issues that are important to our tenants.
- Making a commitment to **order and embed 16 or more electric vans** into some of our most densely populated localities to contribute towards healthier neighbourhoods by reducing local air pollution whilst maintaining effective and efficient services to tenants. We will also be challenging our supply chain to contribute towards their footprint through our contracted services.

¹Based on sampling surveys through post works quality audits.

HOW WE WILL ACHIEVE IT

INVESTMENT & STRATEGIC ASSET PLANNING

- A significant £300m investment in our oldest and least energy efficient homes to make them fit for the future and modern living.
- Utilise smart planning technology to combine desktop analysis with on-the-ground retrofit assessments for MEES planning.

ORGANISATIONAL CAPACITY & WORKFORCE DEVELOPMENT

- Strengthening the Property Investment team with the skills and technical expertise needed for large scale retrofit and energy programmes.
- Development of Specialist Repairs and frontline teams to identify and manage air quality risks like damp & mould through a unified triage process.

PROCUREMENT, SUPPLY CHAIN & CONTRACT MANAGEMENT

- Robust procurement and contract management frameworks to ensure resilient supply chains, compliance with the Procurement Act, and effective waste management performance against KPIs.
- Strategic engagement with Tier 1 suppliers to unlock proven technologies and tenant focused retrofit solutions.

LOCALITIES, PARTNERSHIPS & TENANT LED IMPROVEMENTS

- Locality based, tenant led environmental improvements supported by Grounds Maintenance and estate resources, targeting fly tipping, lighting, and outdoor private and shared spaces.
- Collaborative partnerships with local authorities and stakeholders to coordinate environmental, social, and service-delivery outcomes.
- Tenant engagement through My Voice to co-design housing standards.

DIGITAL & OPERATIONAL EFFICIENCY

- Digital planning tools and smarter scheduling to reduce travel, cut material waste, and increase workforce efficiency in repairs and maintenance.



PLAN COMMITMENTS

THE HOMES WE BUILD

Our new build programme is about creating homes that are affordable and easy to live in. We're designing places that use less energy, cut carbon emissions, and help lower household bills – making sustainable living more accessible for our tenants.

At the same time, we're investing in positive neighbourhood contributions. Through nature-positive actions our developments will protect local nature and create more resilient neighbourhoods in a changing climate.

We're investing in homes that support our tenants, restore nature, and set a new benchmark for sustainable development across the UK.



PROJECT 100 A NET-ZERO NEIGHBOURHOOD OF SCALE CASE STUDY

Following the success of Project 80, two developments of homes in Handsworth and Edgbaston we believe to be the first to meet the government's Future Homes Standard, we are now planning to extend this concept and deliver Project 100, a net-zero neighbourhood of scale beside Edgbaston Reservoir.

We will adopt the tenant-focused and scientific principles and learnings from Project 80 and further our research and understanding of embodied carbon in new homes.



DELIVER 2,750 NEW ENERGY EFFICIENT AND AFFORDABLE HOMES IN NATURE-POSITIVE SCHEMES

We are acutely aware of the national shortage of new homes. We will build 2,750 new homes to the latest building and planning standards by 2030 that positively contribute to our neighbourhoods. All our homes will be built to:

1. A **minimum level of energy efficiency (currently EPC B or above)**, with all homes fully electrically heated and built to the new Future Homes Standard by 2030 meaning tenants should not face the need for retrofit in the future.
2. Have **nature-positive resilience** by targeting the on-site delivery of Biodiversity Net Gain (BNG), where required. This means more tangible local benefits for tenants and nature. It will help manage flood risk and urban overheating risk through natural, sustainable solutions – supporting a safer environment for our tenants.



BUILD THE PROJECT 100 NET ZERO NEIGHBOURHOOD THAT ACHIEVES A TENANT-FRIENDLY OPERATIONAL NET ZERO EMISSIONS

We will be one of the first nationally to deliver operationally net zero homes at scale. These homes are being built to minimise embodied carbon, from the first brick to the last, and will combine on-site renewable energy with low-carbon technologies that work for everyday living.

The result: **homes that are efficient, climate-ready, and comfortable right now.** Project 100's success will be defined by:

1. **Homes built in-line with the proposed industry leading net zero carbon building standard (NZCBS)** which will mean our homes are designed so tenants can live in them with net zero carbon emissions from regulated energy use and benefit from free and clean renewable energy generated on-site.
2. **Reduced environmental impact** by lowering the carbon emissions associated with the build process to below 400 kg CO₂ emissions/ m² from the extraction of raw materials up to the handover of the home to the tenant. This is known as cradle-to-gate embodied carbon emissions (A1-A5 in the LETI, UK GBC and adopted by the NZCBS).
3. Delivering **low-carbon technologies for heating, and cooling, where relevant, that are accessible to our tenants.** Taking learnings from our award-winning Project 80 pilot and supporting tenants with help and training where needed.



400 kgCO₂e/m² of internal floor area equates to around 38,400 kgCO₂e of embodied carbon for an average home (c.96m²), equivalent to driving approximately 96,000 miles in a typical petrol car.

The average home built in 2024 embodied around 500 kgCO₂e/m². For an average-sized home this equates to approximately 48,000 kgCO₂e, equivalent to driving around 120,000 miles in a typical petrol car.

HOW WE WILL ACHIEVE IT

INVESTMENT & STRATEGIC DEVELOPMENT

- £475 million net investment in new homes to 2030, supported by an updated Design Brief that embeds enhanced standards like on-site BNG and underpins all developer contracts.

TENANT EXPERIENCE, SUPPORT & PERFORMANCE INSIGHTS

- Co-designed tenant support packages developed with tenant groups and Midland Heart teams to ensure successful transition to low carbon homes.
- Post Occupancy Evaluations (POEs) in Project 100 homes to understand lived experience and identify ongoing support needs.
- Clear tenant handover guides for electric focused and zero carbon technologies.

GOVERNANCE & PERFORMANCE OVERSIGHT

- Strengthened governance through the New Business Group and related oversight structures to ensure all schemes meet enhanced standards.
- Developer resilience checks and a partnership led delivery approach to secure a robust supply chain capable of meeting both current and future requirements.
- Active participation in industry groups to influence and support wider regional housing goals.

PROJECT 100 DESIGN QUALITY & INNOVATION

- Embodied carbon reviews at design stage to remove carbon from projects and embed low carbon specification decisions early.
- Investment in advanced design and performance software to model operational energy use with tenants in situ and inform user friendly, efficient home designs.
- Learning from Project 80 to refine fabric, airtightness, heating solutions, and tenant usability of low carbon features.



PLAN COMMITMENTS

THE WAY WE WORK

We're cutting carbon, strengthening our finances, investing in our people, and making sustainability easier for more people to engage with.

Our approach is science aligned, financially responsible, and transparent ensuring we reduce emissions, maintain affordability, build the skills we need for the future, and tell our sustainability story in a way that connects better with tenants.

MIDLAND HEART MINDSET CASE STUDY

As we ask for more over the next five years; more investment, more effort, more outcomes, it's crucial that our colleagues are with us, and more importantly are bought into why we're asking in the first place.

The MH Mindset is encompassed by five key behaviours, honesty, empathy, professional curiosity (asking questions), reliability and a tenant-centric approach to working. It's no coincidence that these behaviours spell out HEART.

MH Mindset will shape how we deliver Tenant-Led Sustainability.





REDUCE OUR OPERATIONAL CARBON EMISSIONS IN ALIGNMENT WITH WHAT SCIENCE TELLS US

Our targets are aligned with the Paris Agreement, meaning they follow the science and support global efforts to limit warming to well below 2°C. **This isn't just about climate responsibility, reducing our energy use can also lowers operating costs** and helps us lead the sector toward a low-carbon future. We will track this through:

1. **Reducing our operational (Scope 1 & 2) carbon emissions by 1,250 tonnes by 2030** in alignment with what science tells us is our fair share to 2030.
2. **Securing affordability for our tenants** by combining energy efficiency with bill stability by committing to keeping residential energy rates, where we purchase the energy, below average market rates per unit of energy (kWh).²



SECURE OUR FINANCIAL RESILIENCE TO CONTINUE TO INVEST FOR TENANTS

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

We will target and record VFM cost savings in pounds (£) in our sustainability-linked programmes and processes. This includes interest savings through our Sustainability Linked Loan (SLL) that links our environmental performance with how we borrow money to invest in our homes, accessing grant funding to complement our core new build and retrofit investment programmes.



BUILD A SUSTAINABLE WORKFORCE THAT CAN MEET THE NEEDS OF OUR TENANTS AND SUSTAINABLE GROWTH

We are committed to building a sustainable workforce. **That means having the right people, the right skills, and the organisational capacity to meet tenant needs today and in the years ahead.** A skilled, resilient workforce is essential to maintaining homes, delivering great services, driving innovation in energy efficiency, and creating lasting social value in our communities. We will target and track a future-ready workforce through:

1. **Playing our part in closing the 'green skills' gap** by setting out a business-wide resourcing plan to improve our resilience and growth targets. Delivery of green skills will include our Early Careers offering, Professionalisation, MHMindset, and MHOnPoint improvement plans.
2. Working with our supply chain to **embed and deliver meaningful social value offers from suppliers**, that have a direct tangible benefit to tenants, through contracts and investment programmes. Our supply chain offering will include direct financial investment in localities and in hardship support for tenants, boots-on-the-ground support, and recording the outcomes of our regional investment in employability and skills.



MAKE OUR SUSTAINABILITY STORY MORE ACCESSIBLE TO TENANTS

We will commit to **telling our sustainability story in a way that is more accessible to tenants.** We will fine tune our communications by working with involved tenants. We will keep tenants informed through well-known media channels. We will ensure that our reported information can be relied upon, is credible and validated by third parties where relevant.

² At point of purchase and excluding standing charge variances.

HOW WE WILL ACHIEVE IT

ENERGY SYSTEMS INVESTMENT & OPERATIONAL EFFICIENCY

- Targeted investment in communal energy systems, including EPC improvements, regulatory heat network and metering upgrades, and system surveys designed to improve tenant experience and reduce energy demand.
- Cloud migration and IT infrastructure upgrades to improve system reliability, cut energy use, and enhance tenant facing digital services while strengthening cyber resilience.

FINANCIAL RESILIENCE, ASSURANCE & GOVERNANCE

- Performance oversight by the Finance & Growth Committee, ensuring progress against SLL targets linked to investment in homes and supported by £300m in sustainability-linked lender facilities.
- Compliance and alignment with key sustainability standards like our Sustainable Finance Framework, reinforced by external audits and assurance.
- Board led governance to maintain financial resilience, transparent reporting, and adherence to the Treasury Strategy.

ORGANISATIONAL CAPACITY, SKILLS & WORKFORCE DEVELOPMENT

- Organisation wide resourcing plan to meet the evolving demands of investment programmes, new technologies, and tenant support needs.
- Green skills development, leveraging the apprenticeship levy, £2m Early Careers investment, and independently recognised sustainability training for managers, other colleagues and tenants.
- Digitisation and standardisation of data to strengthen record keeping, skills tracking, and evidence for sustainability action.
- Embedding sustainability and social value in colleague experience, recruitment, supplier partnerships, and local community initiatives.

LEADERSHIP & CULTURE

- MHMindset and new leadership behaviours to drive tenant focus, professionalism, and accountability across the organisation.



ASSURANCE AND ACCOUNTABILITY

FINANCING INVESTMENT IN OUR HOMES AND SERVICES FOR TENANTS

We must carefully manage our finances to remain stable and resilient over the long term, ensuring we can continue to invest in quality, safe, affordable, and energy-efficient homes. This means balancing income and expenditure, planning for future maintenance and decarbonisation costs, and using funding responsibly to deliver value. For tenants, it means secure homes, consistent service quality, and confidence that their landlord can continue providing quality, safe, affordable housing well into the future.

This Plan provides outlines our £795 million net investment in sustainability focused issues between 2026 to 2030. This £52 million in capital investment specifically dedicated to energy efficiency and affordability retrofit, £475 million net investment in the building of new homes and around £24 million on fleet, digital services and professional development.



VALUE FOR MONEY CASE STUDY

Value For Money (VFM) is an integral part of ensuring that our tenants receive high quality services and well-maintained homes, optimising the impact of our resources for their benefit.

Core elements of sustainability will be underpinned by a strong VFM culture, information that is transparent and accessible to tenants and other stakeholders.

Our approach to VFM is embedded throughout the business both at a strategic level and an operational level across all business streams and is an integral part of our culture.

Economy, Efficiency, Equity and Sustainability are part of our fundamental principles of VFM.

We will endeavour to provide direct benefits to tenants, whether this is through direct reductions in fuel bills, optimising their access to benefits and other services, reducing unnecessary wastage like missed appointments or second-time fixes, or using our procurement strength to gain wider benefits such as access to skills and employment.





ASSURANCE ON THE PLAN

RELEVANCE AND STANDARDS

- We have reviewed the plan against the Sustainable Reporting Standard for Social Housing United Nations Sustainable Development Goals (SDGs)

Since our early adoption of the Sustainable Reporting Standard for Social Housing (SRSSH) we have annually tracked our contribution to the UN SDGs. We will continue to monitor our contribution within our annual evaluation of progress and be transparent in our reporting.

The SRSSH SDGs from 2025 are set out here:

 8 DECENT WORK AND ECONOMIC GROWTH	8.5	 10 REDUCED INEQUALITIES	10.1 10.2	 11 SUSTAINABLE CITIES AND COMMUNITIES	11.1 11.3	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 12.6 12.7
 13 CLIMATE ACTION	13.2	 15 LIFE ON LAND	13.2	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	13.2		

- We have been an adopter and supporter of the SRSSH since its inception. The SRSSH provides a voluntary framework for housing providers to report on their ESG performance. Through the SRSSH we are contributing to consistent, reliable, and quality sector reporting.
- We are actively managing alignment with current and upcoming accounting standards under the UK Sustainable Reporting Standards (SRS). This includes the SRS' adoption of the International Financial Reporting Standards S1 and S2.
- We adhere to the relevant core carbon emissions and energy intensity reporting regulation and standards, including: Streamlined Energy and Carbon Reporting (SECR) requirements, the Greenhouse Gas (GHG) Protocol Standard and the Government's corporate Environmental Reporting Guidelines.

CREDIBILITY

- This Plan has been subject to a third-party review by SHIFT, environmental consultancy. Further related externally reported information will be subject to ongoing second or third-party audit or scrutiny.
- The Sustainable Finance Framework (SFF), that outlines our approach for how we link our sustainability performance to how we borrow money, has received second party opinion. The SFF will be updated before we would go to market for use of proceeds.
- The ESG Committee, Chaired by our Deputy Chief Executive, will continually review the relevance and performance of this Plan.
- A materiality reassessment will be completed before 2030 to reassess priorities and check we are on track to deliver on what our tenants and other key stakeholders think is material.
- Strategic climate risk is managed by the Audit and Risk Committee, who oversee our strategic risks quarterly and this includes reviewing our transitional risk around decarbonisation and emerging risks such as increasing severe weather events and key policy change.

REGULAR REPORTING

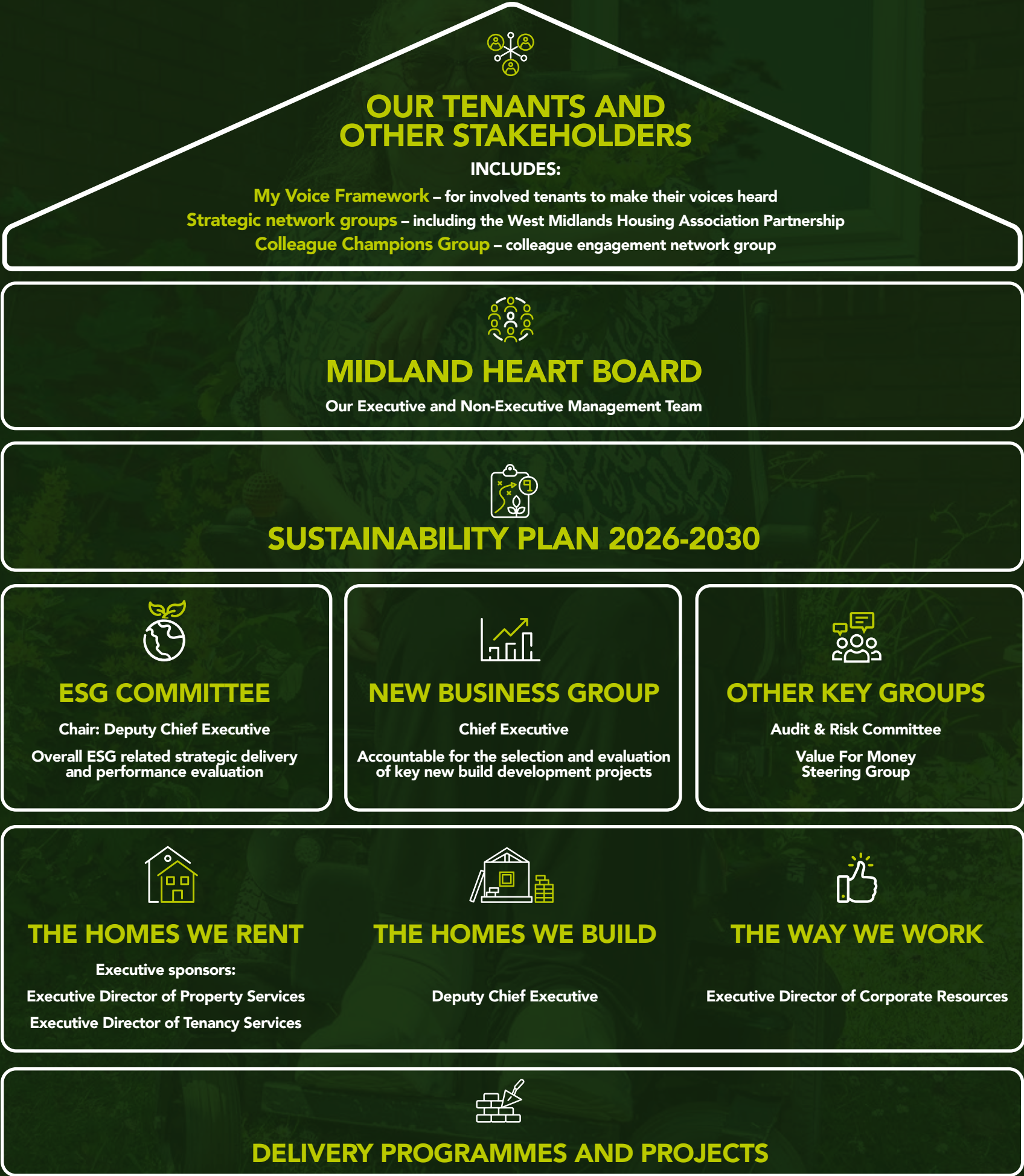
- Progress on the Plan and adherence to relevant standards will be made transparent annually in our external reporting: the Financial Statements and in our ESG Report.
- We will regularly update key stakeholders (e.g. our tenants and investors) with updates on the Plan and specific areas of focus, where relevant.
- Progress on the plan will be regularly reviewed by our ESG Committee and New Business Group, that approves new homes, as part of our Sustainability Governance Framework. The ESG Committee convenes bi-monthly and the New Business Group convenes monthly.

OUR SUSTAINABILITY GOVERNANCE FRAMEWORK

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

“This sustainability plan brings together all the essential elements of a credible and meaningful approach to environmental and social responsibility. It sets out a well-structured programme of actions that will improve the lives of Midland Heart tenants while enhancing the environment we all depend on. The plan combines realistic, evidence-based planning with genuinely ambitious and innovative commitments, positioning Midland Heart as a strong provider in sustainable housing.”

Richard Lupo
Managing Director, SHIFT





FOR MORE ABOUT OUR **SUSTAINABILITY** JOURNEY



Contact: Jonny.Mobbs@midlandheart.org.uk



Media enquiries: media@midlandheart.org.uk



Web: midlandheartgroup.org.uk