



Group Statement on Environmental, Social and Governance 2020/21

www.wheatley-group.com

Making Homes and Lives Better



About Wheatley Housing Group

It has been almost 100 years since John Wheatley, the MP for Glasgow, Shettleston, brought the pioneering Housing (Financial Provisions) Act 1924 to Parliament; increasing government subsidies paid to local authorities to build affordable housing for rent from £6 to £9, and extending the payback period for the subsidy from 20 to 40 years. This forward-thinking legislation enabled over 508,000 houses to be built around the UK.

Wheatley Group ('Wheatley' or 'the Group') is proud to continue to deliver John Wheatley's vision of quality affordable homes for people across our communities in Scotland. We have been the UK's largest builder of homes for social rent for 4 of the last 5 years¹ and our ambitions to develop 5,500 more affordable homes over the next 5 years demonstrates our continued contribution to housing at a national level.

¹<https://www.insidehousing.co.uk/insight/top-50-biggest-builders-2020-67141>



We deliver more than just quality homes to our customers. Our commitment to deliver on our mission in “Making Homes and Lives Better“ is borne out by high customer satisfaction rates and is independently accredited by organisations including the European Foundation for Quality Management, Investors for People and the UK Government Cabinet Office, which oversees Customer Service Excellence. Our customer-centred delivery model with housing officers having patch sizes of no greater than 200 tenants, was a key strength during the pandemic – we know our customers and supported them through these recent, difficult times.

Our award-winning Wheatley Foundation has played a vital role in supporting some of our more vulnerable customers throughout a most challenging year. With our EatWell service delivering over 32,000 food parcels, our Emergency Response Fund supporting over 7,000 households with essential items and our ongoing commitments to provide ing homes to the homeless via a minimum of 60% of lettings to be made to homeless people or households, the value of our social impact is significant across our communities.

We prioritise the safety and security of our customers and have made substantial investments in fire and building safety, resulting in a 32%



reduction in accidental dwelling fires over the last three years (182 fires in 2020/21, down from 269 in 2017/18). As we transition to a net zero carbon future, the investment for both new build homes and the regeneration challenge for our existing homes will be substantial but will have tangible benefits for our customers and for the wider environment and economy. As the largest social landlord in Scotland and with our home city of Glasgow hosting COP26 in November 2021, we are proud to have signed up to Sustainable Glasgow, a city-council led initiative to deliver net zero carbon by 2030.

Sustainability is embedded across our organisation and our activities are well-aligned to achieve Environmental, Social and Governance (“ESG”) objectives as we continue to deliver the pioneering work of our inspirational namesake.

This statement is our third year of formally reporting ESG measures, and now broadly follows the criteria set out by the Sustainability Reporting Standard for Social Housing².

²<https://thegoodeconomy.co.uk/reports/the-sustainability-reporting-standard-for-social-housing>



Environmental

As Scotland's largest social landlord, Wheatley Housing Group is proud to be a member of Sustainable Glasgow. We join partners across the city including all of Glasgow's universities, Strathclyde Partnership for Transport, SP Energy Networks and the NHS Greater Glasgow and Clyde to take positive action to ensure the city will achieve net-zero carbon by 2030.

"We recognise businesses across Glasgow are striving to develop net zero and climate strategies, particularly given the significance of the city hosting COP26"

Stuart Patrick, Chief Executive,
Glasgow Chamber of Commerce

Carbon Emissions

We are committed to reducing carbon emissions to zero across our corporate estate and facilities by 2026 and are working with the UK's leading sustainability body, Planet Mark to validate each step towards achieving this goal. Wheatley is the first housing group in Scotland to have gained the prestigious Planet Mark certification.

Wheatley was certified after an assessment of office carbon emissions levels in Glasgow. Steve Malkin, Founder and CEO of Planet Mark, said: *"I am so pleased Wheatley Group has made this commitment on carbon. The Group is responsible for some fantastic changes at its developments already, bringing positive impacts for the planet and the residents of its homes."*

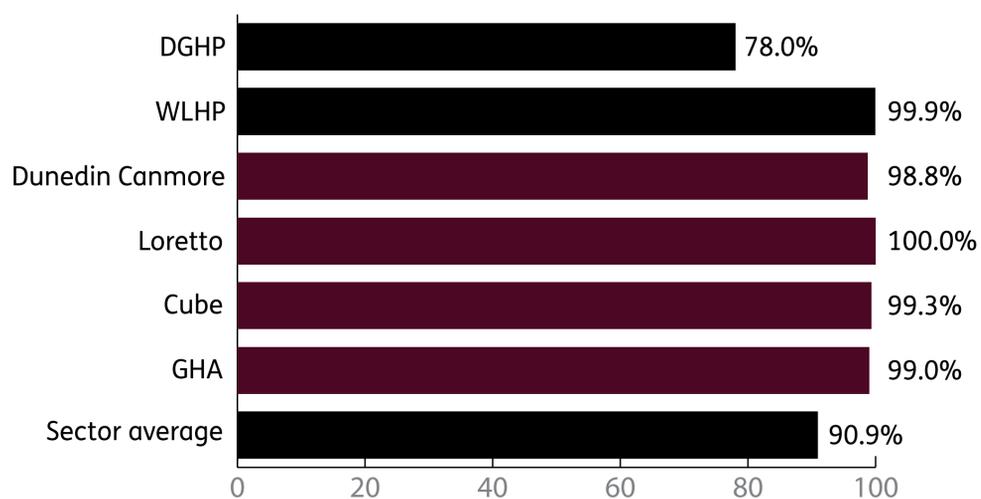
Energy Performance Certificate (EPC) Overview

The Scottish Government published the draft Heat in Buildings Strategy in February 2021 which sets out 100 actions to ensure buildings in Scotland achieve zero emissions by 2045. For social landlords, the path of net zero carbon will require significant improvements in energy efficiency in existing stock, primarily through alternative zero or low emission heating systems.

Long-term energy efficiency targets for social housing are included in the Energy Efficiency Standard for Social Housing post 2020 (ESSH2). The original ESSH (which broadly required social rented properties to meet an EPC



Band D or equivalent) was introduced in March 2014 and set milestones for social landlords to meet for social rented homes by 31 December 2020. Wheatley Group’s performance for EESSH compliance is set out below, against the sector average figure reported to the SHR by all Scottish RSLs as at 31 March 2021:



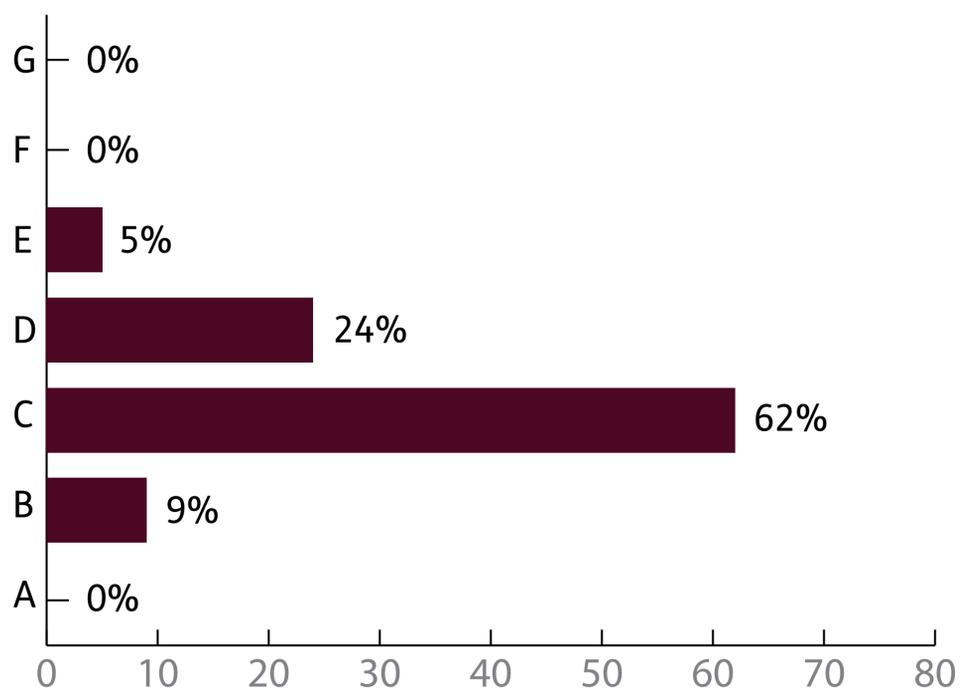
As at 31 March 2021, DGHP’s EESSH compliance rate was below that of the wider Wheatley Group at 78% (85% at 31 July 2021). Compliance is at 85% at the end of July 2021. We committed to DGHP tenants via the ballot process when they chose to join the

Wheatley Group that we would deliver full EESSH compliance. Despite delays caused by Covid-19 restrictions, we remain on track to achieve EESSH by the end of financial year 2021/22 via the delivery of programmes for the installation of energy efficiency lighting, cavity wall insulation and loft insulation.

EESSH2 represents a continued and deeper commitment to reach a new milestone for social housing in Scotland, to reduce fuel poverty, to reduce climate change emissions and to create homes and buildings that are warmer, greener and more efficient:

All social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.
EESSH2 milestone

EPC certificates are issued upon a change of tenancy and given the long-term residencies of many of our properties which are rented subject to Scottish Secured Tenancies, we currently hold EPCs for 72% of our socially rented homes (c.44,600 homes). Using this significant sample size, we can extrapolate the distribution of EPCs across our stock as at 31 March 2021 as set out below:



An increasing number of our properties benefit from energy supplied by a renewable source including:

- 4,200 homes having district heating connections, with energy provided by low or zero carbon fuel including biomass, Air Source Heat Pumps (ASHP), Ground Source Heat Pumps (GSHP) and Combined Heat and Power (CHP).
- over 1,000 homes with solar photovoltaic installations
- 100 electric battery installations; and
- 100 micro ASHP systems.

Case study: “Connected Response”

Wheatley has developed an innovative solution to deal with the legacy of inefficient and expensive electric heating. The solution

gives customers more control, costs less and significantly reduces carbon emissions. Wheatley has around 14,000 homes which use electric storage systems for heating and hot water, mostly in high-rise flats in Glasgow.

We have been working on a sequence of technology test and refinement pilot projects over the past four years, supported by the Scottish Government and Glasgow City Council. One of these projects – called ‘Connected Response’ – has been shown to reduce energy use by between 20% and 30%, with a consequent reduction in energy bills of up to around £300 per year.

Importantly, we achieve this by working with existing heaters, which reduces cost, avoids waste and extends the viable life of existing appliances. The technology – in the form of a small device attached to the wall of someone’s home – performs several functions automatically that allow householders to set a time and temperature control to their preferences.

Wheatley plans to invest between £5m and £7m on this over the next four years – an innovation which builds on our previous improvements to the insulation efficiency of homes, ensuring that not only is the home easier and cheaper to heat, but the warmth stays inside.

Working closely with SP Energy Networks, Wheatley plans to provide resilience to the electricity network. By offering opportunities to manage demand at a local level we can help reduce the need for additional reinforcement, potentially avoiding the need for further investment and therefore reducing costs to consumers.



Ecology

The Group's Neighbourhood Environmental Team, known as NETS, won the excellence in customer service award in the Chartered Institute of Housing Scotland housing awards in February 2021.

The NETs teams were largely redeployed in the initial March 2020 lockdown, to deliver essential and emergency services for our customers including the EatWell delivery service, delivery of Emergency Fund response requests, fire safety checks in communal areas in blocks and bulk removal services in response to local authorities cancelling such services.

However, usual services were resumed as soon as legally permitted in mid-June 2020 with landscaping and grass cutting restarted to ensure our community green spaces returned to their recognised high standards. We

continue our partnership with Keep Scotland Beautiful (KSB) albeit the bi-annual audit work has been delayed across a number of our sites due to KSB staff being furloughed or otherwise working-from-home. Of the sites which have been independently reviewed (majority at multi-storey flats in Glasgow), we have retained 5-star status as a result of our maintenance of green spaces, cleanliness of internal communal areas and our waste and litter management (as outlined in the code of Practice on Litter and Refuse (Scotland) 2006).



**Keep Scotland
Beautiful**



Resource Management

Our repairs and maintenance company, jointly owned with Glasgow City Council, City Building (Glasgow) Limited operate under the industry's highest standard of Environmental Management System with ISO 14001 accreditation. City Building's approach to waste and water management, our operating practices, policies, and staff are externally validated on an ongoing basis each year by the British Standards Institute (BSi). ISO 14001 requires continual improvement and ensures that there is an enhanced focus on integrating environmental management as part Wheatley Group's strategy. The third-party accreditation process supports employee engagement on delivering an improved overall environmental performance.

Waste management is included as a criterion for appointment to our new build frameworks.

To qualify, contractors must:

- set out a statement which outlines how they will achieve the Scottish Building Standards' Gold Standard or equivalent;
- include an example Site Waste Management Plan (SWMP) which complies with the current regulations in line with good practice published by WRAP www.wrap.org.uk; and
- outline how they will monitor and report compliance with the above quality standards throughout delivery of the project.

In addition, under the terms of our new build Framework Agreements, Wheatley is entitled to audit any records, agreements or processes that the relevant contractor has in place for environmental procedures which are required to be certified to BS EN ISO 14000, BS EN ISO 14001 or equivalent standard at any time during the life of the contract.

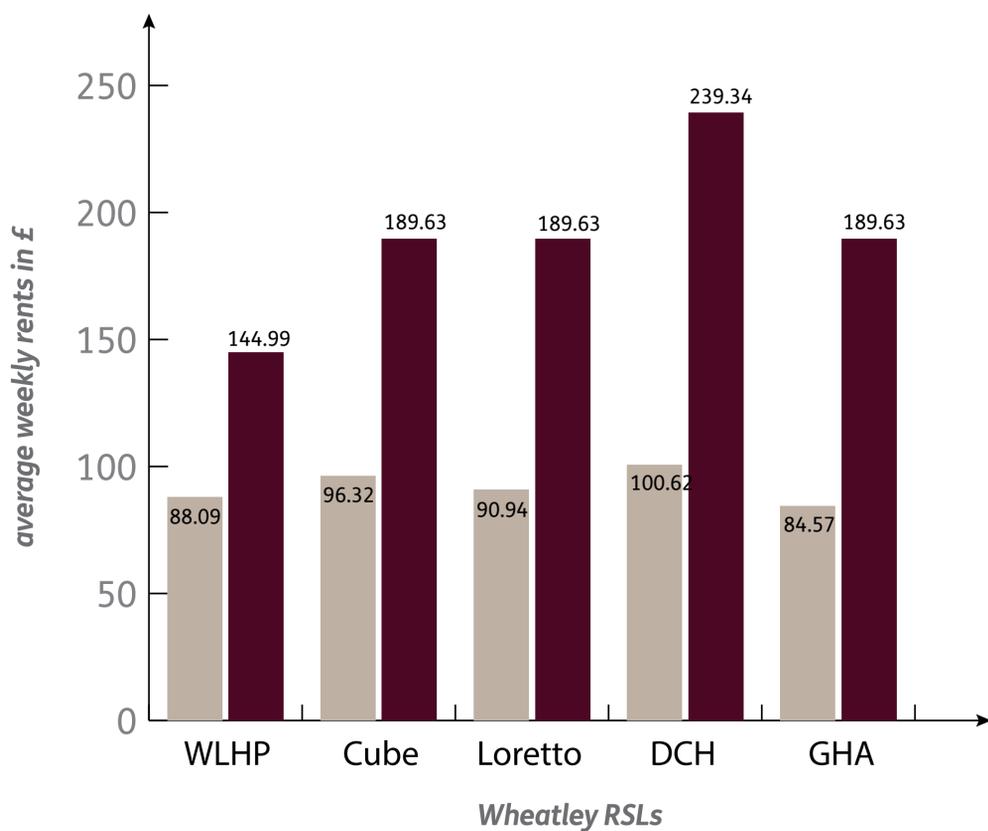


Social

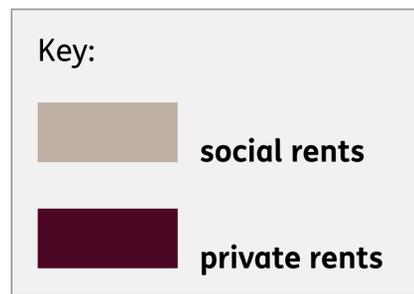
Affordability

Ensuring that rents are affordable for our customers is a core strategic objective and facing into the economic headwinds as we move beyond the Covid-19 pandemic, it is critical that we deliver value for money.

Social rents across the Group are generally around 40 – 50% of market rent.



Private rent v. social rent (2020/21)



We assess the affordability of our social housing rents by employing the Scottish Federation of Housing Associations (SFHA) rent affordability tool³. We set rents annually subject to the obligations included in the Scottish Social Housing Charter and Housing Act (Scotland) 2001 which requires us to consult with tenants on our proposals. Detailed rent affordability analysis has been carried out using the SFHA rent affordability tool to measure rent a percentage of incomes for our main customer groups.

There is no nationally agreed maximum affordability ratio for rent, but most research on the subject aligns with the findings of the UK Affordable Housing Commission (2019), which cites rent to income ratios of below one-third of income as traditional indicators of rent being affordable, with “serious affordability difficulties” being experienced at a ratio of over 40%⁴.

Shelter suggests that any household that spends more than 35% of its net household income on rent (and service charges) may experience a disproportionate impact from housing costs.

Our analysis considers different household compositions (e.g. single person, single parent with 1 child, couple with 2 children etc.) and assess the affordability position for the property types (e.g. studio, 1 bed, 2 bed etc.) which would be suitable. The chart set out below shows the rent affordability position:

Customer Category	House Size	Less than 20%	20% to 25%	25% to 30%	30% to 33%	33% to 35%	35% to 40%
23+ Single Person	Studio	12%	39%	37%	10%	1%	0%
23+ Single Person	1 Bed	3%	11%	45%	28%	9%	3%
Couple 1 PT 1 FT		59%	41%	0%	0%	0%	0%
Couple 2 FT		100%	0%	0%	0%	0%	0%
Single Parent (1 Child)	2 Bed	4%	51%	44%	1%	0%	0%
Single Parent (2 Children)		52%	47%	1%	0%	0%	0%
Small family (2 Children)		100%	0%	0%	0%	0%	0%
Single Parent (2 Children)	3 Bed	19%	55%	25%	0%	0%	0%
Small family (2 Children)		89%	11%	0%	0%	0%	0%
Large Family (3 Children)		100%	0%	0%	0%	0%	0%
Large Family (3 Children)	4 Bed+	98%	2%	0%	0%	0%	0%

³This uses the lowest 30% of earnings in the Office for National Statistics’ Annual Survey of Hours and Earnings (“ASHE”) for each Local Authority area, and applies a weighting for household composition to take account of household size in recognition that larger households often have more earnings/income and eligibility for Tax Credits and Child Benefit.

⁴<https://static1.squarespace.com/static/5b9675fc1137a618f278542d/t/5cf55923f41ae70001170311/1559583017920/Defining+and+measuring+housing+affordability.pdf>

For example, rent as a percentage of the expected average income of a single parent with two children is assessed with reference to our two- and three-bedroom properties:

- the rent payable on 52% of two-bed properties (15,035 homes) is less than 20% of expected average income
- the rent payable on 47% of two-bed properties (13,590 homes) is between 20% - 25% of expected average income
- the rent payable on the remaining 1% of two-bed properties (289 homes) is between 25% to 30% of expected average income
- for three-bed properties, where rent charged is higher than two-beds, the rentals are less than 20% for 19% of units (2,280 homes), between 20% and 25% for 55% of units (6,600 homes) and between 25% and 30% of income for 25% of units (3,121 homes).
- no properties consume above 30% of average expected income meaning that, for household compositions for a single parent with two children, Wheatley Group's rents are affordable using Shelter and the SFHA's rent measurement tool.

This is an in-depth way of isolating any pockets of affordability pressure. The analysis shows that we have no rents above the 40% of income level, and a very small number of 1-bed homes (3%, or 427 units) where rent is between 35% - 40% for single people aged 23 and over. We are actively targeting rent levels for this subset of asset type.

Building safety

(a). Fire Prevention & Mitigation Framework

Fire safety, and keeping our customers and communities as safe as they possibly can be, will always be of paramount importance to the Group; we will therefore continuously strive to innovate and set new standards for excellence in this extremely important area of work.

The Group's "Delivering Safer Communities: Our Fire Prevention and Mitigation Framework" (FPMF) was put in place in August 2017. The

development and implementation of this framework has built on existing fire safety and prevention measures embedded across Group through our unique partnership with the Scottish Fire & Rescue Service which is recognised as national best practice.

Our Fire Safety Operating Model is recognised as a Fire Prevention Exemplar by the Scottish Governments, Building Safer Communities, and Unintentional Harm Hub.

(b). Scottish Government Guidance

In December 2019 the Scottish Government published their Practical Fire Safety Guidance for Existing High Rise Domestic Buildings. The Guidance provides practical fire safety advice on how to prevent fires and reduce the risks from fires in high rise domestic buildings. It aims to assist the assessment of fire risk and the adequacy of existing fire safety measures. The focus is on communal areas and aspects of building design in private accommodation which could affect the safety of others. This Guidance applies only to Scotland and is not mandatory. Given building design varies no single guidance can provide specific solutions for all possible circumstances. The Guidance aims to reduce the risk to life from fire. As such, the focus is on life safety rather than the protection of property. The Guidance has a strong recommendation that those organisations responsible for the management of high rise blocks undertake an assessment of fire risk in the building as part of their corporate responsibility.

(c). Wheatley Group Fire Risk Assessment Programme

The Wheatley Group has six competent Fire Risk Assessors who are responsible for carrying out Fire Risk Assessments at our 136 multi storey blocks of flats. The Assessors use the industry standard PAS 79-2:2020 methodology. The Group Fire Safety Operating model has contributed to a 32% reduction in Accidental Dwelling Fires across the Group since 2017/18 with over 3,000 home

fire safety visits are undertaken per annum.

(d). Scottish Fire & Rescue Service, Operational Assurance Visits (OAVs)

SFRS undertake a programme of routine OAVs on a quarterly basis, obtaining information for operational purposes and to ensure compliance with Regulatory requirements relating to the common areas of multi storey flats. There is considerable value in SFRS operational crews undertaking multi-storey OAVs. They provide familiarisation with vehicular and building access, hydrant locations, internal layout and location of firefighting facilities and aid in the gathering of operational intelligence. Crews will undertake basic checks of firefighting facilities to ensure they have been adequately maintained and are in good working order. Any defects identified will be reported so that, in a fire situation, firefighting facilities work as intended.

(e). Fire and smoke alarms in Scottish Homes

Legislation was introduced by the Scottish Government which required domestic properties, of all tenures, to have smoke and heat alarms

ceiling fitted and interlinked by February 2022 (the original date was February 2021 and was delayed due to Covid-19. Alarms are to comply with BS EN14604:2005 for smoke alarms and BS 5446-2:2003 for heat alarms. Carbon monoxide alarms should have the British Kitemark (EN 50291-1). Wheatley Group is on schedule to complete the required installation of these alarms in all properties by the February 2022 deadline.

Resident voice

Customer service excellence (“CSE”) is the national standard for excellence in customer service in public sector organisations overseen by the UK Government’s Cabinet Office⁵. Wheatley achieved full compliance in all aspects of the standard with 23 elements rated as Compliance Plus.

A number of key performance measures from our tenant satisfaction surveys, and reported to the Scottish Housing Regulator for the 2019/20 Annual Return on Charter are set out in the table below:

Social housing Charter	GHA	Cube	Loretto	Dunedin Canmore	WLHP	DGHP	Sector Average
Overall service	87.6%	86.4%	84.1%	96.0%	95.1%	94.8%	89.2%
Kept informed	88.2%	85.8%	75.6%	95.0%	91.9%	95.9%	92.0%
Opportunities for participation	80.1%	80.0%	63.6%	93.6%	92.9%	94.8%	87.2%
Quality of home existing tenants	99.4%	99.1%	100.0%	99.8%	100.0%	80.8%	94.4%
Satisfaction with Repairs service	94.3%	94.6%	93.1%	94.6%	94.2%	92.4%	91.3%
Satisfaction with Neighbourhood Management	100.0%	100.0%	100.0%	100.0%	100.0%	89.8%	94.1%

⁵<https://www.customerserviceexcellence.uk.com/>



“A lively dialogue with customers is established and maintained both at strategic level through the presence of customers in executive boards and customer panels, as well as on operational level through housing officers, care workers and customer service centre staff who engage with customers daily. The customer dialogue is further strengthened by digital applications such as Gomobile, Webchat and the Voice of the Customer tool.”

EFQM Global Excellence Award feedback

Resident support

The lockdown introduced across the United Kingdom in March 2020 was unprecedented. The safety of our customers and our staff were immediate priorities. Our housing teams were able to seamlessly move to work from home; their hand-held technology using phones and iPads and patch sizes of no more than 200 households enabled staff to quickly engage with customers via telephone and email. This led to specialist welfare support for customers to assist with navigating the challenges of Universal Credit for the first time, and, most critically, enabled our housing teams to make urgent referrals to our Wheatley Foundation team for our EatWell food parcels and the Emergency Response Fund. In the first three months of lockdown, GHA housing teams made 96,000 calls to residents.

“Lockdown has been difficult for me. It has caused a lot of anxiety and stress so it is good to know that there is someone there for me. It has given me a wee push to stay away from my addictions and it means a lot to me.”

Alexander, GHA tenant

Wheatley has specialist welfare benefits advisors to assist our customers through the often-complex process of claiming support. This has been of particular importance during the pandemic as many of our customers had to access the benefits system for the first time or have been transitioned onto Universal Credit from their previous Housing Benefit system. Our teams have been able to secure £9.4 million of additional welfare benefits on behalf of our tenants during 2020/21, making a material difference to their household income.

“Wheatley Group has been exceptional in supporting people and keeping them safe during this very challenging time. Staff should be proud of all the work they are doing.”

Former Housing Minister Kevin Stewart, MSP

Wheatley Foundation

Our award-winning Foundation is now five years old and is funded by our Group and subsidiary companies. With key objectives of tackling poverty and improving employability, the Foundation was well-positioned to step up to support our communities in a time of crisis.

Many of the Foundation’s programmes were paused at the March 2020 lockdown to focus – literally – on bread and butter services for our customers: food and immediate emergency support.

Our EatWell service of fresh food deliveries to households was massively scaled up and expanded across our communities in central and south-west Scotland. Staff were seconded from our Neighbourhood Environmental Teams to assist with deliveries, £1.9m funding was raised, including a £350k grant from Scottish Government who recognised the value and importance of this critical service.

Prior to Covid, the EatWell team had five staff and two vans delivering 120 food parcels a week to customers in Glasgow. At the height of lockdown, we had 53 staff in a fleet of 23 vans delivering almost 2,000 emergency food parcels to customers across Scotland every week, peaking at 2,600 deliveries in one week. Between March 2020 and March 2021, EatWell delivered more than 32,000 food parcels to individuals and



families in our communities struggling to put food on the table.

“I can’t leave the house, so the food parcels are a big help to me. I really appreciate it. It shows you are really looking out for us.”

Joe Stevenson, 92, Army Veteran and tenant

Our Emergency Response Fund was also significantly expanded, going from 77 referrals in a year to more than 7,000. This Fund supported customers with fuel and phone top-ups, furniture and white goods such as cookers, as well as pet food and gardening equipment. Home-schooled and pre-school children were provided with activity packs and we provided pupils at Bankhead primary school in Glasgow with 24 tablet computers.

While both of these activities were absolutely critical at the height of the first lockdown and throughout the summer of 2020, as restrictions eased, the Foundation pivoted back to focus on

supporting customers with employability advice and support and access to quality training, work experience and job opportunities via our Wheatley Works programmes. Understandably, given the programmes had been paused for the majority of the year, figures to 31 March 21 were lower than our annual averages (901 total employment opportunities in 2019/20).

	Totals	Customer uptake	% customers
Training opportunities	127	57	45%
Apprenticeships	16	11	69%
Jobs	45	36	80%
Total employment opportunities	188	104	55%



Case Study: Wheatley Works leading to Full time employment

Advance Construction Scotland (ACS) offered full-time employment to Declan Martin after he participated in an employability programme run by Wheatley Group. A spokesman from ACS said,

“Declan showed great ability and enthusiasm during his placement completing all of the tasks allocated to him in a professional manner. As a result of his outstanding commitment and ability, ACS offered Declan full-time employment as a General Construction Operative.”

Homelessness

Wheatley Group is committed to tackling homelessness and rough sleeping in Scotland. We work in conjunction with local authority partners and other support agencies to make a sustainable difference and are proud to be a partner in the Housing First initiative. Housing First is a partnership set up to tackle rough sleeping by giving secure mainstream tenancies to people who are currently sleeping rough or living in hostels and other temporary accommodation.

In response to the pandemic crisis, we took the following immediate steps:

- provision of 400 homes to local authorities as temporary accommodation for the homeless
- 100 homes in addition to the 200 already delivered to Housing First

2,100 formerly homeless people and households moved into Wheatley-owned properties during 2020/21. This represents around 65% of new lettings in our major cities of Glasgow and Edinburgh and we remain committed on a long-term basis to make a minimum of 60% of new lettings to homeless individuals and households per annum.

Staff Wellbeing

The safety and wellbeing of our staff has always been a key priority for Wheatley Group, but the events of 2020 brought this into sharp focus.

Our communications team was tasked by Human Resources to create a new internal campaign to keep staff engaged, positive and supported with the new way of working and to ensure absence rates did not increase. It was important for staff to stay connected, especially for colleagues working remotely.

Our objectives were to:

- keep people connected and united in a sense of purpose;
- encourage people to feel a sense of belonging even though many were not seeing colleagues or their workplace;
- support people through feelings of isolation;
- let people know it was okay to need support and signpost them to where they could get it; and
- ensure people were engaged and connected, despite the challenges we faced.

We wanted to offer something outside of work to offer support to staff as well as some light



relief and the idea of the Family Hub was born. This was a brand-new area on our staff intranet offering a variety of information and activities to help staff during lockdown. The activities and support available included: zoom cooking sessions, a book club, fitness and dance sessions, quizzes, bingo and home-schooling advice.

We also hosted ‘coffee and chat’ and ‘space to speak’ drop-in sessions, offering staff an opportunity to connect virtually with colleagues. We also offered counselling support and signposted staff to our Employee assistance programme if they need further support. We have had excellent feedback from staff on these services with over 60 staff referrals for support.

Our “One Ton Challenge” focused on physical exercise, challenging staff to walk, run or cycle 100 miles in a month. Staff covered an amazing 9,600 miles! This has led to the introduction of walking, running and cycling clubs for staff with staff using Strava groups to connect with each other.

Living Wage, Gender Pay Gap and Staff Absenteeism

Although we do not have accreditation with the Living Wage Foundation, Wheatley Group pays all staff the Real Living Wage across all Group subsidiaries and is committed to increasing pay in line with the Real Living Wage in future years. Furthermore, we require all building contractors on our framework to adhere to paying the Living Wage.

Three of our Group subsidiaries meet the qualifying criteria for reporting the Gender Pay Gap (250 or more employees); GHA, Wheatley Care and Dunedin Canmore. Updated reports are due to be published in October 2021. The most recent published figures were issued in 2019/20, setting out the average difference in staff pay between men and women and are summarised below:

Wheatley Group Subsidiary	Mean gender pay gap
GHA	-25.8%
Wheatley Care	-3.9%
Dunedin Canmore	-3.6%

In all cases, the mean pay gap figure is calculated by adding up total pay and dividing by the number of staff and shows that women are, on average, paid more than men across these subsidiaries.

More detailed information is included in the Gender Pay Gap reports:

<https://www.gha.org.uk/about-us/how-we-do-business/gender-pay-gap>

<https://www.wheatley-care.com/about-us/how-we-do-business/gender-pay-gap>

<https://www.dunedincanmore.org.uk/about-us/how-we-do-business/gender-pay-gap>

Absence rates are reported in our Annual Return on Charter (ARC) to the Scottish Housing Regulator. As at 31 March 2021, absence rates measured by the percentage of working time lost for the Registered Social Landlord subsidiaries are set out below:

Wheatley Group Subsidiary	Absence rate to 31/03/21 % of working time lost
GHA	1.62%
Cube	1.90%
Loretto	0.44%
Dunedin Canmore	1.38%
WLHP	1.08%
DGHP	1.46%



Governance

Structure & Governance

The Group and each of our Registered Social Landlord subsidiary companies is regulated by the Scottish Housing Regulator (“SHR”) and complies with the SHR’s Regulatory Framework (“the Framework”) and Regulatory Standards of Governance.

A revision to the Framework was introduced in April 2019, creating a number of new obligations on the Group and changes in approach including:

- a requirement for RSLs (including Groups) to provide an ‘Annual Assurance Statement’ on their compliance with the Framework
- the introduction of public ‘Regulatory Judgements’ by the SHR setting out their view of an RSL
- additional Regulatory Standards in relation to organisational changes and disposals
- a more prescriptive requirement for RSLs to

embed equality and human rights in their decision making.

Wheatley Housing Group, and all Group subsidiary Registered Social Landlords confirmed compliance with all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework, all relevant standards in the Scottish Social Housing Charter and all relevant legislative duties.

While all subsidiary RSLs are registered charities, the Group Parent (Wheatley Housing Group Limited) is not, and is a private company limited by guarantee without share capital. The shareholders are the members of the Board, who each hold a single share with equal voting rights. The percentage of voting rights will change from time to time depending on the number of Board members but will generally be 7.15% (with 14



Board members).

Board & Trustees

The Wheatley Board comprises up to nine Non-Executive Directors, up to six subsidiary Chairs and the Group Chief Executive. The Board meets every two months and holds an annual two day strategy workshop. Due to Covid-19 restrictions, we revised the format of Board Meetings to hold these virtually via videoconferencing.

Non-Executive Directors are recruited based on a rolling three year succession plan which is reviewed and approved annual and aligns the skills and experience of the Board with both our strategic priorities and the legal and regulatory duties of the Board.

The Group Board has a gender split of 53% male and 47% female; with the non-executive directors split 50/50. The average age of Board Members is 58. There are currently no Group Board Members from BAME communities, although we do have BAME representation on subsidiary boards. In 2020/21 there was a 13% turnover due to the scheduled retirement of two Board Members. We operate a tenure limit of 9 years. The Group Chief Executive is the only executive team member of the Board with the remaining Board (currently 93%) being non-executives.

Our Group Chair, Alastair MacNish, will be retiring from the Board at our AGM this September after completing 9 years with Wheatley, with the last 6 as Chair. Jo Armstrong, who has served as a non-executive director with Wheatley Group since 2015 and has been the chair of our Group Development Committee, will formally take over as Group Chair at the AGM following a rigorous selection process.

The Board was most recently independently

reviewed by the Institute of Directors⁶ in August 2017. Independent consultants, Campbell Tickell, are currently in the process of a strategic governance review, which includes Board effectiveness, to be presented to the Group Board in August 2021. Their report will include the following key elements:

- review of our governance framework documents
- review of how our group structure operates in practice
- interviews with all Group Board members
- review of good and emerging practice

Our Auditors, KPMG, were appointed in September 2016.

Our Non-Executives are subject to an individual annual appraisal process to monitor their performance and identify any areas for continuous improvement. We support our Non-Executive Directors by having a Continuous Professional Development programme in place which draws on a range of external experts, including the Institute of Directors, Quality Scotland and our external legal advisors. This allows our Non-Executives to refresh and maintain the key skills and experience they require to discharge their duties.

Systems & Risk Management

The Board of Wheatley Housing Group is responsible for ensuring that an effective system of internal financial control is maintained within all members of the Group. The Board has established a framework for providing effective internal financial control including:

- documented, up to date corporate Governance arrangements including regular meetings of the Board, and Subsidiary Boards, which have a schedule of matters that are specifically reserved for approval and are the subject of

⁶<https://www.iod.com/services/information-and-advice/resources-and-factsheets/details/Board-Effectiveness>

- regular standard reports as required;
- written policies and procedures including Standing Orders setting out delegated authorities across Group Subsidiaries and organisational structure to support business processes and with clear lines of responsibility;
- employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal personal development programme;
- adoption of a risk-based approach to internal control and maintenance of risk registers which evaluate the likelihood and impact of identified corporate risks, designate responsibility for monitoring and reporting progress against the Group's key risks;
- financial plans and budgets supporting strategic and operational financial targets, monitoring and forecasting performance against targets and key performance indicators, all of which are reviewed by the Board; and
- conflicts are handled through a specific agenda item at the start of every meeting and this is on the basis of the terms of Article 38 of our Articles of Association 'Interests'

The Group Board is supported in discharging its duties by three sub-Committees: Remuneration, Appointments, Appraisal & Governance; Group Audit; and Group Strategic Development. The sub-committees are made up from members of the Group Board. Key responsibilities of the sub-Committees are set out below:

- Remuneration, Appointments, Appraisal & Governance Committee is responsible for approving the process for recruitment, selection, succession planning and appraisal of Board members and for ensuring Board members within the Group have the necessary balance of skills and experience to fulfil their roles. The committee evaluates and reviews the Group's governance framework on an ongoing basis. The committee makes recommendations to the Group Board regarding the terms and

- conditions of the Group Chief Executive.
- Group Audit Committee is responsible for oversight of the Group's system of internal control, compliance assurance and risk management. It is responsible for approving the Internal Audit plan and ongoing monitoring of its implementation. It also oversees the external audit process, including agreeing the annual external audit plan and undertaking a detailed review of financial statements. The committee is responsible for reviewing the effectiveness of the overall risk strategy and reviews the strategic risk register. Our Group Audit Committee is chaired by a Chartered Accountant, who is a retired Finance Director in the banking sector. Additionally, the Committee has a business economist and Banking solicitor who specialises in leveraged finance transactions. In total this represents 60% of the Committee.
- Group Strategic Development Committee is responsible for reviewing any new major strategic projects and initiatives on behalf of the Group Board, in particular fundraising and strategic partnerships.

Individual subsidiaries each have their own Board which is responsible for setting their strategy which aligns with the overall Group strategic direction and reflects their unique circumstances and customer priorities. Each subsidiary Board is composed of Non-Executive Directors based on its own individual skills matrix and across the Group. 25% of our governing body members are tenants who live in our communities.

Risk Management is the responsibility of everyone in the organisation, whether or not they have a formally defined role in the process. Risk Management forms an integral part of the culture and the way the Group is run. Risk Management plans are incorporated and embedded into business plans of all departments of the organisation.



Supply chain

The Group's procurement and sustainability strategies ensure compliance with sections 24 and 25 of the Procurement Reform (Scotland) Act 2014 which sets out requirements that:

- public contracts over the value of £4 million will incorporate appropriate community benefit requirements and opportunities; and
- delivering community benefits is a core part of contract compliance.

We have embedded commitments to include social value into our procurement processes by way of our 'Community Benefits' approach. We require our partners to deliver a minimum number of work placements, training opportunities, apprenticeships, new jobs, mentoring and a charitable contribution per property as an integral requirement of working with Wheatley Group.

Community Benefits are required for all goods and services procurements valued above £500k

and for all new build contracts greater than £2 million. The commitments from our contracting partners increase steadily based on the value/banding of the contract (i.e. for a Band 9 new build contract which is for projects greater than £18 million, our contractor would have to deliver a minimum of 19 work placements and training places, 8 apprenticeships, 10 new jobs and £775 charitable contribution per new build unit.

Wheatley Group creates successful and attractive places, with housing of high quality that contributes to environmental sustainability. New housing should sit comfortably in its environment and have a positive impact on the quality of life of residents. Our standard development brief documentation used to initiate any new development project includes clear principles which ensure our contractors will centre environmental sustainability in our new build projects. General design objectives include commitments to energy efficiency, sustainability, access to green spaces and landscape design with highlights set out below:



- the construction of energy-efficient housing is a key objective, primarily to tackle the fuel poverty which blights the lives of many of our tenants
- the adoption of a ‘fabric first’ approach to energy efficiency. High insulation standards should be achieved, and U-values for the enclosing envelope of the building should be as low as construction costs and related design considerations will allow. Construction details and specification should be designed to minimise air infiltration
- environmental impact must be considered at every stage in a project, so that environmentally sensitive and sustainable development can be achieved
- established principles of sustainability must be addressed by the design team, with due reference to the Sustainable Housing Design Guide for Scotland 2007, and to any complementary in-house guidance
- our sustainability standards will be reviewed on a regular basis, particularly as the Scottish Building Standards are made increasingly demanding. We want to be able to achieve constantly improving standards, both to benefit our tenants and also to meet the Government’s ambitious targets for reduction in carbon emissions
- attractively designed buildings and neighbourhoods, which will attract customer demand well into the future, and avoid low demand and premature demolition, are also a sustainability feature
- green space provision should be established in the outline proposals, and not compromised as the design is developed
- where appropriate, trees should be introduced at strategic points within new development to complement new landscaping. Existing trees should be carefully surveyed and shown on proposed site plans, retained where possible
- many sites have existing planting that may be retained. Existing soft landscape features should be assessed at an early stage, and their ecological and amenity value determined
- specification of planting for soft landscaped areas should be done by a landscape architect, and should reflect site conditions, ecological value as well as maintenance liability, which should be clearly assessed. Planting of suitable species of tree close to buildings is particularly desirable, in both public and private gardens.