



# ESG Report 2024

*Making sustainability*

part of everything we do



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## Who we are

The Peabody Group is responsible for more than 108,000 homes in London and the Home Counties. We provide support and advice to more than 220,000 residents and care and support services to around 26,300 customers. Helping these people become healthier, wealthier and happier is at the heart of everything we do.

We invest in residents' homes to make sure they're safe, well maintained and as energy efficient as possible. We strive to continuously improve, talking to residents and working with partners to make sure we're delivering the right services and support, and always providing value for money.

Where we can, we work in partnership to deliver new high-quality, affordable homes and sustainable urban regeneration to help address the housing crisis. We're improving the energy efficiency of thousands of homes so they're better for the environment and cost residents less to heat. And we're working hard to reduce our carbon emissions.

Our 3,800 colleagues are focused on doing what's right for residents. And we, as an organisation with more than 160 years' history of helping those in need, are committed to treating everyone equally and supporting people to fill their potential.



# Highlights

## Environmental

**78.6%**

of homes rated EPC C or above



**98.4%**

of new homes rated EPC B or above



**£371m**

spent maintaining and improving residents' homes



## Social

**£721m**

social rent subsidy



**£10m**

invested in community activities



**2,400**

people helped by our Financial Inclusion team



## Governance

**3,800**

colleagues paid at least the Real Living Wage or London Living Wage



**459**

colleagues took training courses



**£12m**

of social value generated by contractors and suppliers



# Foreword by Ian McDermott

Chief Executive Officer

Our purpose is to help people flourish. To do this, we invest in residents' homes to make sure they're safe, well maintained and as energy efficient as possible. We strive to continuously improve our services, making sure we provide the right support for residents and colleagues. And we do what we can to reduce our carbon emissions and increase biodiversity.

By doing these things, we're making sure that sustainability – and that includes the 48 Sustainability Reporting Standards (SRS) outlined in this ESG Report – is part of our everyday business. We're placing a value, and accountability, on the environmental and social impact we make and the governing structure in which we operate. We're also working closely with residents to find ways that they can help shape what we're doing and hold us to account.

As you'll see in the report, we're making progress. We're listening to residents and focusing on local neighbourhoods to make sure we provide the support and services that people really need. We're investing in residents' homes through a programme of planned improvements and making energy efficiency upgrades where we can. We're allocating more resources for local repairs teams to minimise disruption and get jobs done quickly and efficiently. And we're expanding our complaints team and investing in new technology so we can address issues more easily and learn when things go wrong.

At an average of £137 a week, Peabody rents were £721m lower than market rates last year. We spent £371m improving and maintaining residents' homes in line with our plans to spend around £2bn over five years. And we built 1,204 new affordable homes. We're doing what we can to upgrade our green spaces to help improve residents' health and wellbeing and make us more resilient to climate change and flooding. But our carbon footprint has increased. Much of this can be attributed to the work we're doing to maintain and improve residents' homes and it's something we're working hard to address.

Through the Peabody Community Foundation, we invested £10m in local communities, helping fund and support a wide range of programmes and projects that provide financial and welfare support to residents. Our Financial Inclusion team received almost 2,400 referrals and helped increase residents' income by £2.2m.

Four years after we helped create the SRS for Social Housing, the joint challenges of the high cost of living and our ever-changing climate show no signs of abating. As a large provider of social housing, with more than 108,000 homes, around 220,000 residents and 26,300 care and support customers, we know we have a big part to play in addressing these issues. We've laid out our plans in our [Environmental Sustainability Strategy](#), our [Sustainability Action Plan](#) and our [Community Investment Strategy](#). And, by publishing our SRS results in this report, we're holding ourselves to account and setting targets for the future.



# Taking action today for a better tomorrow

We want residents to live in energy-efficient homes that are safe and affordable, as well as being comfortable and enjoyable places to live. A more energy-efficient home reduces the need for heating, helping reduce residents' energy bills. And it helps us reduce our carbon footprint and get closer to our target of becoming net zero by 2050.

Nearly 80 percent of residents' homes were rated EPC C or above at the end of March 2024, with an average SAP rating of 73.9. By comparison, the average SAP rating for homes in England is EPC D (SAP 68). Of the new homes we built, 8.4 percent were rated EPC A and 98.4 percent EPC B. Nine homes from historic building programmes narrowly missed the EPC B rating.

During the year, we improved 854 homes to bring them up to EPC C standard. This included replacing insulation, upgrading windows and doors, and improving ventilation as part of the Greater London Authority's (GLA) retrofit scheme and the second wave of the government's Social Housing Decarbonisation Fund (SHDF).

## >> Carbon footprint

Shrinking our carbon footprint is essential if we're to meet our net zero goals. But achieving this, while also spending more on maintaining and improving residents' homes and building new homes, is proving difficult.

During the year, our overall footprint (scopes 1, 2 and 3) increased by 3.6 percent. This increase can largely be attributed to the huge amount of building maintenance and construction work we're doing. During the year we spent £371m maintaining and improving residents' homes and £495m developing new homes. Reducing our emissions is a priority and we'll continue to work hard in this area.

## >> Enhancing green space

Green spaces can help make us more resilient to climate change and flooding, increase biodiversity, help urban cooling, and help improve residents' wellbeing. Our [Sustainability Strategy](#) and [Sustainability Action Plan](#) lay out plans for maintaining our open spaces, improving access to green areas and regenerating local eco systems. We're also committed to improving the biodiversity of new developments by 10 percent.

Regeneration, with a focus on improving the whole place, is a priority. And in Thamesmead, where we're improving, growing and looking after the town for the long term, we're seeing the benefits of our investment in buildings, outdoor spaces and communities. Find out more in our impact report, [Looking after Thamesmead](#).

Elsewhere, green spaces and biodiversity are a crucial part of the 1,228-home regeneration at Friary Park in West London. More than a third of the six-acre development is being landscaped for green space, with a series of courtyard gardens, woodland pockets, allotments and an eco-walk – all designed in partnership with Royal Botanic Gardens, Kew.

## >> Looking ahead

We're continuing to reduce the environmental impact of our estate services, switching to plant-based chemicals and cleaning products, and reducing the amount of water and plastic we use. We're mapping our blue and green spaces and using this data to help identify opportunities for improvement. We recycle all our garden waste locally and are doing what we can to use responsibly sourced materials in our building work.

During the year, we implemented an energy management system to record the amount of gas, electricity, and eventually water, we use. This will show us where we can cut our usage and in turn, reduce our bills and lessen our environmental impact.



# Greening grey areas brings benefits to *people and nature*



Two previously grey 1960s housing estates, home to 1,700 people in South Thamesmead, are now bright, beautiful, biodiverse spaces thanks to the award-winning first stage of a £10m transformation of public space.

The work is part of our long-term regeneration of Thamesmead, where improving open spaces for both people and nature is a key priority. Better access to open space can help address major health issues such as obesity, diabetes and heart disease, as well as supporting mental wellbeing and relieving stress. And by improving biodiversity by 20 percent, we've made the area more welcoming to new species of plants and animals.

Prior to the transformation, both neighbourhoods had a limited range of trees, many of which were too big for their surroundings. They were blocking natural light from homes and causing damage with their roots. There were large areas of concrete and very few plants, meaning the area looked bland and unwelcoming. Though maintained, the green spaces hadn't been improved or significantly invested in since the estates were built over 60 years ago.

With a view to improving the day-to-day experience of people living on the estates and creating new habitats for nature, we set about 'greening up' the grey areas. The project was guided by our Green Infrastructure Strategy and Biodiversity Action Plan. Both aim to enhance and connect natural spaces, and create healthier and more social places, climate resilient places.

#### **What did we do?**

- Planted a mix of trees better suited to the space, replacing those that weren't thriving or were too intrusive.
- Planted long-living plants offering rich texture and a long season of flowering colour.
- Used a mix of native and semi-native plants of varying heights and fullness to attract pollinating insects and extend the flowering season.
- Added nesting boxes and fruit trees to promote biodiversity.
- Created rain gardens to improve drainage and help prevent flooding.
- Introduced new lighting, play and seating areas.



As part of the project, we also trained our Environmental Services team in horticulture so they could help make sure the area flourished.

We involved members of the local community throughout the design and construction process through surveys, drop-in sessions and other activities, such as planting days and birdbox making sessions. Feedback has been positive, with many local residents saying how much better the areas looks and feels.

We've learned a lot from the first stage, including the importance of involving the local community in what we're doing, monitoring progress, and having a plan for how to maintain the space. We're now working on finalising the second stage of improvements nearby. This includes landscaping more than three hectares of shared space, including an underused green chain walk. These changes are being made in close collaboration with a diverse community group, trained and paid the London Living Wage for their involvement.

#### **Project partners:**

Designers LUC and Levitt Bernstein Associates,  
and contractors idverde.

# Our social impact matters

The cost-of-living remains high, and many people are still feeling the impact. At an average of £137 a week our rents are significantly lower than market rates. And by listening to residents and working with partners, we also seek to provide the right support and advice in local communities.

## >> Supporting residents

During the year, we helped set up the London Food Insecurity Network (LFIN) with the ambitious aim of ensuring no social housing resident in London goes to bed hungry. The network brings together housing associations, the housing sector charity, HACT, food providers and food waste charity, the Felix Project, to explore ways of addressing food inequality. Its first major collaboration was the Winter Markets Project, which provided fresh and store cupboard ingredients - much of which would otherwise have gone to landfill - to Londoners in December 2023. This is not just a winter project though. We now have 29 food pantries across the capital supporting residents who are struggling to pay for food. All the locations provide free or discounted food for local people, as well as an opportunity to meet other locals and maintain residents' mental health.

During the year, we increased our critical support provision, providing 847 energy vouchers to help residents with their heating bills. And we referred 376 people to the Local Energy Service (LEAP) and Pocket Power for help with reducing their bills. Of those, 203 successfully saved on average £233 each. Demand for our financial inclusion services remained high, with almost 2,400 referrals to the team, which helped increase residents' income by £2.2m.

## >> Communities

Our Christmas hamper appeal provides essential support to families at what can be a particularly difficult time of year. Last year, the programme distributed 313

food vouchers through referrals from our neighbourhood teams, and 184 families also received toy vouchers. Our annual Winter Warmers programme to check in on older residents is also very valuable. We successfully contacted more than 1,600 people and referred them onto a range of different support services, including our Financial Inclusion team.

In total, through our Peabody Community Foundation, we invested £10m in local communities. This included providing over 48,000 hours of free activities, opening two new community spaces, and awarding more than £220,000 in small grants to local voluntary and community groups. We also supported 26,300 people through our care and support services.

## >> Resident voice

Overall resident satisfaction was 52 percent. We're working hard to improve this by listening to residents and giving them the chance to influence how we work. We offer a flexible range of opportunities at every level of the organisation, including our Resident-Led Panel who oversee resident engagement activity and sub-groups focusing on homeownership, communications and complaints. We're developing regional forums so we can tailor our engagement activities across individual neighbourhoods, driven by regional insight and feedback. And we support local Tenant and Resident Associations to resolve local issues and champion engagement opportunities.

## >> Looking ahead

Our focus will continue to be on residents, making sure we provide the homes, services and support they need. By working closely with them in their own neighbourhoods, we'll be able to address issues more easily and learn when things go wrong. We're also focused on partnerships, working with like-minded organisations, contractors and suppliers to make sure we provide the right service in the right area.



# Community support comes in many shapes and sizes



There's much more to a local community centre than meets the eye. For some people it's a base to meet up and chat, attend a fitness class or pick up information. For others it's a place where they can find activities to keep their children entertained or meet like-minded parents. But for one young person, their local centre is like a second home – a place of solace where they feel they can be their true self.

“I come here (to the youth club at Pembury Community Centre in Hackney) basically every day. It's like my second home... it's been part of my daily routine for years. I come home from school and then straight to youth club. I feel like I can be my true self.”

“I hate school - coming here helps. I can actually have fun and enjoy myself. It takes a lot of things off my mind.”

Supported by the Peabody Community Foundation (PCF), the youth programme at Pembury helps young people as they move into adulthood. It provides after-school and holiday youth clubs, as well as football coaching, performing arts groups and a fashion and textiles programme. It also runs a range of other specialised activities and trips all aimed at building young people's confidence, providing them with safe spaces to explore their creativity, and promoting physical and mental health.

### Helping boost people's confidence

But the centre's not just for teenagers. The Communities team in Pembury also works with a range of local partners to help provide support for all ages. It offers free baby groups, workshops, and a range of social clubs and activities aimed at reducing isolation and promoting health and wellbeing. It also encourages residents to build their own networks.

One mum who brings her daughter with autism and selective mutism to art sessions at the centre really appreciates the way it's helping boost her daughter's confidence. “Having these sessions locally has really benefited my daughter as she can't use any form of public transport. This has been a great opportunity for her to be creative in a fun, safe place.”

Each year, the PCF empowers residents to bring their own ideas to life through its microgrant programme. Residents can apply for £500 to run their own community events, workshops or activities that benefit their local community. During the year, local residents received £2,500 to help run a range of activities, including a community Windrush event, yoga and wellbeing classes, a bingo club for older members of the community, and a children's and family community day.

### Working together to help families out of poverty

Another example of helping to empower residents is the Make and Mend Course at Pembury. A partnership between Peabody and Kundakala, the course helps teach women basic tailoring, alterations and sewing skills. Participants are able to sell the things they make through the Kundakala Collective's website and at markets.

For some residents, like Nadine, the course has helped her believe in herself. “It's built my confidence and self-esteem because I'm engaging with new faces. I've learnt that whatever you set your mind to do you can achieve.”

As well as learning how to use and look after a sewing machine and work with different materials, Nadine has been shown how to plan and organise her work. She's now selling her own purses, tote bags and laptop cases. “I was taken aback by this,” she says. “I've never done anything like this before.”



# Providing the right *governance framework*

As a not-for-profit housing association, we're required to meet certain regulatory standards. These ensure that we're well governed, financially viable and meet high standards of customer service. But there's more to it than just meeting requirements. Without the right governance structure and input from leadership, colleagues and residents, we wouldn't be able to provide the high levels of service and support needed for everyone to thrive.

## >> Leadership

Our Board, committees and leadership team bring a wide range of skills, experience and knowledge to their roles. Together, they combine their passion for our purpose with the need for a strong focus on performance. We have two resident members on the Board, which meets periodically with our Resident-Led Panel. We also have a Resident Experience Committee, which is chaired by a resident member of the Board. Four of the six members of the committee are residents.

Our newly appointed Chair, Caroline Corby, joined on 1 April 2024 after a rigorous recruitment process that included residents. Along with other Board members, Caroline regularly attends events and meets residents. She is passionate about making sure that we listen to, and learn from, residents and has taken on the role of lead Board member for complaints. As part of this, Caroline's working closely with the Complaints team to scrutinise how we handle issues and make sure they're dealt with appropriately and at the earliest possible stage.

## >> Managing risk and regulation

ESG risks, including those relating to sustainability, net zero and carbon retrofitting, are recorded on the Group Risk Register and presented to the Board

every six months. We're currently working to ensure we're ready for the new International Financial Reporting Standards (IFRS) requirements and mapping out plans to minimise our climate-related risks.

## >> Equality, diversity and inclusion

We foster a culture where every colleague feels valued, respected and empowered to bring their whole self to work. By doing this, we're creating an inclusive organisation that's able to attract and retain the most diverse talent. All our colleagues, including those working in Care and Support, are paid at least the Real Living Wage or London Living Wage.

We have a wide range of colleague networks, such as family, gender and LGBTQ+, and our colleague forum gives people across the organisation the opportunity to influence things that affect them.

Our median gender pay gap for the year to the end of March 2023 – the latest period for which figures are available – is 5.6 percent. This compares with 8.1 percent a year earlier. We're committed to reducing this and achieving greater diversity across the organisation, including on the Board. And we have a range of bespoke development and progression programmes to help recruit and promote people from diverse groups.

## >> Supporting colleagues

We support colleagues' physical and mental health in a variety of ways, including offering a range of health, wellbeing and money saving benefits. During the year, we supported 459 colleagues to take training courses (either provided by ourselves or external organisations) and at the end of March 2024, 16 colleagues were signed up to the Peabody Apprenticeship Programme.

Looking ahead, we plan to enrol 100 apprentices in the coming year, adding programmes such as people management and care worker skills, as well as offering functional skills like English and maths.



# Working with like-minded organisations to create value for residents



Everything we do as an organisation aims to benefit residents. Whether it's providing affordable, safe and secure homes that people want to live in, or the support and advice that can help them thrive. So it makes sense that we want to do business with like-minded organisations. Over the past year, our suppliers, contractors and partners generated more than £12m in social value – that's money that benefits residents and the those living in the communities in which we operate.

### Helping with the high cost of living

One of those is TCL Group, a construction services company that specialises in property maintenance and refurbishment. For us, they look after any faults or defects that occur in the early stages after a new housing scheme has been delivered. For the communities in which we both operate, they provide vouchers and supplies to help people struggling with the high cost of living.

During the past year, TCL has delivered almost £600,000 worth of social value in the form of shopping vouchers for major food and household retailers or packs of key household supplies for cleaning and maintenance. They are distributed to areas that our Communities team identifies as being in need and have so far supported estates in Westminster and Waltham Forest.<sup>1</sup>

### Helping create future talent

Elsewhere, KBH Haus, a fire safety and repairs contractor, provided four construction services apprenticeships and support and advice to 24 students at Barking Abbey School in Essex during the year.

KBH colleagues also regularly roll up their sleeves and provide voluntary support for building and decorating projects on Peabody estates and elsewhere in the community. During the year, they helped build and install new benches and planters at Richard Cloudesley School in Islington and provided level paving to ensure mobility access for all students. They also put in new flooring, heating and bathroom facilities at the community centre on the Cumberland Market Estate in Camden.



Across a broad range of outcomes, including supporting confidence and careers development for young people and adults, financial inclusion and improved greenspaces and community facilities, KBH produced nearly £6.2m of social value during the year.<sup>2</sup>

### Championing and embedding social value

Partnerships such as those with TCL and KBH are examples of us working with like-minded organisations. To ensure this happens, in 2023 we introduced a 20 percent social value weighting in all new contracts with significant suppliers. As well as delivering quality and value for money, anyone looking to work with us must demonstrate clear social and economic benefits to local residents and communities. This followed a two-year trial, which generated an estimated £20m worth of social, economic and environmental benefits for communities.

<sup>1</sup> For this project, social value is measured in terms of the number of recipients who experience improved financial comfort and therefore less strain on their ability to meet the rising costs of day-to-day needs. The proxy value outcomes represent a complex consideration of wellbeing improvements (earnings potential and improved health), as well as savings to the state on social programmes. In the case of TCL's support, this has been monitored and valued using the HACT Social Value Insight tool.

<sup>2</sup> The total social value figure for KBH Haus comes from a combination of reports received on the Social Value Portal (previously utilised by Peabody) and the HACT Social Value Insight Tool (which was implemented within the 2024 financial year).

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response																	
Climate change	C1	Core	Distribution of EPC ratings of existing homes (those completed before the last financial year).	A – 0.7% B – 21% C – 57% D – 20% E or below – 1.3%																	
	C2	Core	Distribution of EPC ratings of new homes (those completed in the last financial year).	A – 8.4% B – 90% C – 1.6% 9 marginal (SAP 77 to 80)																	
	C3		Does Peabody have a net zero target and strategy?  If so, what is it and when does Peabody intend to be net zero by?	- Our goal is to achieve net zero by 2050. This requires all homes to have an EPC rating of at least EPC B. - We have an interim goal of all homes being EPC C by 2030.																	
	C4	Enhanced	What retrofit activities has Peabody undertaken in the last 12 months in relation to its housing stock?  How do these activities align with, and contribute towards, performance against Peabody’s net zero strategy and target?	- We carried out retrofit work on 854 homes to bring them up to EPC C. That’s equal to 4.4% of the total 19,500 targeted for sustainability improvements across the whole Group. - Of those, 817 were Peabody homes, with 390 being part of the GLA retrofit scheme and 427 part of SHDF wave II. The remaining 37 were TCH homes that had new windows. - Looking ahead, we’re aiming for all residents’ homes to be rated EPC C by 2030. As part of this process, a further 2,363 TCH homes will be retrofitted to bring them up to EPC C standard by 2027 in line with the TCH sustainability strategy. - Overall Peabody Group has 22,389 rented homes currently rated below EPC C. - All these retrofit activities help improve the energy efficiency of residents’ homes, reducing the need for heating and directly contributing to lowering our scope 3 emissions. Our homes are the largest contributor to our emissions (46.6% not including scopes 1 and 2), so improving their energy efficiency is essential if we’re to meet our net zero target. - Improving efficiency also aligns with our commitment to provide comfortable homes where residents want to live.																	
	C5	Enhanced	Scope 1, 2 and 3 greenhouse gas emissions. (Full Carbon Report)  Scope 1, 2 and 3 greenhouse gas emissions per home. Intensity ratios. (SECR)	<table border="1"> <thead> <tr> <th></th> <th>2024 Kg CO2e</th> <th>2023 Kg CO2e</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>19,445 Kg CO2e</td> <td>17,495 Kg CO2e</td> </tr> <tr> <td>Scope 2</td> <td>10,234 Kg CO2e</td> <td>8,402 Kg CO2e</td> </tr> <tr> <td>Scope 3</td> <td>187,838 Kg CO2e</td> <td>185,562 Kg CO2e</td> </tr> <tr> <td>Scope 4</td> <td>-1,764 Kg CO2e</td> <td>-2,050 Kg CO2e</td> </tr> <tr> <td>Scope 1, 2 and 3 per home</td> <td>2.12 tCO2</td> <td>2.15 tCO2</td> </tr> </tbody> </table> <p>2.12 TnCo2 per home managed (Full Carbon Footprint) 204.56TnCo2 per £1m of turnover (SECR) 376.61 TnCo2 per £1m of turnover (Full Carbon Footprint)</p>		2024 Kg CO2e	2023 Kg CO2e	Scope 1	19,445 Kg CO2e	17,495 Kg CO2e	Scope 2	10,234 Kg CO2e	8,402 Kg CO2e	Scope 3	187,838 Kg CO2e	185,562 Kg CO2e	Scope 4	-1,764 Kg CO2e	-2,050 Kg CO2e	Scope 1, 2 and 3 per home	2.12 tCO2
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## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response																																																
Climate change	C6	Enhanced	How has Peabody mapped and assessed the climate risks to its homes and supply chain, such as increased flood, drought and overheating risks?	<p>Coastal flood risk: Fewer than 0.12% of homes at high risk. High surface flood risk (1 in 30-year event): 0.57%</p> <table border="1"> <thead> <tr> <th>River coastal flooding</th> <th></th> <th>1 in 30 flood</th> <th></th> </tr> </thead> <tbody> <tr> <td>High</td> <td>122</td> <td>TBR</td> <td>275</td> </tr> <tr> <td>Medium</td> <td>730</td> <td>N</td> <td>51,233</td> </tr> <tr> <td>Low</td> <td>697</td> <td>Y</td> <td>348</td> </tr> <tr> <td>Very Low</td> <td>5,989</td> <td>Not applicable</td> <td>56,644</td> </tr> <tr> <td>Grand Total</td> <td>108,500</td> <td>Grand Total</td> <td>108,500</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>1 in 100 flood</th> <th></th> <th>1 in 1000 flood</th> <th></th> </tr> </thead> <tbody> <tr> <td>TBR</td> <td>275</td> <td>TBR</td> <td>275</td> </tr> <tr> <td>N</td> <td>50,646</td> <td>N</td> <td>47,549</td> </tr> <tr> <td>Y</td> <td>935</td> <td>Y</td> <td>4032</td> </tr> <tr> <td>Not applicable</td> <td>56,644</td> <td>Not applicable</td> <td>56,644</td> </tr> <tr> <td>Grand Total</td> <td>108,500</td> <td>Grand Total</td> <td>108,500</td> </tr> </tbody> </table>	River coastal flooding		1 in 30 flood		High	122	TBR	275	Medium	730	N	51,233	Low	697	Y	348	Very Low	5,989	Not applicable	56,644	Grand Total	108,500	Grand Total	108,500	1 in 100 flood		1 in 1000 flood		TBR	275	TBR	275	N	50,646	N	47,549	Y	935	Y	4032	Not applicable	56,644	Not applicable	56,644	Grand Total	108,500	Grand Total	108,500
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How is Peabody mitigating these risks?	<p>Overheating risk: Less than 2% of homes at high risk. We use the SAP rating for each home to assess the likelihood of them overheating during hot weather.</p> <p>For each of our new homes, we also undertake an overheating risk analysis, ensuring the design of buildings are carefully balanced, considering risk of overheating, noise discomfort, safety, and daylight in the home.</p> <p>We know that improving our green spaces and providing more shade, will help mitigate excess heat.</p> <p>Climate change is a key designated risk monitored quarterly by the Audit and Risk Committee (ARC).</p> <p>Alongside the sustainability team, ARC report to the executive and board of directors about climate-related risks using quarterly sustainability KPIs and in-depth annual reports on financial, regulatory and physical climate risks.</p> <table border="1"> <thead> <tr> <th>Overheating risk</th> <th>Units</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>2,035 (1.8%)</td> </tr> <tr> <td>Medium</td> <td>9,616 (8.5%)</td> </tr> <tr> <td>Slight</td> <td>47,252 (41.8%)</td> </tr> </tbody> </table>	Overheating risk	Units	High	2,035 (1.8%)	Medium	9,616 (8.5%)	Slight	47,252 (41.8%)																																											
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Slight	47,252 (41.8%)																																																			

\* Please note, these calculations relate to the homes for which we had the relevant data as of the end of March 2024. There are 323 homes for which the data was not available.

We're continuously monitoring and assessing our homes for flood risk using the Environment Agency's definition of flooding from rivers and the sea, and the lead Local Flood Authority's definition of surface water flooding. The risk to homes in London is minimised and river flooding is reduced by the Thames Barrier. Homes which are further down the river in Dagenham and Thamesmead are further protected by flood barriers which are maintained by The Environment Agency.

All new estates have Sustainable Urban Drainage Systems (SUDs) to help with the damage caused by sustained rainfall in urban areas, as mandated by the London Plan's policies for developments. And all our new homes are built away from flood plains and are designed with ventilation and shading in mind.

Our Insurance team are currently working on an in-depth flood risk analysis management report.

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Ecology	C7	Enhanced	Does Peabody have a strategy to enhance green space and promote biodiversity on or near homes? If yes, please describe with reference to targets in this area. If no, are you planning on producing one in the next 12 months?	<ul style="list-style-type: none"> <li>- Our <a href="#">Sustainability Strategy 2023-26</a> maps out how we plan to maintain our open spaces, improve access to green space and regenerate local ecosystems. The strategy also includes a commitment to meet the government's 10% biodiversity net gain requirement for new developments. We see the 10% figure as a minimum, and review each scheme individually to ensure we're maximising the opportunities to promote biodiversity within our developments.</li> <li>- We're also developing a New Homes Sustainability Framework, which will further inform our approach to biodiversity and green spaces.</li> </ul>
	C8	Enhanced	Does Peabody have a strategy to identify, manage and reduce pollutants that could cause material harm? If so, how does it target and measure performance?	<ul style="list-style-type: none"> <li>- As outlined in our <a href="#">Sustainability Strategy 2023-26</a>, we're continuing to reduce the environmental impact of our estate services by switching to plant-based chemicals and cleaning products. We're also reducing the amount of water and plastic we use.</li> <li>- We weed our garden shrub beds by hand and recycle all our garden waste locally.</li> <li>- We're aware of the vital role open spaces play in improving air quality and absorbing gaseous pollutants like carbon and are doing what we can to improve these.</li> </ul>
Resource Management	C9	Enhanced	Does Peabody have a strategy to use, or increase the use of, responsibly sourced materials for all building and repair works? If so, how does it target and measure performance	<ul style="list-style-type: none"> <li>- We responsibly source all our building materials, making sure our new homes are more energy efficient. We do what we can to build more efficiently, using fewer materials or substituting materials where lighter or lower impact materials are available. All our building materials come from sustainable sources, for example, we use FSC timber as standard. And where we can, we consider longer life structures, materials and systems.</li> <li>- As outlined in our <a href="#">Sustainability Strategy 2023-26</a>, we use whole life-cycle carbon assessments to monitor the impact our homes have on the environment. These assess the materials, construction and the use of a building over its entire life.</li> <li>- We're also in the process of developing a new Homes Sustainability Framework, which will monitor the performance of our new homes against four broad themes. These are resource efficiency, natural resilience, social value and health and happiness. Each project will report its performance against the framework.</li> </ul>
	C10	Enhanced	Does Peabody have a strategy for waste management incorporating building materials? If so, how does it target and measure performance?	<ul style="list-style-type: none"> <li>- As outlined in our <a href="#">Sustainability Strategy</a> we track waste from our corporate sites through our energy management system. As well as showing how much energy we use, it also helps highlight areas of waste.</li> <li>- Eleven of our offices recycle 80 percent of their waste.</li> <li>- We're working with local councils to help create reliable waste collection systems and recycling facilities. This will make it easier for residents to recycle and help increase recycling rates across all our estates.</li> <li>- In line with the <a href="#">London plan</a>, we carry out Circular Economy Statements on new developments. These outline how we design homes that limit construction waste, as well as reuse and recycle materials for longevity and to adapt to changing needs. Our New Homes Sustainability Framework, which is currently being developed, will also further inform our approach to recycling and waste management of building materials.</li> </ul>
	C11		Does Peabody have a strategy for water management? If so, how does it target and measure performance?	<ul style="list-style-type: none"> <li>- As part of our <a href="#">Sustainability Strategy</a>, we look at how we use and dispose of water, as well as how we manage our natural wetland environments.</li> <li>- Our energy management system will initially monitor and record how much gas and electricity we use and supply to residents before expanding to include water. Usage is currently assessed through retrospective billing data.</li> <li>- Our Wetland Management Programme looks at how we manage our canals, lakes and marshland areas with a view to increasing biodiversity. So far, work has included the rehabilitation of bankside habitats, and the implementation of urban drainage facilities and rain gardens.</li> </ul>

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Affordability and security	C12	Core	For properties that are subject to the rent regulation regime, report against one or more affordability metric: 1) Rent compared to median private rental sector (PRS) rent across the relevant Local Authority. 2) Rent compared to the relevant Local Housing Allowance (LHA).	- 39.6% of PRS rent - 55.5% of LHA rent
	C13	Core	Share, and number, of existing homes (owned and/or managed) completed before the last financial year allocated to: - General needs (social rent) - Intermediate rent - Affordable rent - Supported Housing - Housing for older people - Low-cost home ownership - Care homes - Private Rented Sector - Other	63,549 (59%) 3,269 (3%) 8,228 (7.7%) 3,848 (3.6%) 2,660 (2.5%) 11,229 (10.4%) 124 (0.1%) 2,389 (2.2%) 12,219 (11.3%)
	C14	Core	Share, and number, of new homes (owned and/or managed) that were completed in the last financial year, allocated to: - General needs (social rent) - Intermediate rent - Affordable rent - Supported Housing - Housing for older people - Low-cost home ownership - Care homes - Private Rented Sector - Other	322 (24.6%) 16 (1.2%) 404 (30.9%) - - 478 (36.5%) - - 88 (6.7%) (This total doesn't include half of the Friary Park joint venture as reported in the Group Annual Report numbers.)
	C15	Core	How is Peabody trying to reduce the effect of high energy costs on its residents?	- 78.6% of residents' homes have an energy rating of EPC C or above. This means they're easier to keep warm and cost less to heat. - Last year we referred 376 people to services like the Local Energy Advice Service (LEAP) and Pocket Power to get advice on reducing their energy bills, switching tariffs, and tips on how to reduce fuel use and better understand their smart meter. Of those referred, 204 people saved on average £233 each. - We direct residents to other useful resources, such as the government's warm home scheme, utility company hardship funds and warm banks – free spaces where people can go to keep warm. - As part of our annual winter warmers scheme, we helped 1,608 people with things like referrals to our Financial Inclusion team or other hardship funds and help with getting repairs sorted. In 63 cases where we felt additional support was needed, we arranged for follow-up interventions.
	C16	Enhanced	How does Peabody provide security of tenure for residents?	- 97.8% of our social rent tenancies are lifetime tenancies. - All new social rent, affordable rent and sheltered housing residents are automatically offered a lifetime tenancy.

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Building safety and quality	C17	Core	Describe the condition of Peabody's portfolio, with reference to: % of homes for which all required gas safety checks have been carried out. % of homes for which all required fire risk assessments have been carried out. % of homes for which all required electrical safety checks have been carried out.	99.4% 99.9% 90.4%
	C18	Core	What % of homes meet the national housing quality standard?	99.77%
	C19	Core	How does Peabody manage and mitigate the risk of damp and mould for its residents?	<ul style="list-style-type: none"> <li>- Residents can report damp, mould and condensation issues using a special form on our website, by calling the Contact Centre, or using My Peabody, our online digital service. Depending on the severity of the issue and the residents' own circumstances, the case is dealt with by either the Repairs team, the Property Service team, or the Asset Management team. Six and 12 months after a damp and mould-related repair, we contact the resident to check the issue has been properly resolved.</li> <li>- The Asset Management team identify damp, mould and condensation issues as part of their routine stock condition surveys.</li> <li>- The Property Services team run a proactive damp, mould and condensation programme to identify unreported cases and find out the cause of issues.</li> <li>- We're working to improve how we manage cases in high-risk estates and blocks, including using SMART sensors, enhanced ventilation systems and a 'Healthy Homes' programmes designed to ensure homes are fit-for-purpose.</li> <li>- We run awareness campaigns to highlight the importance of identifying and dealing with damp, mould and condensation early.</li> <li>- Relevant colleagues take an e-learning course to help better deal with cases.</li> <li>- We're improving the way we gather and use our data to help increase awareness of cases and send a weekly report to the Executive team.</li> </ul>
Resident voice	C20	Core	What are the results of Peabody's most recent tenant satisfaction survey? How has the housing provider acted on these results?	<ul style="list-style-type: none"> <li>- 52% overall satisfaction rate. (57.7% amongst low-cost rental residents compared with 27% amongst shared owners.) See our dedicated <a href="#">web page</a> for more details.</li> <li>- We're working to improve these numbers through our locally focused services, transformation plans, and the creation of a new Home Ownership team.</li> </ul>
	C21	Enhanced	What arrangements are in place to enable residents to hold management to account for the provision of services?	<ul style="list-style-type: none"> <li>- The Regulator has created the Transparency, Influence &amp; Accountability Standard, and three other standards that address things like the safety and quality of the homes we provide, and how we look after shared spaces, keep neighbourhoods safe and allocate tenancies.</li> <li>- To make sure we meet these standards, we're changing the way we work, and implementing a more local model. As part of this, we're inviting residents to get involved with what we do, offering a flexible range of opportunities for residents to influence Peabody at every level of the organisation and hold us to account. <ul style="list-style-type: none"> <li>• Strategically: Our Resident Panel oversees resident engagement activity and sub-groups focusing on homeownership, communications and complaints.</li> <li>• Regionally: We're developing regional forums so we can tailor our engagement activities across our neighbourhoods, driven by insight and feedback.</li> <li>• Locally: We support local Tenant and Resident Associations to resolve local issues and champion engagement opportunities.</li> </ul> </li> </ul>

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Resident voice	C22	Enhanced	In the last 12 months, in how many complaints has the national Ombudsman determined that maladministration took place? How have these complaints (or others) resulted in change of practice within the housing provider?	<ul style="list-style-type: none"> <li>- 12 complaints were upheld by the Ombudsman. These related to how we handle complaints from residents, particularly in relation to the time it took to address issues and organise necessary repairs.</li> </ul> <p>In response to these particular cases, and a general rise in complaints, we've:</p> <ul style="list-style-type: none"> <li>- Formed specialist, centralised complaints and record-handling teams to ensure issues are handled promptly.</li> <li>- Laid out a clear plan for how damp, mould and condensation-related complaints should be managed.</li> <li>- Ensured all colleagues in complaints have completed the ombudsman's complaint handling code training.</li> <li>- Reviewed the ombudsman's spotlight reports and conducted self-assessments against them.</li> <li>- Made plans to set up specialist community safety teams in each region to work with residents and communities on any ASB issues.</li> <li>- Provided refresher training where necessary.</li> </ul>
Resident support	C23	Enhanced	What are the key support services that Peabody offers to its residents? How successful are these services in improving outcomes?	<p>As well as providing residents with safe, dry and affordable homes, we support them to become healthier, wealthier and happier. We do this through our Peabody Community Foundation and our Financial Inclusion team.</p> <p>Amongst other things, during the year, we:</p> <ul style="list-style-type: none"> <li>- Issued 847 energy vouchers to help with heating bills worth a total of £27,165.</li> <li>- Provided over 48,000 hours of free activities, including health and wellbeing projects, English as a second language classes and extra lessons for primary school children.</li> <li>- Awarded £220,000 in small grants to local voluntary and community groups.</li> <li>- Supported 248 people to gain qualifications and start work.</li> <li>- Delivered more than £12m of social value to local communities through the 20% social value clause in all significant supplier contracts. (See more on page 10.)</li> <li>- Helped residents save money on their household bills by referring them to Pocket Power and LEAP. (During the year 204 people saved on average £233 each.)</li> <li>- Encouraged community interaction by opening two new community spaces, Dee Space in Reading and Burridge Gardens in St John's Hill Clapham.</li> <li>- Received almost 2,400 referrals to our Financial Inclusion team who helped increase residents' income by a total of £2.2m.</li> <li>- Gave employability and enterprise advice and support to 275 people.</li> <li>- Supported 26,300 people through our care and support services.</li> </ul>
Placemaking	C24	Enhanced	Describe Peabody's community investment activities, and how Peabody is contributing to positive neighbourhood outcomes for the communities in which its homes are located. Provide examples or case studies of where Peabody has been engaged in placemaking or placeshaping activities.	<ul style="list-style-type: none"> <li>- Through our Peabody Community Foundation (PCF) we invested £10m in community activities. We delivered our 'Closer to Communities' programme of place-based investment to make a positive impact in people's lives and provide residents with the support and advice they need to prosper. (See case study on page 8.)</li> </ul>
Structure & governance	C25	Core	Is Peabody registered with the national regulator of social housing?	- Yes
	C26	Core	What is Peabody's most recent regulatory grading/status?	<ul style="list-style-type: none"> <li>- Governance grade G1</li> <li>- Viability grade V2</li> <li>- Awaiting our first consumer standard grade</li> </ul>



## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Structure & governance	C27	Core	Which Code of Governance does Peabody follow, if any?	- The Peabody Code of Governance is based on the National Housing Federation 2020 Code of Governance.
	C28	Core	Is Peabody a not-for-profit?	- Yes, Peabody is a charitable Community Benefit Society under the Co-Operative and Community Benefit Societies Act 2014 and regulated by the FCA.
	C29	Core	Explain how Peabody's board manages ESG risks. Are they incorporated into the Group's risk register?	- ESG risks are identified on the Group Risk Register. It's updated and presented to the board every six months.
	C30	Core	Has Peabody been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches etc.) - that resulted in enforcement or other equivalent action?	- No
Board and trustees	C31	Core	Demographics of Peabody's Board.	The Board is made up of: - 43% are women - 13% are BAME - 13% are residents - 17% have a disability - The average age of the Board is 58.3 years - The average tenure of the Board is 3.57 years
	C32		Board and management turnover.	- 35.7% of the Board left in the last two years (five people). - 22.2% of the Senior Management Team (Assistant Director and above) left in the last two years. (20 leavers from a headcount of 90.)
	C33		Number of Board members on Peabody's Audit Committee with recent and relevant financial experience.	- All <a href="#">Board members</a> on the Audit Committee have recent and relevant financial experience.
	C34		What % of Peabody's Board are non-executive directors?	- 92%. The only Executive member of the Peabody Board is the Chief Executive Officer.
	C35		Has a succession plan been provided to Peabody's board in the last 12 months?	- Yes, succession plans are reviewed at each Nominations and Remuneration Committee meeting.
	C36		For how many years has Peabody's current external audit partner been responsible for auditing the accounts?	- 7 years
	C37		When was the last independently run, board-effectiveness review?	- January 2024
	C38		How does Peabody handle conflicts of interest at the board?	- Our Conflicts of Interest Policy was refreshed as part of the Peabody Trust and Catalyst Housing Limited merger and came into effect from 3 April 2023. A review of the Board and committee members' declared interests takes place at least once a year and is published on our website. - Members are reminded at each Board and committee meeting to declare any relevant interests. Where these occur, the individual would be asked to leave the meeting and wouldn't receive any related information.

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Board and trustees	C39	Core	Does Peabody pay the Real Living Wage?	- Yes
	C40	Core	What is Peabody's median gender pay gap?	5.6% (This is the most recent data available as reported in our <a href="#">Gender and Ethnicity Pay Gap Report 2023</a> and covers the year to the end of March 2023. Figures for 2023-24 will be out by April 2025.)
	C41	Enhanced	What is Peabody's CEO:median-worker pay ratio?	10:1
	C42	Core	How is Peabody ensuring equality, diversity and inclusion (EDI) is promoted across its staff?	<p>We have six strategic priorities for promoting EDI:</p> <ol style="list-style-type: none"> <li>1) Tackle inequality and discrimination by adopting a zero-tolerance approach to all forms of discrimination, using our influence to lobby for support for disadvantaged groups, and always using inclusive and accessible language.</li> <li>2) Provide high-quality, accessible services that residents and customers need.</li> <li>3) Embed EDI in the employee lifecycle by ensuring we have diverse shortlists and panels for interviews, developing talent programmes to support colleagues from underrepresented groups, and reducing our gender and ethnicity pay gaps.</li> <li>4) Improve diversity of senior management and the Board with bespoke programmes to support colleagues from diverse groups to progress, continually reviewing the profile of senior managers to address any areas of under-representation, and using the Rooney Rule in recruitment.</li> <li>5) Reducing the gaps in our workforce and customer diversity data with the National Housing Federation's equality data tool and national census data, as well as analysing the results of colleague engagement surveys, EDI pulse surveys and feedback from our diversity networks. This will help show where we need to take action.</li> <li>6) Promote colleague-led diversity networks with dedicated funding and resources, internal awareness campaigns, and executive-level sponsors.</li> </ol>
	C43	Core	How does Peabody support the physical and mental health of its staff?	<p>We offer a range of support, including:</p> <ul style="list-style-type: none"> <li>- An Employee Assistance Programme offering in-person or virtual counselling and other support.</li> <li>- A cycle-to-work scheme.</li> <li>- A 1% annual salary sacrifice offering a range of health, wellbeing and money-saving options.</li> <li>- Wellbeing champions trained in mental health first aid.</li> <li>- Domestic abuse champions.</li> <li>- A range of colleague networks to encourage diversity and inclusivity.</li> <li>- A flexible benefits scheme with access to a variety of discounts which help ease the impact of the high cost-of-living.</li> </ul>
	C44	Core	How does Peabody support the professional development of its staff?	- During the year, we supported and paid for 459 colleagues to take professional qualifications and short courses. As of the end of March 2024, 16 colleagues were enrolled on apprenticeship courses.
Supply chain	C45	Enhanced	<p>How is social value creation considered when procuring goods and services?</p> <p>What measures are in place to monitor the delivery of this Social Value?</p>	<ul style="list-style-type: none"> <li>- We apply a 20% social value weighting for all above-threshold tenders. Once a contract is in place, suppliers must complete a quarterly survey using the HACT Social Value Insight tool to show the social value delivered over that period.</li> <li>- During the year, our supply chain partners delivered over £12m of social value as reported and evidenced across the Social Value Portal (previously used tool now phased out) and HACT Social Value Insight tool. (See page 10 for case study.)</li> </ul>

## Sustainability Reporting Standard (SRS) - Disclosure against criteria

Theme	Criteria #	Type of criteria	Criteria	Response
Supply chain	C46	Enhanced	<p>How is sustainability considered when procuring goods and services?</p> <p>What measures are in place to monitor the sustainability of your supply chain when procuring goods and services?</p>	<ul style="list-style-type: none"> <li>- We're working with our suppliers to meet our need for goods, services and utilities in a way that achieves value for money on a whole-life basis, but also minimises our impact on wider communities and the environment.</li> <li>- We've started to include sustainability-related requirements in some of our procurement processes, such as repairs and have introduced the Alcumus procurement system to help. Service providers submit environmental policies into the system, which then grades their activities. Supply chain risk is managed by the commissioning directorates and the procurement team.</li> <li>- We ensure that we get all our energy from renewable sources and all our energy supplies on corporate contracts are REGO backed. We also require all our suppliers to proactively minimise their impact when delivering their services to us.</li> <li>- During the pre-qualification stage of the tender process, all our construction contractors must use the ISO 14001 environmental management system, or state what other independently accredited system they use to monitor their environmental impact standards.</li> <li>- We are planning to develop a full strategy within the next 24 months and we're already developing a New Homes Sustainability Framework to address our approach to sustainability across our supply chain.</li> </ul>



45 Westminster Bridge Road  
London SE1 7JB  
Tel: 0300 123 3456  
[peabody.org.uk](http://peabody.org.uk)