



# Sustainable Finance Framework

March 2026



# 1. Introduction

## 1.1. About Orbit



Orbit was established in 1967 by two people on a park bench contemplating how to tackle homelessness. The passion they felt about the inequality in the access, scale and quality of available housing was channelled into positive action, and Orbit was created.

Socially driven and commercially minded, our purpose today is every bit as important as it was when Orbit was founded.

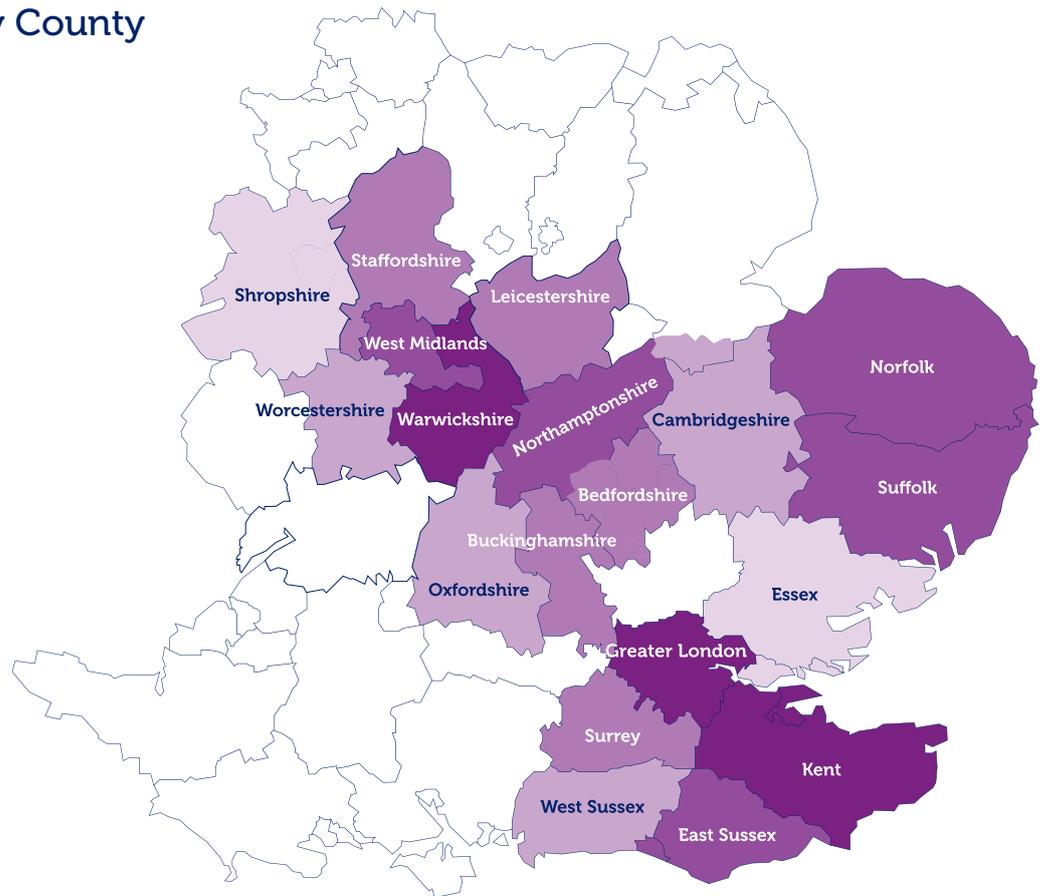
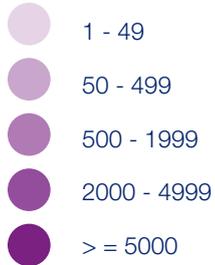
We now manage around 46,000 affordable homes in the Midlands, East and South East, and build around 1,000 new affordable homes every year. Our aim is to ensure the homes we provide and the places we create are good quality, affordable and safe, and we reinvest our surplus to improve the quality of our homes, services and our communities, and provide more much needed affordable housing.



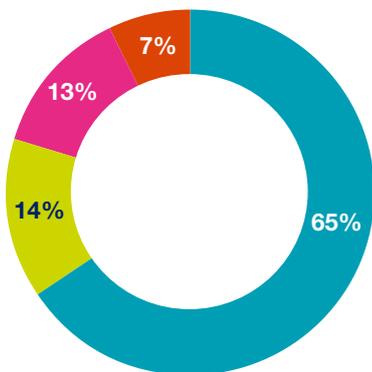
## Orbit Properties by County

as at 31 March 2025

Number of Properties

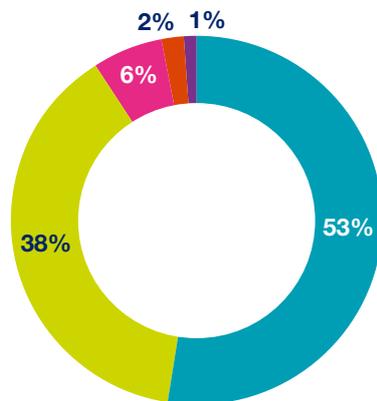


Units by tenure



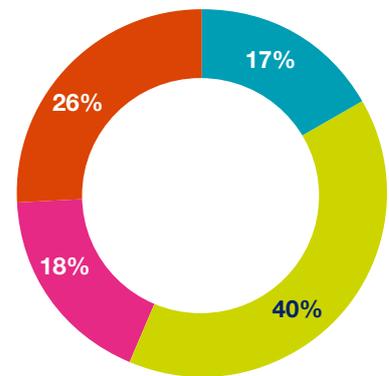
- 30,709 General Needs
- 6,390 Leasehold and Other
- 6,142 Shared Ownership
- 3,464 Supported Housing
- 217 Immediate Rent

Stock by type



- 24,792 House
- 17,725 Flat
- 2,809 Bungalow
- 1,075 Maisonette
- 521 Bedsit

Rental income



- £48.6m Housing Benefit
- £115.7m Direct debit
- £74.2m Other (Standing orders, cheques etc.)
- £51.7m Debit cards

## 1.2. Orbit's values and vision

### Our purpose

We believe everyone is entitled to a good quality home that they can afford, in a place that they are proud to live.

For us, this means providing good quality, affordable and safe homes, and creating inclusive and sustainable neighbourhoods that prioritise the wellbeing and aspirations of residents. It also means helping our customers to sustain their tenancies and providing them with access to services and support to help them improve their opportunities and navigate the challenges that may throw them off course.

### Our Vision

Socially driven and commercially minded, we strive to provide amongst the best customer experience of any housing association in the country by building and maintaining safe, quality homes that our customers love, both sustainably and at scale, supported by excellent customer service. All delivered by happy colleagues who jump out of bed each day to make a social difference.

### Our Values and Commitments

Our customers are at the heart of everything we do and we believe that delivering an excellent experience is key to achieving to our vision. That's why we've defined our Customer Commitments, which reflect what our customers value most from our services.

Our Customer Commitments inform our Values. Developed by colleagues for colleagues, our values shape who we are, what makes us different, and reflect our inclusive culture.

We demonstrate these Values through our Colleague Commitments, the behaviours that shape what we say and do. These set the minimum expectations for all of us and are intended to encourage everyone to aim for positive actions, whatever their role.

Together, these form our Employer Promise, which showcases our pride in being a great place to work, where colleagues are empowered to make a real difference. At Orbit, we're more than just a business - we're a community of people who care.



## Our 2030 Strategy overview



## Our 2030 Strategy

Our ambition is to provide amongst the best customer experience of any housing association in the country, whilst reshaping our approach to create a more sustainable and resilient model for the future. Doing so will allow us to materially increase the positive impact we make now and in the future.

The 2030 Strategy will see us:



### Maintaining homes that our customers love

*Investing in the safety, quality, and energy efficiency of our homes, creating properties our customers love and are proud to live in.*

- Investing in and improving the quality of our existing homes and Independent Living schemes
- Working with our partners to deliver an efficient 'right first-time' repairs service and satisfied customers
- Improving the energy efficiency of our homes, supporting energy affordability and progress to net zero carbon
- Maintaining our neighbourhoods and communal spaces so they are safe places for people to enjoy



### Delivering new and regenerated homes to improve our portfolio and assist in tackling the housing crisis

*Creating new, high quality, affordable housing and regenerating our existing homes, so more people have a great place to call home.*

- Building and regenerating around 7,000 new homes sustainably by 2030
- Creating attractive multi-tenure developments that our customers love
- Improving the energy efficiency of our new homes, supporting energy affordability and progress to net zero carbon
- Pursuing land-led development opportunities to deliver our high quality, sector leading homes and specification
- Regenerating our homes and Independent Living schemes to create long-term, sustainable communities





## Delivering exceptional customer service

*Delivering excellent services to support our customers and ensure a laser-sharp focus on our customers' priorities, and which take account of additional needs.*

- Creating a seamless, omnichannel customer service experience, making it easy for customers to contact us in a way that suits them
- Collaborating with customers to shape our services and policies
- Adapting our services to understand and respond to differing needs
- Continuing to provide a range of services to help customers maximise their potential and maintain their tenancy
- Supporting customers to remain independent in their homes
- Championing and working in partnership with our customers to ensure their voices are heard



## Attracting, retaining, and developing engaged colleagues who share our purpose

*Investing in our people and culture, ensuring we have the right skills, tools, and commitment to deliver our purpose.*

- Increasing investment in training and development programmes, raising individual capability and providing career opportunities
- Ensuring our resources and capabilities drive performance and deliver on our ambitious goals
- Creating a high performance, customer-centric culture which puts the customer at the heart of our decision making



## Making a positive difference to our customers and society

*Maximising the social value we deliver by optimising efficiencies and value for money, so we can do more for our customers and society and deliver more new affordable homes.*

- Demonstrating value for money and driving efficiencies in our operations, systems, and processes
- Making the best resource and person-centred decisions possible.
- Influencing policymakers and stakeholders
- Increasing our localised services and impact



## Creating a sustainable and resilient model for the future

*Creating a more impactful and sustainable organisation for the future by:*

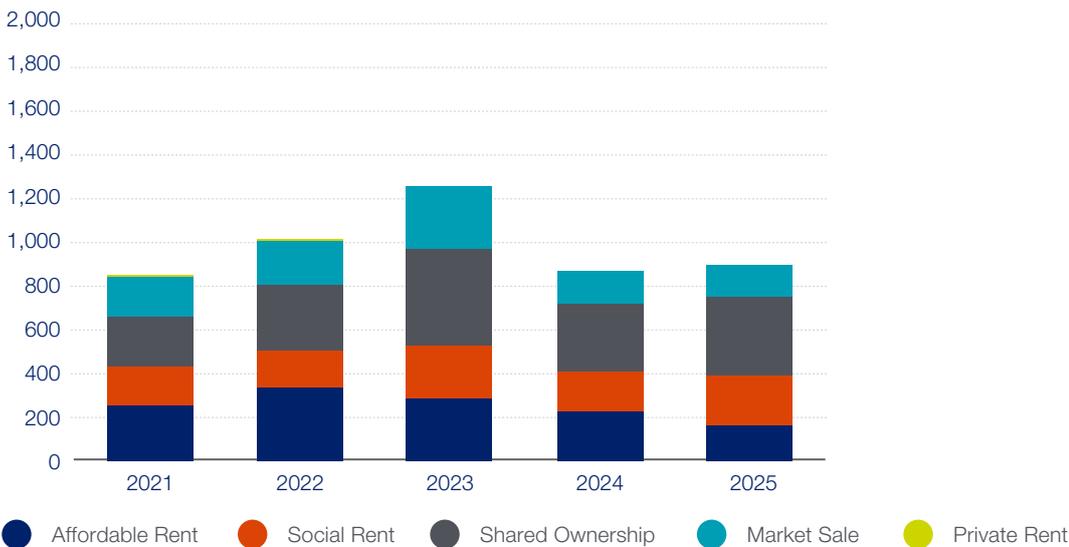
- Optimising our geographical footprint and service delivery.
- Building on our strong relationship with government and Homes England to support future plans for affordable homes.
- Utilising traditional and innovative ways to raise finance to further the delivery of affordable new homes.
- Proactively identifying growth opportunities and partnerships to materially increase the positive impact we make and the number of people we directly support.
- Continuing our 2030 and 2050 decarbonisation plan and supporting customers in the transition to net zero

### 1.3. Addressing the housing crisis

With increasing fuel poverty, rising and unaffordable rents, and record numbers of people in temporary accommodation, demand for affordable homes has never been greater and, as of March 31 2025, approximately 1.34 million households in England were on local authority housing waiting lists. This is the highest figure since 2014 <sup>[1]</sup>.

In the last five years, we have delivered 5,508 new homes, of which 83% were affordable, and we remain fully committed to playing our part to help address this UK-wide issue.

#### New Homes Built by tenure



We aim to develop the right homes in the right places and to the right standards to support the needs of customers, and our 2030 Strategy sets out our commitment to build over 7,000 mixed tenure, new homes and regeneration properties between 2024 and 2030.

We will also work with communities to regenerate our poorest performing homes, and continue to invest in the safety, quality, and energy efficiency of our homes, creating properties our customers love and are proud to live in.



1. Ministry of Housing, Communities & Local Government: Social housing lettings in England, tenants: April 2024 to March 2025.

# 1.4. Our Sustainability Strategy

Our updated Sustainability Strategy underpins our 2030 Strategy, providing a holistic approach to sustainability across every facet of our organisation. It ensures that, no matter what we do, we are constantly driving towards a future that is both socially responsible and environmentally conscious. We are committed to building a sustainable and inclusive tomorrow.

We are working collaboratively with our customers at every step, whether retrofitting existing homes, designing efficient new builds, or helping them stay warm during the cost-of-living crisis. Central to our approach is the belief that sustainability must also deliver on our social purpose, putting customer warmth and wellbeing first.

Our Sustainability Strategy is organised into four themes: Our Customers, Quality Homes and Places, Orbit Earth and Our People. We have provided a summary of each theme, key objectives and targets detailed below but further detail on our strategy and latest progress is available on our website. Our latest reporting in alignment with the Sustainability Reporting Standard is also available at the link below.



## Our Customers

## Quality Homes and Places

## Orbit Earth

## Our People

- Work with our customers to shape our services and involve them in the decisions that affect their homes and communities
- Support our customers to maintain their tenancy and fulfil their potential
- Invest into our communities to deliver social value

- Provide high quality, affordable homes
- Invest in the decarbonisation of our homes
- Provide safe, healthy places to live
- Create sustainable living environments

- Environmental stewardship to drive positive change
- Climate action to become net zero carbon
- Enhancement of outdoor spaces to promote biodiversity
- Sustainable consumption to achieve a Zero Waste, circular model

- Create inspiring leaders and maximise our colleagues' career satisfaction
- Provide high quality, safe working environments
- Create a diverse and inclusive workplace
- Skill and capability development with the customer in mind

 [Click here to view our sustainability webpage](#)

## Our customers

Making a positive different to our customers and doing what we can to help customers to maximise their potential, and maintain their tenancies and wellbeing, sits at the core of our social purpose.

Our 2025/26 targets are detailed below:



## Our Customer Commitments

Our Customer Commitments outline what customers value from us and what we must deliver in return. Developed with customers, they shape our service expectations for customers, colleagues, and supply partners, and enable us to develop a more customer-centric culture and deliver what our customers value most from us.



## Customer Voice

We have also developed a Customer Voice Strategy which focuses on collaboration and co-creation with customers to shape our services. To ensure the customers we engage with represent all members of our customer community, we are piloting new approaches to engage those who are currently under-represented through 'Principles for Engagement' which clearly outline what customers can expect by taking part. Our four Principles for Engagement are:

			
<b>Creating safe and inclusive spaces</b>	<b>Being transparent, open, and honest</b>	<b>Making engagement easy</b>	<b>Empowering our people</b>

## Customer support

We support our customers to maintain their tenancies and fulfil their potential by helping to remove barriers such as unemployment, debt, mental health challenges, and other social or economic issues. We also provide targeted local activity to improve the social, environmental and economic prospects of communities by investing in local infrastructure and working with localised services to respond to individual community needs. Partnerships with organisations like Citizens Advice, Family Fund Business Services, Good Things Foundation and Health Assured help deliver debt advice, grants, digital access, and mental health support to our residents.

## Delivering social value

As a socially driven organisation, we deliver social value by providing decent, safe and affordable homes to over 100,000 customers who would otherwise be at risk of living in lower quality private rented accommodation. In addition to this, we work to generate further social value through our frontline services and supply chain. We are committed to delivering £100 million in social value by March 2026 and in 2024/25 delivered £26.3m.

We are now collaborating with HACT to develop a new, expanded framework that captures a broader range of social and economic impacts. This includes the value created through the construction of new affordable homes, repairs, and other key services. The enhanced approach will underpin a new, more ambitious social value target, set to be announced in 2026.

## Social value outcomes delivered via our front line services and supply chain

as at 31 March 2025



## Case Study



### Better Days

Our Better Days programme provides free help to thousands of people every year to manage their money, try something new, find happiness with work, and improve digital skills and overall wellbeing. Delivered by an expert team and independent partners, the programme gets results.

Steve turned to Better Days after a relationship breakdown and loss of his parents:

“I know I’ve got a support network in Orbit behind me. Don’t be frightened to ask. It’s your right to get that help. Don’t sit there in silence like I was. They’ve helped me at my lowest ever point in life. It feels like there is a future now that there’s an arm around my shoulder.”

Steve, an Orbit customer

## Quality Homes and Places

As a not-for-profit housing provider, we believe everyone is entitled to a good quality home that they can afford, in a place where they are proud to live, and we aim to ensure the homes we provide and the places we create are high quality, safe and sustainable. Focusing on these key objectives will support our vision of building and maintaining safe, quality homes that our customers love, both sustainably and at scale.

Our 2025/26 targets are detailed below:



### Quality Homes and Places

Building 5,008 new affordable homes by 2030  <b>2025/26 target:</b> <b>875</b>	100% of our properties to be EPC C or above by 2030  <b>2025/26 target:</b> <b>89.5%</b>	100% of direct new builds EPC B or higher  <b>2025/26 target:</b> <b>100%</b>	Upper Quartile Net Promoter Score for new build customers (all tenures)	Customers that feel their homes are safe (TSM)
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#### Net Zero Carbon in our homes before 2050

We have committed that 100% of our existing homes will be EPC band C or higher by 2030, with 87.8% of homes already meeting this threshold, as at 31 March 2025. Through multiple rounds of Government Social Housing Decarbonisation Fund support, we have been upgrading around 1,200 homes across the Midlands and Bexley. We are also exploring new retrofit technologies and installing smart thermostats into retrofitted homes to improve energy performance and gain better quality data on fuel poverty.

#### Providing high quality, safe and sustainable homes

We ensure our portfolio of homes are high-quality, safe and sustainable. Our strategy for delivering this includes consolidation of our portfolio, increasing digital and smart-technology use, creating consistent and adaptable home standards and growing sustainably through acquisitions whilst decarbonising the existing portfolio and improving climate resilience.

#### Building new affordable homes

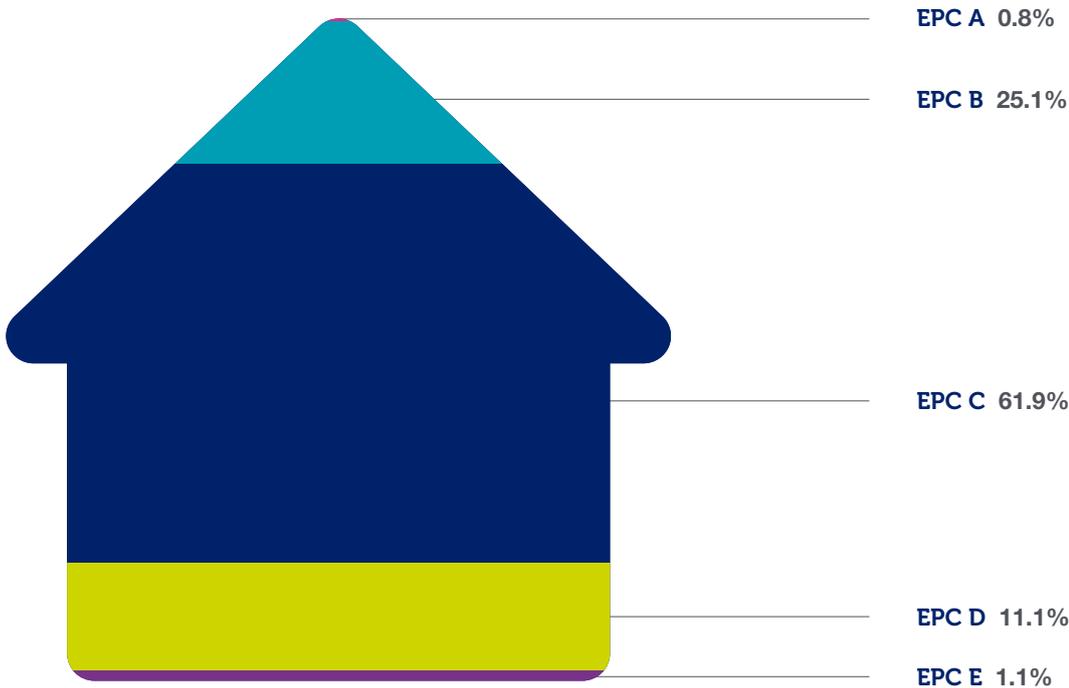
Our New Build Residential Policy and Design Standards go far beyond the Decent Homes Standard and are our commitments for the creation of new Orbit homes and communities. Our approach focuses on ensuring our homes are accessible, adaptable, leveraging modern methods of construction whilst also minimising the environmental impact of the construction process and the homes we build. This includes using fabric-first, solar orientation and ventilation techniques to achieve high thermal performance, improved comfort and affordability.

#### Sustainable communities and placemaking

Our Urban Design and Placemaking approach aims to deliver locally distinctive, well-connected and biodiverse neighbourhoods that offer high-quality living spaces and safe, accessible streets. In areas with a high concentration of homes, we also run community hubs that partner with local organisations to deliver services and support inclusive, sustainable communities.

## EPC distribution

Our portfolio of properties exhibits strong sustainability credentials with 87.8% of our homes rated EPC C or above as at 31 March 2025. This high level not only underscores our environmental objectives but also its social purpose, as sustainable homes help residents to save on fuel bills in turbulent financial times.



## Case Study



### Micklewell Park

Micklewell Park sets a new standard for what affordable development should be: inclusive, safe, sustainable, beautifully designed, and built around people. With affordability at its heart and community at its core, it is a shining example of the role housing can play in transforming lives and strengthening neighbourhoods.

As well as its tenure blind homes that adhere to the highest standards in quality, safety and design across tenures including Shared Ownership, affordable and social rent, the development includes a purpose built community hub, retail units and plans for a new school.

“We wanted clean, modern lines and a rear kitchen diner with direct access to the garden, and with its spacious design that is exactly what The Tayberry house type offered us. Plus, the development layout was really appealing, with a lot of thought given to spacing the properties respectfully.”

**John and Fiona Williams, Micklewell Park**

## Orbit Earth

Orbit is fully conscious of the environmental challenges facing our world today. Climate change, biodiversity loss and resource security pose immediate and future risks to our customers and operations. There are also significant opportunities to improve efficiencies, reduce costs, and improve the wellbeing of our customers by creating greener, more sustainable communities.

### Our 2025/26 targets are detailed below:



#### Orbit Earth

<p>Reduce our direct Carbon footprint by 50% (Scope 1 and 2) by 2030</p> <p><b>2025/26 target:</b></p> <p><b>45%</b></p>	<p>For 30% of our outdoor spaces to be enabling nature’s recovery by 2030</p> <p><b>2025/26 target:</b></p> <p><b>21.9%</b></p>	<p>To reduce avoidable waste generated by 15% per direct build plot by 2030</p> <p><b>2025/26 target:</b></p> <p><b>5.6%</b></p>	<p>To send all zero non-hazardous waste to landfill or incineration by 2030</p> <p><b>2025/26 target:</b></p> <p><b>95.6%</b></p>
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### Climate action

We are committed to following a science-based approach to reduce our direct and indirect greenhouse gas emissions in accordance with the 2015 Paris Agreement. As detailed in our Net Zero Carbon Roadmap<sup>1</sup>, we are aiming to reduce our Scope 1 & 2 emissions by 50% by 2030 versus 2018-19 baseline and offset the remaining to become Carbon Neutral. Key initiatives to drive further reductions include:

- Optimising heat networks to run more efficiently
- Exploring renewable options to reduce energy costs for customers
- Continuing to operate an agile working model that reduces travel and office space
- Transitioning our grounds maintenance fleet to electric vehicles
- Implementing energy efficiency improvements in our offices and customer communal spaces
- Providing energy awareness and other training opportunities to staff and customers
- Supporting supplier partners to develop and deliver Net Zero Carbon commitments
- Undertaking detailed modelling and planning to form a comprehensive climate adaptation plan

<sup>1</sup> [orbitgroup.org.uk/media/y2amrjo3/net-zero-carbon-roadmap\\_2025.pdf](https://orbitgroup.org.uk/media/y2amrjo3/net-zero-carbon-roadmap_2025.pdf)

### Environmental stewardship

Our environmental management system is certified to ISO14001: 2015 by the British Standards Institute and demonstrates our commitment to managing our environmental responsibilities and provides assurance that our approach is robust and effective. We also provide an in-house environmental sustainability qualification for our colleagues, the first of its kind in the social housing sector, which provides learners with a broad understanding of environmental sustainability principles and the skills needed to implement positive environmental change as individuals, in their teams and in the wider organisation.

### Enhancement of outdoor spaces

We have committed that 30% of our outdoor green spaces will be enabling nature's recovery by 2030. Developed with the Wildlife Trusts, our 30by30 Biodiversity Approach is both scientific and practical in its delivery and aligns with the goal of the UN Convention on Biological Diversity and the Wildlife Trusts' 30by30 campaign. To support the delivery of this goal, we have created a habitat condition assessment tool in partnership with the Wildlife Trusts, which is available on our website<sup>2</sup>.

### Zero waste

We aim to reduce waste and transition to a circular economy by analysing construction waste streams, engaging and educating customers and colleagues, embedding sustainable procurement across the supply chain, and ensuring compliance with waste segregation regulations.



<sup>2</sup> [orbitgroup.org.uk/sustainability/our-planet](https://orbitgroup.org.uk/sustainability/our-planet)

## Case Study



### 30by30

We were pleased to welcome Councillor Jennifer Fradgley, former Chair of Stratford-on-Avon District Council, to our Autumn and Spring planting sessions. In November, Councillor Fradgley joined Orbit volunteers to plant over 900 hedgerow whips, 900 flower bulbs, 600m<sup>2</sup> of wildflower meadow, 200m<sup>2</sup> of naturalised grassland and five fruit trees at our Wattons Lodge Independent Living scheme. We then welcomed her back in March to support us in planting approximately 430 hedge plants across two neighbouring estates in Stratford-upon-Avon.

“ I was delighted to learn more about how Orbit is working to create more biodiverse and high-quality outdoor spaces. Access to local nature has such a positive impact on wellbeing, so it was wonderful to spend time with residents at Wattons Lodge and support in creating such a biodiverse area. ”

Councillor Jennifer Fradgley

## Our People

Engaged colleagues are central to delivering the services and support our customers expect from us. We cannot deliver one without the other. They are our best asset, and we believe they should be able to maximise their potential, have the opportunity to make a difference, and to do so in a safe supporting and respectful environment.

### Our 2025/26 targets are detailed below:



#### Our People

<p>To reduce our gender pay gap by 15% against a 2021-22 baseline by 2030</p>	<p>Maintain a competitive advantage of colleague engagement by maintaining or increasing the current levels of engagement of our colleagues compared to benchmark (at benchmark 0%)</p>	<p>Maintain a competitive advantage of colleague connection with purpose by maintaining or increasing the current levels of connection with purpose compared to benchmark (difference to benchmark +2%)</p>	<p>At least 50% of customer-facing colleagues in Everyday Excellence will be actively progressing through a professional development framework, with clear milestones and structured learning pathways</p>
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#### Attracting, retaining and unlocking potential

We will build a future-ready organisation by building individual and team capability, inspiring leadership and sharing in our pride in purpose and ambition. We conduct annual employee surveys to ensure colleagues remain engaged and aligned with our purpose, while our People Strategy focuses on enablement, leadership, collaboration, reward and recognition. Success will be reflected in increased colleague engagement and retention, stronger organisational capability and closing pay gaps.

#### Health and wellbeing

Our Wellbeing Strategy is shaped by our colleagues, recognising that wellbeing depends not only on the benefits or support we offer but also on workload design, systems, processes and day-to-day job experience. Our focus will be on creating a unified wellbeing proposition, reviewing partnerships, creating / enhancing policies, tailored assistance and developing leadership capabilities.

#### Creating a diverse and inclusive workplace

Committing to a sound Inclusion and Belonging strategy is not only the right thing to do, but it also drives great business outcomes. We want our people to have equitable changes to become their best selves, and to create a great place to work where we attract and retain great and diverse talent and our customers are delighted to do business with us. Our Inclusion and Belonging framework focuses on five key areas; creating safe spaces and a sense of inclusion and belonging, inclusive leadership, learner mindset, providing opportunities to grow no matter your background and keeping our customers' interests at the centre of everything we do.

#### Providing a safe and secure working environment

Our Health and Safety Strategy uses a single integrated management system based on the Plan-Do-Check-Act cycle, developed in partnership with RoSPA to maintain best-practice standards, and currently holds a Level Four Quality Safety Audit rating with a goal of achieving Level Five by 2027. Through its "Work Safe, Live Safe" campaign and targeted training, Orbit aims to strengthen health, safety and welfare awareness for both colleagues and customers, supporting safer workplaces and homes.

## Case Study



### Mates In Mind

We hosted our annual 'butty and brew' event for construction colleagues to raise awareness of men's mental health. The events offered interactive wellbeing sessions, as well as the chance for colleagues to talk openly about their mental health and share their neurodiverse experiences. Attendees were also shown how to access emergency mental health services should they, or colleagues ever need support, and given tips to manage their day-to-day wellbeing in the workplace.

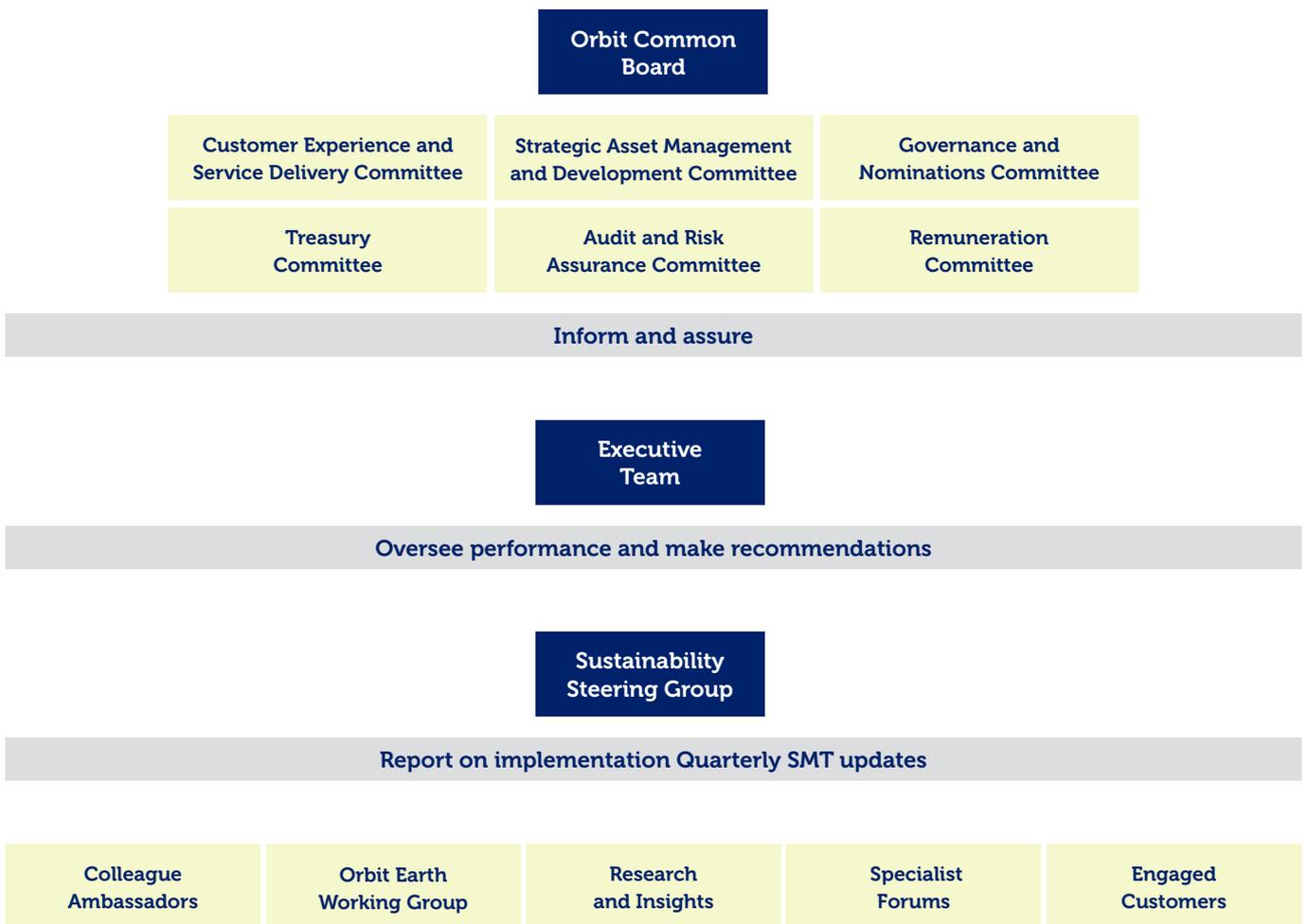
“Our annual 'Butty and Brew' events brought together colleagues from across our regions to help us understand what we can all do to care for not just our own, but also each other's wellbeing. It was a brilliant way for us to educate ourselves and open up to each other about our own experiences.”

**Tom Gooding, an attendee of one of our mental health awareness events**

# 1.5. Governance

Our sustainability commitments adhere to our robust performance management framework and are overseen by both our Executive team and Orbit Common Board to ensure we stay true to our Sustainability Strategy. This is also supported by our Sustainability Steering Group which regularly reviews our Sustainability Strategy to ensure it evolves alongside our Vision and Values, stakeholder expectations and the external environment.

Regular engagement with stakeholders and specialist forums, such as our Orbit Earth working group, Health & Safety Forum continue to evolve our commitments to ensure they remain relevant and sector leading and provide input and oversight of our Sustainability Reporting Standard for Social Housing (SRS) and Business in the Community submissions.



## 2. Orbit's Sustainable Finance Framework



As a registered provider of affordable housing, we are committed to our social purpose: that of providing good quality, safe and affordable homes for target populations underserved by the UK commercial housing market as designated by the UK Regulator of Social Housing (RSH). All our investments and expenditures are dedicated towards this purpose.

In alignment with our Sustainability Strategy, we have elected to create a Sustainable Finance Framework (the "Framework"), under which we can undertake sustainable financing transactions (public bonds, private placements, term loans and revolving credit facilities), funding green, social or a combination of expenditures (respectively green, social or sustainability instruments; together "Sustainable Finance Instruments"). The strategy seeks to deliver improved performance for our customers, colleagues, and suppliers, with specific programmes and objectives for each of these stakeholders.

This Framework is developed in accordance with the ICMA Green Bond Principles 2025<sup>3</sup> (GBP), ICMA Social Bond Principles 2025<sup>4</sup> (SBP), ICMA Sustainability Bond Guidelines 2021<sup>5</sup> (SBG), the LMA Green Loan Principles 2025<sup>6</sup> and LMA Social Loan Principles 2025<sup>7</sup>, together the "Principles". In alignment with these Principles, for each Sustainable Finance Instrument issued, we are committed to adopting the following, as set out in this Framework:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting
- 5) External review

This Framework may be updated and amended from time to time in the manner described in Section 2.6 (Amendments to this Framework) below. Any such updated and amended Framework will be published on our website and will replace this Framework. Any Sustainable Finance Instrument subsequently issued will be subject to the updated and amended Framework. In accordance with the Principles, this framework has a target population, being Orbit's customer base (see section 2.1 Use of Proceeds).

This updated Framework reflects our sustainability journey and embeds the objectives and principles from our 2030 Strategy. We have specifically refreshed our sustainability commitments and targets as we continue to work towards ensuring everything we do maximises our positive social and environmental impacts, as set out by our Sustainability Strategy and 2030 Strategy.

At this time we have sustainability linked loans which were not issued under this framework with multiple lenders, which provide incentives for achieving sustainability linked KPIs and demonstrate alignment between our funding strategy and sustainability strategy.

<sup>3</sup> <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>4</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

<sup>5</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

<sup>6</sup> <https://www.lsta.org/content/green-loan-principles/> <sup>7</sup> <https://www.lsta.org/content/social-loan-principles-slp/>

## 2.1. Use of Proceeds

An amount equivalent to the net proceeds raised from any Sustainable Finance Instrument issued under this Framework and excluding grant funding will be allocated, in part or in full, to finance new eligible environmental and social expenditures (“Eligible Projects”) and/or to refinance existing Eligible Projects. The Eligible Projects identified below target social and environmental benefits for the communities that we operate in and the customers we serve, who have been identified as being in need of housing.

We will allocate an amount equivalent to the net proceeds raised from any Sustainable Finance Instrument within 24 months of the issuance date. We will allocate the net proceeds to capital expenditure (Capex) and/or operating expenditure (Opex), whereby Eligible Projects will have originated no more than three financial years prior to the issuance date of the corresponding Sustainable Finance Instrument. No lookback period will apply for eligible proceeds allocated against asset value.

The table below outlines the eligibility criteria for these Eligible Projects and their alignment with the UN SDGs<sup>5</sup> and the SRS.

Theme	ICMA Green/Social Bond Principles project category	Eligible Project Category	Eligibility Criteria	Financial Line Item	Alignment with the Sustainability Reporting Standard	Alignment with Orbit's Sustainability Strategy	Alignment with UNSDGs	Impact metric
Environmental	GBP: Energy Efficiency	Developments	Retrofit, renovation or planned investment of existing properties which achieve an uplift in energy efficiency of at least one band resulting in a minimum of EPC C rating. This includes the installation of low carbon heating solutions (including but not limited to heat pumps or high heat retention storage heaters) and retrofit of homes (including but not limited to solar PV, insulation, ventilation, renewable energy and low energy lighting).	Capex / Opex	Climate Change	Quality Homes and Places	 Target 7.3  Target 9.4	Number of existing homes with an upgraded EPC rating to min. C, B or A
Environmental	GBP: Green Buildings	Developments	Development and construction of properties with a minimum EPC B rating  Refinancing of green buildings in the UK (EPC B or above)	Capex / Opex  Asset value	Climate Change	Quality Homes and Places	 Target 9.4	Number of new homes with EPC B or above

<sup>5</sup> UN Sustainable Development Goals - <https://sustainabledevelopment.un.org/?menu=1300>

Theme	ICMA Green/ Social Bond Principles project category	Eligible Project Category	Eligibility Criteria	Financial Line Item	Alignment with the Sustainability Reporting Standard	Alignment with Orbit's Sustainability Strategy	Alignment with UNSDGs	Impact metric
Environmental	GBP: Environmentally sustainable management of living natural resources and land use	Promoting and supporting biodiversity	We have committed to enhancing its outdoor areas so 30% is available for wildlife, an approach which aligns with the Wildlife Trust's 30by30 campaign.  Expenditures may include the flora (trees, hedgerows, wildflower meadows), materials needed to construct raised beds, habitat and shelter for wildlife, installation of sustainable urban drainage features, replacement of hard to soft spaces and path and benches for residents to enhance access for and inclusion of residents.	Capex / Opex	Climate Change	Our Planet	 Target 15.5	% of outdoor space supporting nature's recovery and biodiversity, measured by the total land area(sqkm) where habitats have been classified as 'good' or 'excellent' by a biodiversity condition assessment
Social	SBP: Affordable Housing	Developments	Development and construction of affordable properties including both general needs and shared ownership developments, which are at least 20% below local market rents.  Units must comply with Government definition of affordable housing. <sup>7</sup>  Target population for affordable rent and Shared Ownership with relevant income threshold: <sup>8</sup>  Our target population for our social rent properties are persons: <ul style="list-style-type: none"> <li>• Living below the poverty line</li> <li>• Excluded and/or marginalised populations and/or communities</li> <li>• With disabilities</li> <li>• That are underserved in terms of affordable housing</li> <li>• That are ageing</li> </ul>	Capex	Affordability and security	Quality Homes and Places	 Target 11.1	Number of new affordable homes

<sup>7</sup> UN Sustainable Development Goals - <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>8</sup> UN Sustainable Development Goals - <https://www.gov.uk/shared-ownership-scheme/who-can-apply>

Theme	ICMA Green/ Social Bond Principles project category	Eligible Project Category	Eligibility Criteria	Financial Line Item	Alignment with the Sustainability Reporting Standard	Alignment with Orbit's Sustainability Strategy	Alignment with UNSDGs	Impact metric
Social	SBP: Access to essential services	Customer Support Programme	<ul style="list-style-type: none"> <li>• Customer support programmes for:</li> <li>• Well-being and mental health</li> <li>• Employment and career advice</li> <li>• Financial Wellbeing Advice</li> <li>• Digital and online skills</li> </ul> <p>Target population: Our target population for our customer support programmes are residents</p> <ul style="list-style-type: none"> <li>• Undereducated in terms of digital and financial skills</li> <li>• That are unemployed</li> <li>• That underserved in terms of assistance with well-being and mental health</li> </ul>	Opex	Resident Support	Our Customers	 <p>Target 8.5</p>	<p>Number of customers who have evidenced an improvement in mental wellbeing, measured using the Warwick-Edinburgh Mental Wellbeing Scale</p> <p>Number of customers in a new employment (full-time, part-time, self-employed or apprenticeship) due to our support programmes</p>
Social	SBP: Socioeconomic Advancement and Empowerment	Tenancy Sustainment	<p>Coaching and support programmes for tenancy sustainment</p> <p>Target population: Our target population for our tenancy sustainment programmes are residents</p> <ul style="list-style-type: none"> <li>• Undereducated in terms of financial skills</li> <li>• Below the poverty line</li> <li>• Undereducated in terms of access to financial support and benefits</li> </ul>	Opex	Resident Support	Our Customers	 <p>Target 10.2</p>	<p>Number of new 'House with support' customers who complete the coaching support programme are measure with number of sustained tenancies at 12 and 18 months</p> <p>Existing customers are measured on rent balance , impact being improved rent balance after 6 months</p>

## Target population

Our affordable rented accommodation is primarily let to customers nominated by the relevant local authority. Customers who are deemed eligible for affordable rented homes will meet all eligibility criteria, including financial, and are identified as being in need of social housing through a number of criteria e.g. homelessness, medical / welfare need, etc.

All customers who are allocated social housing meet the criteria of new lettings allocated to low-income households, or lettings with regard to local authority allocation policies.

## 2.2. Project Evaluation and Selection Process

The Project Evaluation and Selection Process will ensure that the proceeds of any Sustainable Finance Instrument we issue under this framework are allocated to new or existing expenditures that meet the criteria set out above in section 2.1 ('Use of Proceeds').

Orbit has established the Sustainable Finance Framework Steering Panel ("SFFSP") that will be responsible for the evaluation and selection process for Eligible Projects. This Panel is a cross departmental team existing of core members (Chief Regulatory & Governance Officer, Chief Property & Regeneration Officer, National Build Director, Strategic Asset Management Director, Head of Asset Optimisation, Procurement Director and Finance Director – Corporate Finance & Group Reporting) and ensures a cross-organisational approach when selecting projects that aligns with Orbit's corporate sustainability strategy. The core Panel can be complemented by other senior representatives of Orbit as and when it is deemed appropriate. The SFFSP will report to the Treasury Committee on an annual basis.

The SFFSP will select Eligible Projects from new build development schemes that are approved by Orbit's Corporate Investment Group (CIG) or Orbit's Investment Committee (IC). These two committees have delegated authority from the Board to approve and monitor new development projects, which include new build for social and affordable rent, shared ownership and market sales. The Development Finance Director participates in both committees whilst the Director of Corporate Finance and Treasury sits in CIG as well as in Orbit's Sustainability Steering Group. This ensures a cross-over of these subcommittees with the SFFSP and guarantees that as part of the approval and ongoing monitoring process, the environmental and social risks and credentials of the new schemes as well as the adherence to our policies and any applicable laws and regulations are considered by both committees. New development proposals will include biodiversity considerations, environmental impacts of the building works and affordability of the schemes, for example.

Retrofitting of existing properties falls under the responsibility of the Corporate Investment Group (CIG) and the SFFSP will select projects that have been approved by CIG. To identify a decarbonisation project that is both a strategic fit and deliverable, the Strategic Asset Management Team apply a number of filters including fit with agreed strategy and business plan, geographic location, portfolio strategy, alignment to capital investment plan, eligibility with funding criteria (where appropriate), energy performance outcomes, local employment opportunities and established Local Authority relationships. Modelling software is used to inform the selection of properties and calculate current and expected performance outcomes. Projects are governed through formal boards in line with contractual and BEIS requirements and CIG retains internal oversight of the project.

The Terms of Reference for the SFFSP include:

- 1)** To oversee the establishment of the Sustainable Finance Framework and review the Framework from time to time as seen fit (for example when updated Principles are published) and at least once every 2 years.
- 2)** To select and approve the Eligible Projects
- 3)** To allocate the net proceeds to the Eligible Projects
- 4)** To oversee the Eligible Project portfolio and confirm its continued compliance with Orbit's Sustainable Finance Framework
- 5)** Oversight of any social and environmental risks associated with Eligible Projects
- 6)** To exclude Projects or investments that no longer comply with the eligibility criteria or have been disposed of and replacing them on a best-efforts basis
- 7)** To oversee the implementation and operation of information reporting structures to comply with the reporting requirements under the Framework

The SFFSP will meet on a quarterly basis, or more frequently if required, to review all proposed Eligible Use of Proceeds and to confirm their compliance with Orbit's Sustainable Finance Framework in order to approve the allocation of proceeds.

## 2.3. Management of Proceeds

The net proceeds will be allocated by the SFFSP to the Eligible Projects identified under the use of proceeds section above. To manage the proceeds of Orbit's Sustainable Finance Instrument, we will establish a Sustainable Finance Register.

The proceeds of each instrument will be earmarked against the pool of Eligible Projects and expenditures identified in the Sustainable Finance Register. At the end of each financial year the net proceeds will be reduced by the amounts invested in Eligible Projects (excluding grants received attached to the projects) within the annual period.

The Sustainable Finance Register will be reviewed annually by Orbit's SFFSP to account for any re-allocation, repayments or drawings on the Eligible Projects and expenditures within the pool. The Sustainable Finance Register will contain relevant information including:

- (1) Details of the Sustainable Finance Instrument: ISIN, pricing date, maturity date, etc.
- (2) Details of Eligible Use of Proceeds, including:
  - Summary detail of Eligible Projects/expenditures to which the proceeds of the Sustainable Finance Instrument have been earmarked in accordance with this Framework;
  - Any unallocated Sustainable Finance Instrument proceeds yet to be earmarked against Eligible Projects/expenditures;
  - Estimated environmental and social impact, where available;
  - Other necessary information

In the event that funds cannot be immediately and fully allocated, or in the event of any early repayment, proceeds will be used in accordance with Orbit's Treasury Management Policy until allocation to Eligible Projects. These uses may include cash deposits, investment in sterling denominated Money Market Funds as well as redemption of short-term debt.



## 2.4. Reporting

We will publish an Allocation and Impact report on our Eligible Project Portfolio. This reporting will be updated annually until the full allocation of the net proceeds of any Sustainable Finance Instrument issued and thereafter in the event of any material developments.

### 2.4.1. Allocation Reporting

We will provide information on the Eligible Project Portfolio in our Allocation and Impact Report. The information will contain at least the following details:

- I. The type of financing instruments used and respective outstanding amounts
- II. The total amount of proceeds allocated to each Eligible Project
- III. The balance of unallocated proceeds
- IV. Allocations by refinancing versus new financing

### 2.4.2. Impact Reporting

We will provide impact reporting for any Sustainable Financing Instrument under this framework in alignment with the ICMA Harmonised Framework for Impact Reporting where feasible. This will leverage metrics from the SRS, as well as include additional metrics, relevant to the Use of Proceeds, to monitor our performance under the Sustainable Finance Framework. Examples metrics may include, but are not limited to, the metrics tabled in Section 2.1 Use of Proceeds.



## 2.5. External Review

### 2.5.1 Second Party Opinion (pre-issuance)

DNV has conducted an external review in the form of a Second Party Opinion of the Orbit Sustainability Finance Framework in February 2026 and confirms our alignment with the Principles and Guidelines. This Second Party Opinion is available at [orbitgroup.org.uk](https://orbitgroup.org.uk).

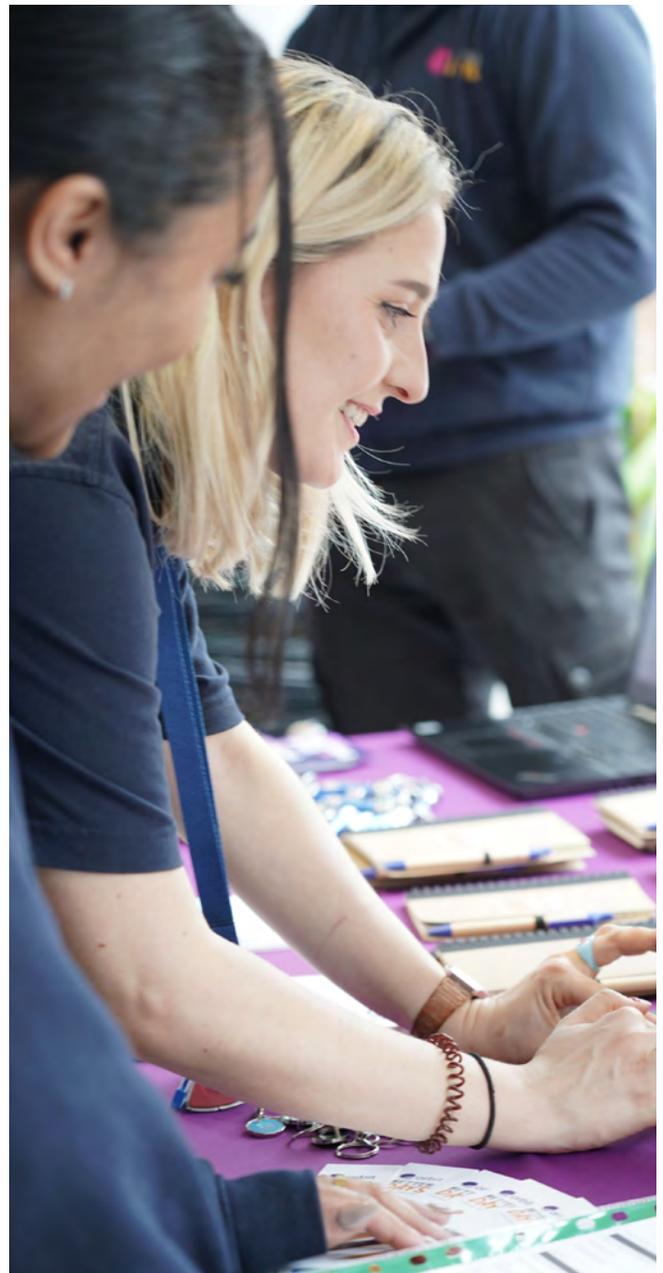
### 2.5.2 Verification and assurance (post-issuance)

External verification of the allocated and unallocated portions of the net proceeds will be provided by an external auditor along with any allocation reports issued whilst Sustainable Finance Instruments are outstanding. Verification will cover:

- The compliance of assets financed by instruments with eligibility criteria defined in the use of proceeds section in this Framework
- Allocated amounts related to the eligible Environmental and/or Social projects financed by the eligible proceeds
- The management of proceeds and unallocated proceeds amount
- The external verification will be made available to the finance providers under this Framework and where appropriate, will also be made publicly available on our website

## 2.6 Amendments to this Framework

The SFFSP will review this Framework on a minimum two-year basis, including its alignment to updated versions of the Principles and Guidelines as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of Orbit and DNV. The updated Framework, if any, will be published on our website and will replace this Framework.



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