

Press Release

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MORhomes strengthens its ESG leadership position

MORhomes, the financial borrowing vehicle for housing associations, has today (Friday 6 June) launched its updated Sustainable Bond Framework and enhanced Sustainable Housing Assessment (SHA) which will apply to prospective borrowers.

MORhomes issued its first Sustainability Bond in 2021, one of the first for the housing sector with a sustainability accreditation, going one step further than its original social bond. As it seeks to raise the bar on ESG over time, MORhomes has now strengthened the requirements further for new borrowers.

Its Sustainable Bond Framework has been designed to demonstrate MORhomes' alignment with ICMA (International Capital Markets Association) 'Sustainability Bond Guidelines' and will ensure that future borrowers can evidence both social and environmental impact. ICMA defines a sustainability bond as one where the proceeds are "exclusively applied to finance or refinance a combination of both green and social projects."

Sustainalytics has independently reviewed MORhomes' Framework and provided a positive Second Party Opinion which confirms that it is Aligned with Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021. It also assesses the Sustainability Contribution of the Framework as Significant.

To be eligible to borrow via MORhomes' Sustainability Bonds, housing associations' environmental, social and governance (ESG) performance is examined as part of the application process via the enhanced SHA. The 14 multiple-choice questions cover a range of indicators including the energy efficiency of existing and new stock, carbon emissions and the energy generated by low carbon heating systems. The assessments will be independently validated by Ritterwald, a pan-European housing and real estate consultancy with a focus on sustainability.

As an early adopter of the Sustainability Reporting Standard (SRS) for Social Housing, MORhomes is encouraging its borrowers and shareholders to follow suit. The SRS aims to provide a voluntary reporting framework for housing providers so they can report on their ESG performance transparently and consistently.

Leaders at MORhomes say their new assessment approach extends the concept of the SRS by going beyond reporting, delivering an assessment which demonstrates how housing associations are actually performing on sustainability.

Andrew Morton, CEO of MORhomes, said; "Tackling the housing crisis and creating lasting change has always been part of our ethos at MORhomes. This updated framework and enhanced SHA are testament to this. We are proud to have built on our unique approach to assessing the ESG impact of our current and prospective housing association borrowers which is also quick and simple to complete. Borrowers who meet the more

stretching standards are going even further than before, above and beyond current requirements and helping meet the Government's zero carbon target and the United Nations Sustainable Development Goals.

The social housing sector is perfectly placed to demonstrate the powerful, long-term impact it is having on individuals, communities and society as a whole. This is spotlighted in our annual Sustainability Impact Report which shows how housing associations are continuing to deliver homes and improve lives with the funds raised via MORhomes' existing Social and Sustainability Bonds.

From a sustainability perspective, there is real commitment from housing associations to safeguard the future of the planet and we continue to urge all our borrowers and shareholders to adopt the Sector Reporting Standards and show us how they are meeting the requirements through the Sustainability Assessment."

MORhomes expects to issue its latest Sustainability Impact Report next month, in conjunction with its Annual Report and Financial Statements for the year ended 31 March 2025.

MORhomes has so far lent 23 housing association borrowers a total of £539m via a combination of the sector's first Social Bond and MORhomes' first Sustainability Bond.

MORhomes offers loans from £5m, flexible security, simple documentation and prides itself on efficiency and speed of access to the market.

The updated MORhomes Sustainable Bond Framework will be available here on Friday 6 June 2025 <https://morhomes.co.uk/socially-responsible-investment/>

The latest MORhomes Sustainability Impact Report is available here <https://morhomes.co.uk/social-and-sustainable-impact-reporting/>

Ends

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Notes to editors

About MORhomes

MORhomes is a unique and innovative borrowing vehicle for the UK social housing sector. It is constituted as a PLC and applies the highest standards of corporate governance. Its shares are owned by 68 not-for-profit UK housing associations. Its public debt is traded on the London Stock Exchange. It raises finance on the bond markets and lends it on to housing associations, who must be shareholders.

MORhomes provides its borrowers with

- Flexibility to borrow in amounts from £5m upwards - saving the cost of having to borrow larger amounts which might be more than is needed at any one time
- Quick access to the market, reducing uncertainty over the price of funds
- Flexibility on types of security offered and efficient use of security
- Immediate access to funds with up to a year to put security in place
- Simple documentation and reduced costs and resources in going to the market
- Minimal corporate financial covenants
- Transparent predictable credit process and annual credit limit.

MORhomes is 100% owned and controlled by housing associations. It is capitalized by equity and subordinated debt provided by its borrowers, and third-party junior debt.

MORhomes' first issue was completed in February 2019 enabling it to on-lend £260m. The loan portfolio has now increased to £539m. Its current borrowers are:

<u>Borrower Name</u>	<u>Borrower Group Name</u>
Aster Communities Ltd	Aster
Synergy Housing Ltd	Aster
EMH Housing and Regeneration Ltd	EMH
Hafod Housing Association Ltd	Hendre
Local Space Ltd	Local Space
Melin Homes Ltd	Melin
North Devon Homes	North Devon
Heart of Medway Housing Association Ltd	MHS
Pobl Homes and Communities Ltd (previously two loans, now consolidated)	Pobl
South Yorkshire Housing Association Ltd	South Yorkshire
Wandle Housing Association	Wandle
Thrive Homes	Thrive Homes
Origin Housing Limited	Origin
Eastlight Community Homes	Eastlight
Housing Solutions	Housing Solutions
Calico Homes	Calico
Broadacres Housing Association	Broadacres
Cornerstone Housing Ltd	Cornerstone
Broadland Housing Association	Broadland
Rochdale Boroughwide Housing	RBH
Selwood Housing Society	Selwood Housing
Soho Housing Association Ltd	Soho
Elim Housing Association Ltd	Elim

About Ritterwald

RITTERWALD is a pan-European residential real estate consultancy with well-established roots in the German residential industry and now has a strong market position in the UK. RITTERWALD supports housing associations and industry partners with their response to policy and market changes and access to sustainable finance by providing performance enhancing business and service outcomes.

Sustainability and the pathway to carbon net zero are emerging as the biggest sector challenge in the UK and the rest of Europe. RITTERWALD has responded by creating the Certified Sustainable Housing Label and the Sustainable Housing Assessment, supporting clients access ESG oriented lenders and investors to meet their capital requirements. In addition, RITTERWALD assists housing associations establish a roadmap to carbon net zero as part of their strategic climate transition planning.

The MORhomes Sustainable Bond Framework benefits from RITTERWALDs' Sustainable Housing Assessment, demonstrating that a participating housing association is going above and beyond current Government sustainability requirements.

About Sustainalytics

Sustainalytics is a global leader in ESG and Corporate Governance research and ratings. For more information visit <https://www.sustainalytics.com/>