



ESG Report
2021-22

Making an impact:
Our environmental,
social & governance
report

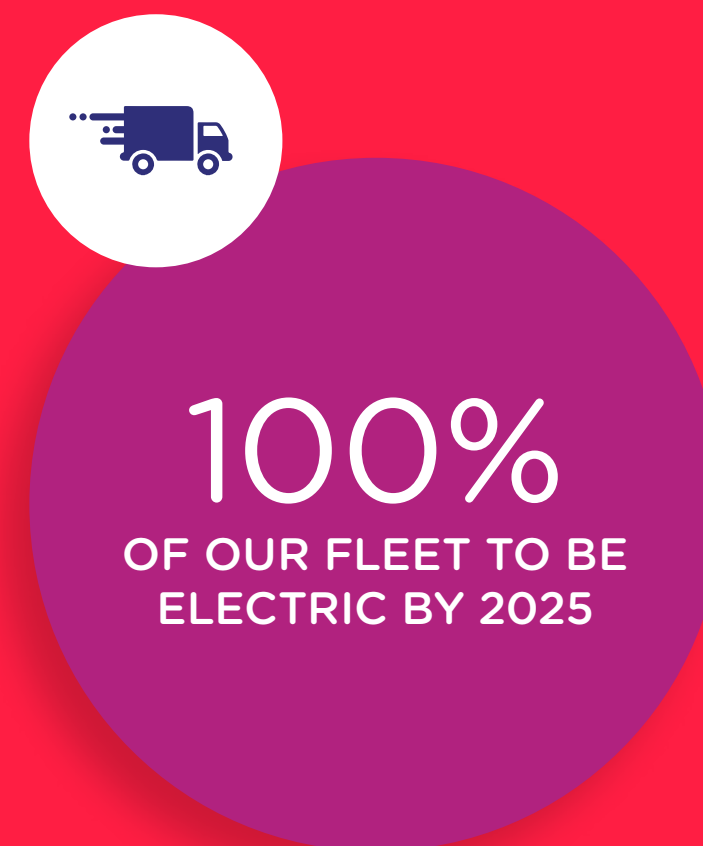
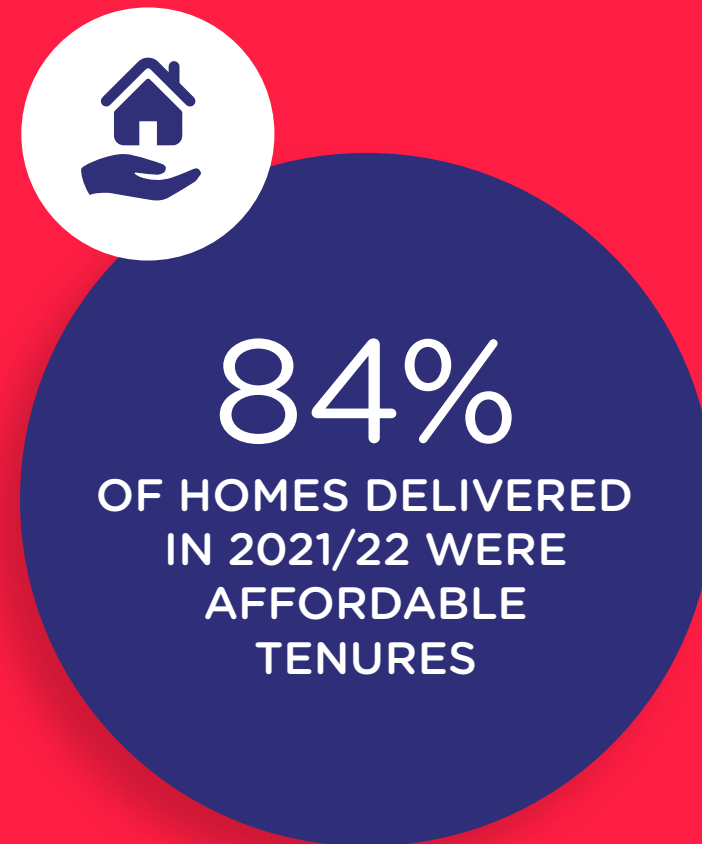


Our ESG story in numbers

Social

Environmental

Governance



Introduction

Duncan Brown
Chief Finance Officer



VIVID is a strong financially robust business. We provide 33,000 affordable homes and a range of support services to help our customers through life's challenges. We're one of the country's biggest developers of affordable homes. We're also a long-term business, building homes that will last for over 100 years. During that time a lot can change so our organisation needs to adapt as the world changes.

We need to make sure our homes meet the needs of both our current and future customers, remain affordable to live in, and we can continue to deliver a full range of services. Environmental pressures and climate change are among the biggest changes we need to adapt to.

Underpinning all of this is strong governance - leadership that recognises the long-term challenges we face. So I'm pleased to share our first ESG report, showcasing some of the great work we're doing to make a positive social and environmental impact for years to come. These activities aren't something extra. This is our core business because we believe a home is more than just a roof over your head. It's a springboard to enable everyone to achieve their ambitions and it's the foundations of their wellbeing. We want to make sure living in a VIVID home gives our customers a good quality of life.



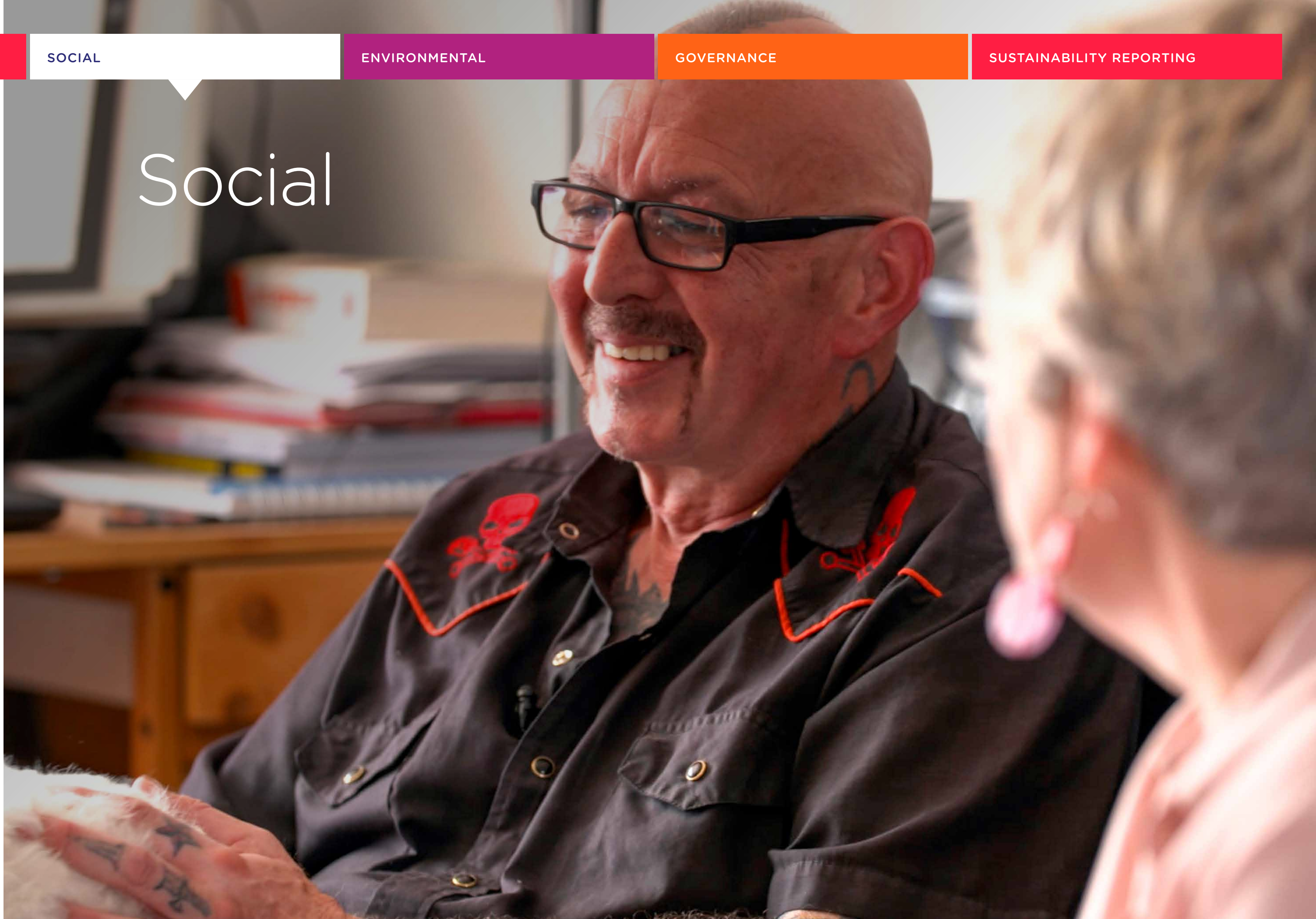
Structure of our report

Our ESG report is structured around 12 objectives.

We have adopted the Sustainability Reporting Standard (SRS) for Social Housing which helps us tell our story in a transparent, consistent, and comparable way to the rest of our sector. In addition, our work contributes to 9 of the UN's Sustainable Development Goals (SDGs). A full suite of SRS reporting is found at the end of this report starting on [page 33](#).

| Criteria | Objectives | SRS theme | UN SDG | Page |
|---|--|------------------------------------|---------------|------|
| Social | 1: Offer rented homes people can really afford | Affordability and security | 1, 10, 11 | 7 |
| | 2: Target development activity in areas where the market isn't providing homes people need | | | 10 |
| | 3: Reduce levels of rough sleeping in our communities | | | 11 |
| | 4: Help customers thrive in their homes and communities | Resident support/placeshaping | 3, 4, 10, 11 | 12 |
| Environmental | 1: Make our homes more energy efficient | Climate change/resource management | 7, 11, 12, 13 | 19 |
| | 2: Become a zero-carbon business | | | 21 |
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| Sustainability Reporting Standard (SRS) | Sustainability Reporting Standard: Social | | | 34 |
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Social

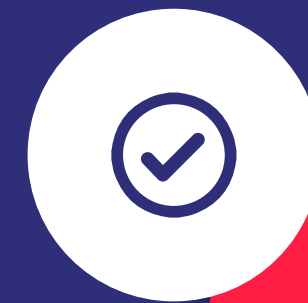


More homes, bright futures

Our vision is 'more homes, bright futures' which means we exist to help people achieve and maintain a safe and secure home, vital to everyone's wellbeing and chances in life.

We've set an ambitious target to have built 17,000 more new homes in the 10 years since our creation in 2017.

In this section we explain how we're also making sure our homes are really affordable, meeting the needs of our communities and how we help our customers to thrive.



BUILD
17,000
MORE NEW HOMES IN
THE 10 YEARS SINCE
OUR CREATION IN
2017



1,401
NEW HOMES
COMPLETED IN
2021/22



£291M
OF HOMES
ENGLAND STRATEGIC
PARTNERSHIP GRANT
ALLOCATED
TO DATE



1,670
HOMES TO BE BUILT AS
SOCIAL RENT THROUGH
OUR HOMES ENGLAND
STRATEGIC
PARTNERSHIP



35
CUSTOMERS AT RISK
OF HOMELESSNESS
PROVIDED WITH
MENTORING SUPPORT
TO SUSTAIN THEIR
TENANCY IN
2021/22



1,300
CUSTOMERS
INVOLVED IN
DELIVERING OUR
SERVICES IN
2021/22



£21M
ALLOCATED TO
VIVID PLUS OUR
CHARITABLE ARM
OVER 5 YEARS



£4.9M
EXTRA INCOME
SECURED FOR OUR
CUSTOMERS IN
2021/22



310
CUSTOMERS
SUPPORTED INTO
WORK IN 2021/22



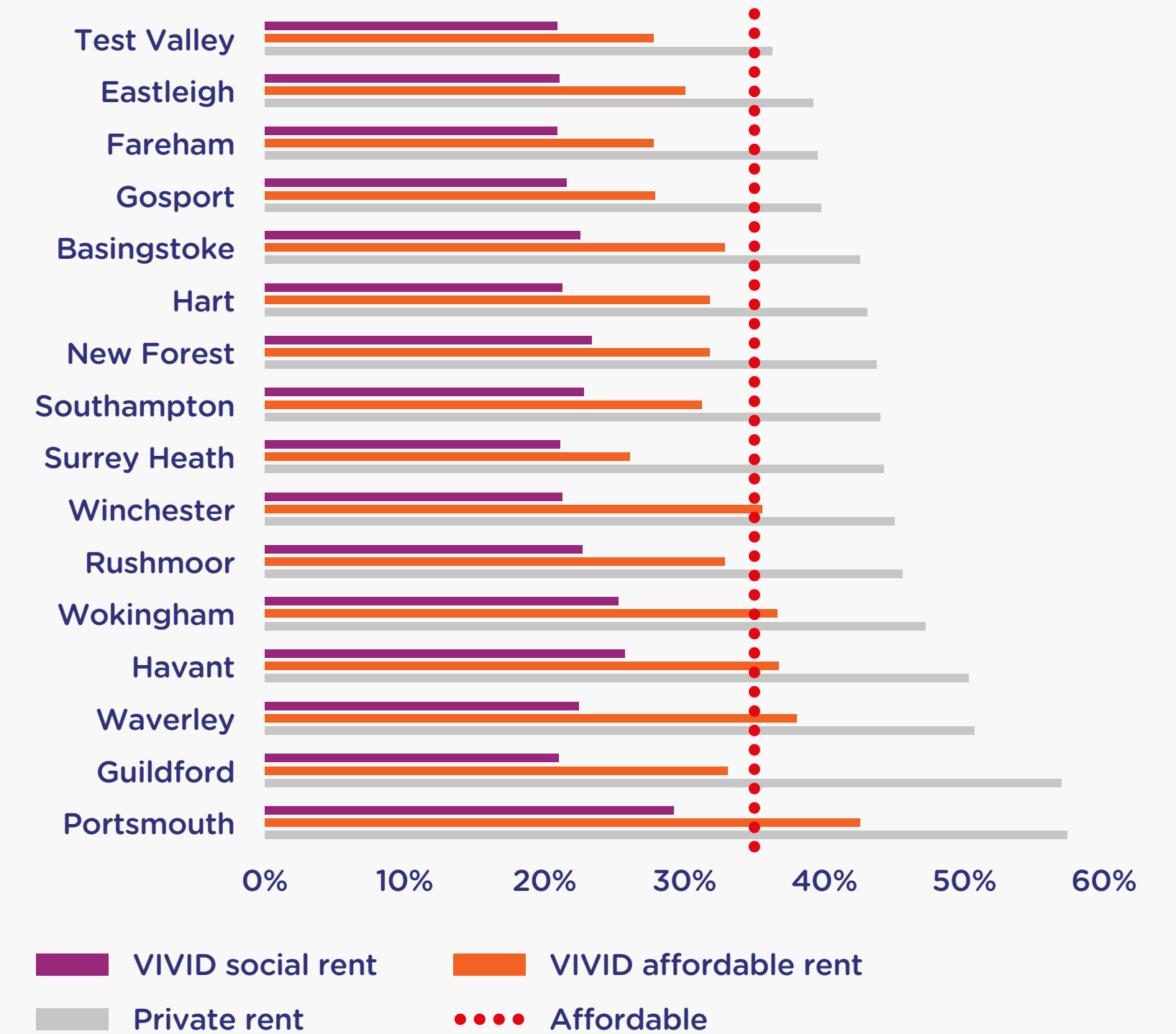
Objective 1: Offer rented homes people can really afford

Our rented homes are making a real impact during the cost-of-living crisis.

We measure the amount of household income spent on rent and use **35%** as our definition of affordable. On average our rents are **61%** of market rent on a like-for-like home.



% Income spent on rent



Across our operating area we have some very high value areas where those on the lowest incomes struggle with affordability. But we also have areas where low incomes are particularly low. Portsmouth is one of these so we're excited about our new flagship development at Tipner, the gateway into Portsmouth.

Case study: Tipner East, Portsmouth

We've exchanged contracts on Tipner East, Portsmouth, to transform the derelict and contaminated site into a vibrant **750-850 home** waterfront community. The city of Portsmouth is densely populated with a real need for more affordable homes but due to the geography of the city, opportunities to build more homes are sparse. Although Tipner East is an extremely challenging site, we see the opportunity it provides to deliver more homes for the city, improve the land and area for existing local residents and really make a difference for the people of Portsmouth. We aim to submit our planning application in the summer of 2022.

Building homes for social rent makes the biggest difference to affordability. Our partnership with Homes England is instrumental in this. As one of the largest Homes England partners with a total grant allocation of over **£291m**, we've been able to increase our delivery of social rented homes.

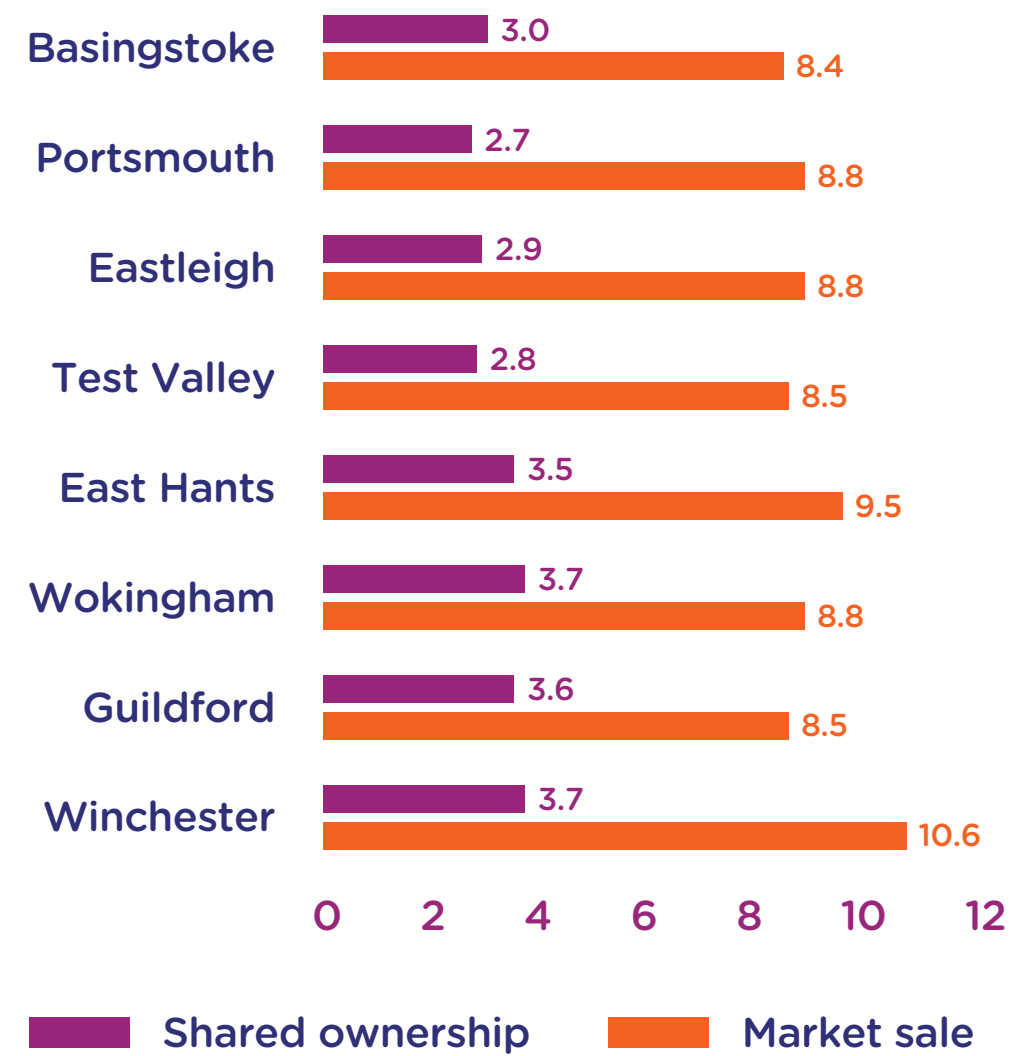
In fact, we're building more homes for social rent than any other Strategic Partner at 1,670.



Affordable home ownership

Our shared ownership offering is making home ownership possible in some of the least affordable parts of the country. In Winchester, the cost of purchasing a home is over 10 times the average salary. A VIVID customer can get onto the housing ladder by buying a share of a new home for just 3.7 times the average salary.

Wages to home purchase ratio



In 2021/22 we made 460 shared ownership sales, selling an average of 41% share





Objective 2: Target development activity in areas where the market isn't providing homes people need

The housing crisis is particularly acute across all of our communities but we're targeting our investment to the areas where housing need is greatest. We're building a range of tenures, aiming for 25% social rent, 35% affordable rent, 25% shared ownership and 15% for outright sale.

We take a customer-led approach and are committed to building the types of homes our communities really need. We work with our local authority partners to identify housing gaps and tailor our plans to meet demand and the varying circumstances of our future customers.

Our Project Approval Committee considers affordability and housing need when we make our investment decisions and we provide a weighting to our financial appraisals to encourage investment where it's needed most.

Number of new homes delivered in 2021/22 by local authority area

| | |
|---------------------|--------------|
| East Hampshire | 40 |
| Basingstoke & Deane | 173 |
| Chichester | 55 |
| Eastleigh | 285 |
| Fareham | 27 |
| Guildford | 113 |
| Havant | 10 |
| Horsham | 15 |
| Portsmouth | 29 |
| Rushmoor | 141 |
| Southampton | 16 |
| Surrey Heath | 8 |
| Test Valley | 129 |
| Waverley | 35 |
| Wiltshire | 18 |
| Winchester | 273 |
| Wokingham | 34 |
| Total | 1,401 |





Objective 3: Reduce levels of rough sleeping in our communities

We've secured £1.7m of funding through the Government's Rough Sleeping Accommodation Programme (RSAP) to house people who were homeless and temporarily housed during the pandemic to help them on the road to independence.

We're doing this in partnership with homelessness support charity Two Saints, which provides specialist support services such as employment and training advice, mental health support and help with substance abuse. So far, we've secured **20 properties** across Southampton, Test Valley and Basingstoke and Deane.

During the pandemic, we worked closely with Two Saints to get rough sleepers safely housed.

We provided Two Saints with additional buildings for temporary accommodation, and the partnership meant we could approach local authorities with a package of accommodation and trusted support.



“We're really excited about our partnership with VIVID, which brings benefits to both organisations and their tenants and clients. I'm particularly excited about the work we're doing on a vision for future accommodation for homeless people across Hampshire. This will not only improve services and the outcomes we achieve but make these safer in a post COVID-19 era, with more self-contained accommodation. This is something our partner housing authorities are really interested in across Hampshire and beyond – and this has the potential to significantly improve services and end rough sleeping.”

Steve Benson
Chief Executive of Two Saints



Objective 4: Help customers thrive in their homes and communities

VIVID Plus is our charitable arm, set up to help customers and communities thrive. It launched in February 2021 with 2 core themes; provide customers with tailored, individual tenancy sustainment support, and tackle community-led priorities to ensure people feel proud of where they live. We plan to invest £21 million over 5 years to make this happen. In 2021/22 we invested £2m.



We want our customers and the communities in which they live to be safe and secure.

We work with a range of partners to provide positive alternatives to crime and anti-social behaviour (ASB) promoting life skills and sport.

We have partnered with Eastleigh Borough Council's Changing Direction for Future Success project to fund new skills training courses for **46 young people** who weren't in education or employment and were involved in anti-social behaviour.

These courses have helped 13 young people enrol in full time education or employment in 2021/22.



Case study: VIVID Plus launches maiden initiative with Hampshire Cricket Board and Hampshire Police to hit ASB for 6!

VIVID Plus and Hampshire Cricket Board have partnered to deliver free, accessible weekly cricket sessions to 12–25-year-olds in deprived areas across Hampshire. The project aims to engage young people in regular sport and physical activity to act as an early intervention tactic to help reduce youth crime and provide positive alternatives to ASB. The project has received funding from Hampshire Police in their drive to reduce ASB.

The partners will target areas across the county that are known for issues such as ASB. Starting with Hilsea in Portsmouth, the project is expected to expand in the forthcoming year.

Derek Streek, Head of Communities, Standards and Partnerships at VIVID said: **“For young people living in deprived areas, access to sport and other hobbies are limited to them for many reasons. In many cases it’s these areas that are associated with anti-social behaviour and youth crime issues. We’re looking forward to working with HCB to help deliver their Urban Cricket strategy in our neighbourhoods to give young people a positive alternative to crime and to help our communities feel safe and secure.”**



Health interventions to improve life chances

Our research shows some of our communities are more likely to suffer from poor health than other parts of the South. We believe in helping our customers and communities build bright futures and a large part of this is providing support and interventions when things become difficult. Our wellbeing service's partnership with Solent NHS helps to bridge the gap between health and housing for our customers. We support our customers with poor mental health by helping them to engage with wellbeing services, so that they can continue living independently.



Georgia's story

Our team has been working closely with our customer, Georgia, who felt vulnerable after she was attacked over a year ago. The incident led to Georgia developing severe anxiety that made her feel fearful of leaving her home.

We arranged for the Blue Lamp Trust to visit Georgia's home, change the locks and install alarms to help her feel safer. Our Money Advice and Benefit team also supported her with making a successful Personal Independence Payment (PIP).

A member of our Tenancy Support team arranged fortnightly phone calls to listen and help with Georgia's mental health issues and we encouraged her to talk to the community mental health team, who suggested that she was eligible to access TalkPlus, a talking therapy service run by the NHS.

Georgia started using TalkPlus but unfortunately she could not go consistently due to her panic attacks. After talking to our Tenancy Support team and her local GP, Georgia decided that where she was living triggered too many difficult memories, so she decided to leave the area and move closer to her family.

Our team was able to help Georgia's move by working with Victim Support, her GP and neurologist to ensure she was successfully placed onto the housing register and her vulnerabilities were taken into consideration.

Thanks to this, we were able to offer Georgia a property that was within walking distance of her son and she has had a fresh start. She has made amazing progress with her mental health journey, and can now go to the shops by herself, take the bus and walk to her son's house.

*Name has been changed for privacy

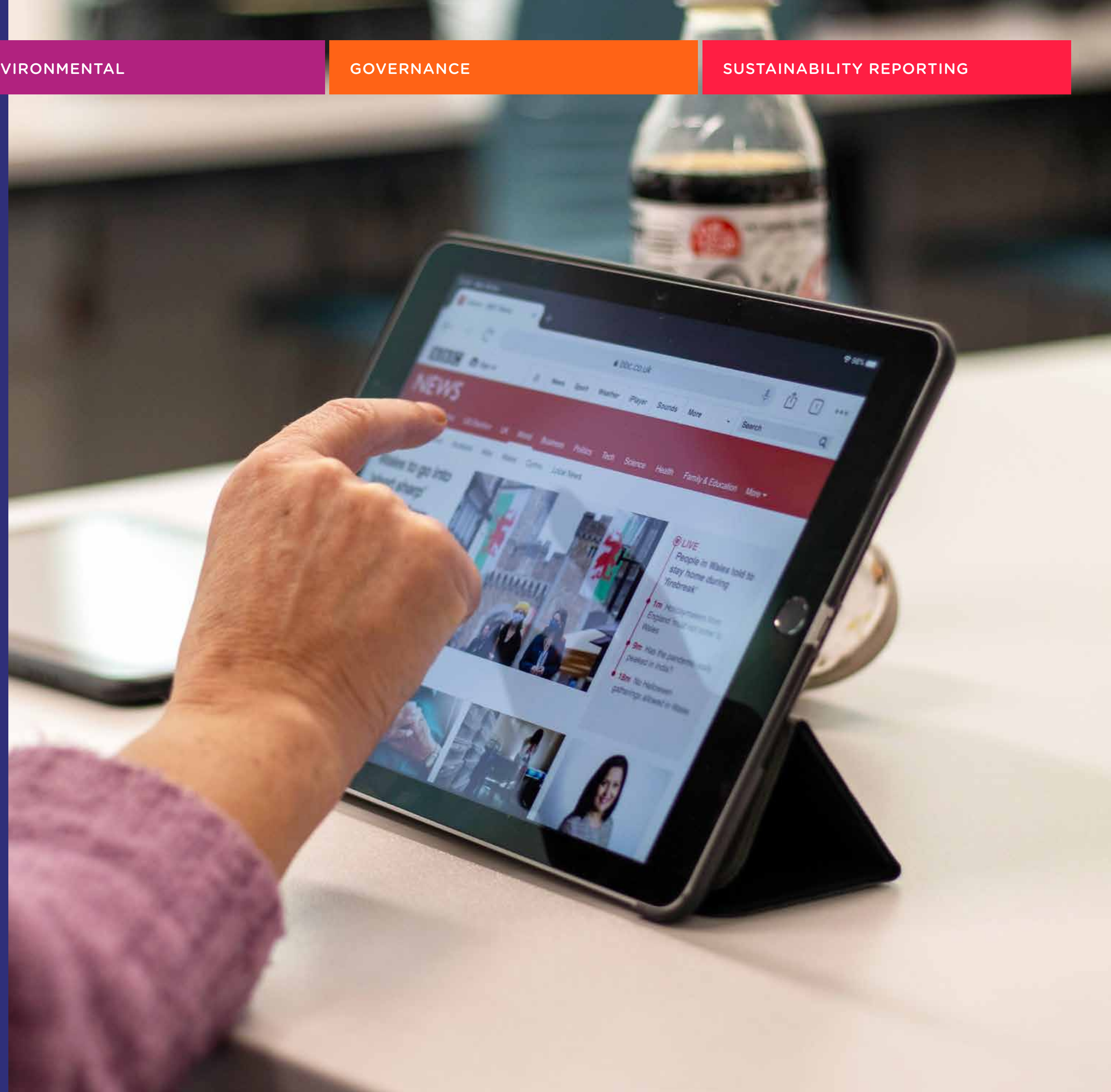
Promoting digital inclusion

We work with our partners to offer digital skills training to help customers struggling with the skills and confidence in using computers or the internet, so they aren't left behind in an increasingly digital world. In 2021/22 we supported over **589 customers** to access the internet.

Case study: 400 tablets offered to customers to help them stay connected during the pandemic

During the height of the coronavirus pandemic, we provided **400 free tablets** with built in sim cards to families who didn't have the equipment their children needed to do their schoolwork from home and to older and more vulnerable customers, or those identified as 'high risk' who were self-isolating to help them stay in touch with loved ones.

These tablets were offered to individuals where the need was identified.



Tackling food poverty

The cost of living crisis is hitting the lowest income households hardest, where many households will be forced to choose between eating and heating. For our customers to live healthy lives they need access to affordable nutritious food.

We've supported Basingstoke Foodbank, helping them to provide **94 tonnes** of food to feed over **7,600 people** during the pandemic. In addition to donations we have been able to provide them with a more permanent base.

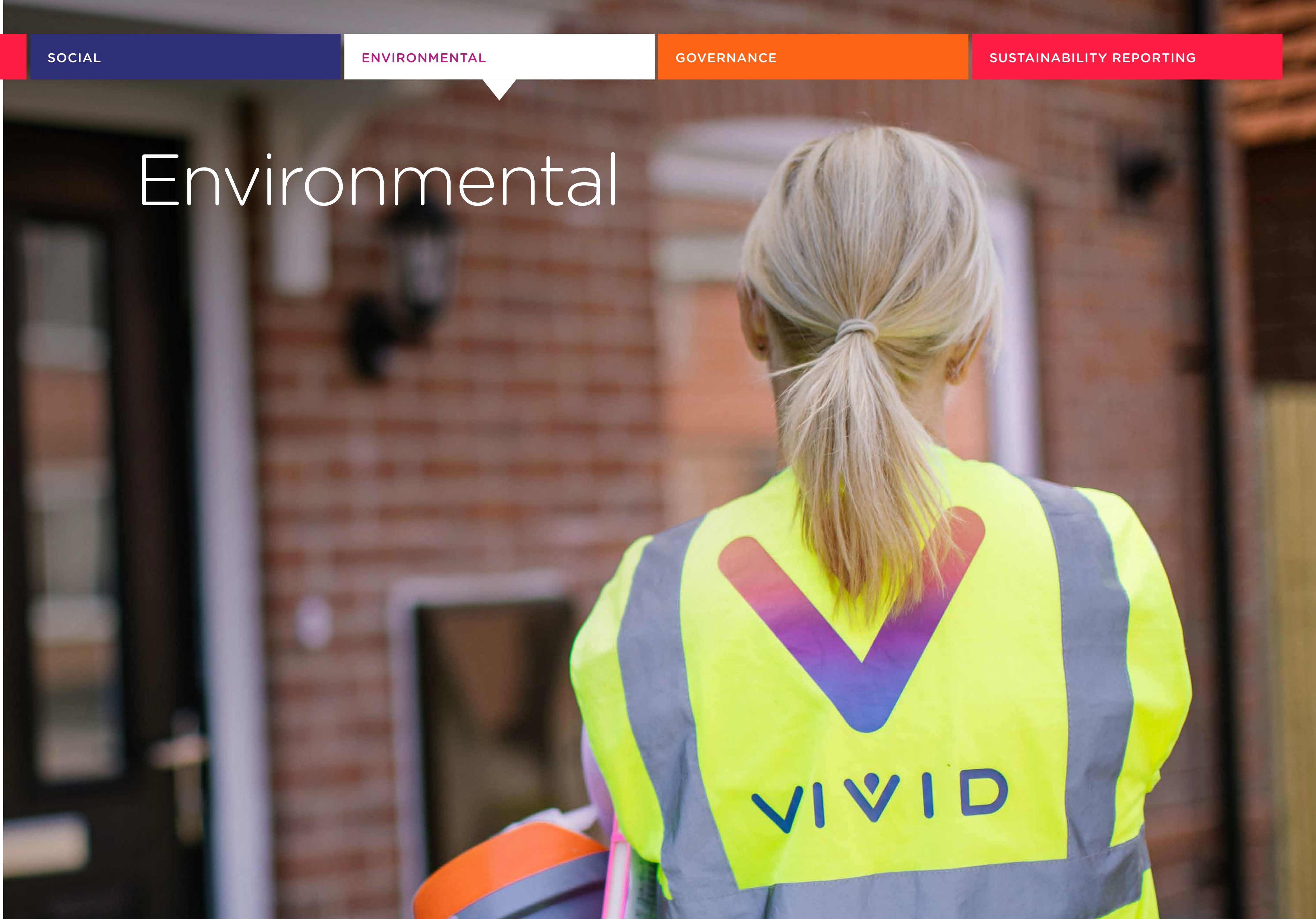
We're also trialling a range of food pantry initiatives across our patch. We have **invested £24,000** into these pilot schemes. Pantries provide fresh food including fruit, vegetables, meat, with a choice of items, alongside cooking classes and digital support.

Our social value goals:

- 25% of our new homes will be at social rent
- Build 17,000 more new homes in the 10 years since our creation in 2017
- Always set rents below Local Housing Allowance levels
- Secure £5.25m of additional income for our customers through benefit advice
- 325 customer job starts through our employment and training service



Environmental



Paving the way for a sustainable future

In 2022 we launched our first sustainability strategy setting out the first phase on our sustainability journey.

Over the next ten years we'll be:

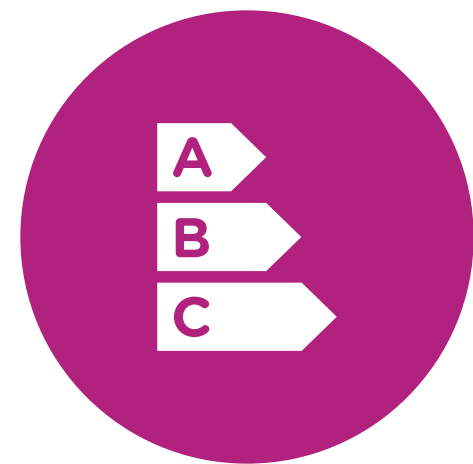
- Spending £90m to make our homes more energy efficient. 70% of our homes already meet the government's 2030 target but we'll go beyond this and make sure they're as energy efficient as possible
- Switching our fleet of vans to electric by 2025. This will eliminate 70% of our business emissions
- Building sustainability into our procurement decisions to make sure we only work with sustainable businesses
- Sharing the findings from our research into new heating/insulation technologies and our customers views on them

Our financial strength means that we can afford the **£750m** set aside in our 30-year business plan to get us to carbon net-zero. Technical innovation may mean the price tag comes down, but we are ready and willing with the resources to meet this challenge.

A strategy is more than a big price tag. We have given some thought to this and see four big sustainability challenges affecting our business over the coming decades. We've built our strategy and work plans around these to:

1. **Make our homes more energy efficient**
2. **Become a zero-carbon business**
3. **Be a sustainable business partner**
4. **Share our knowledge**





Objective 1: Make our homes more energy efficient

Our homes are where we can make the biggest difference – to the cost of living for our customers and our impact on the environment.

We've estimated that our customers spend around £9.2m on energy each year, and our homes are responsible for around 170,000 tonnes of CO² emissions.

Energy costs are rising. Wholesale gas prices have quadrupled over the last year and have pushed electricity costs up.

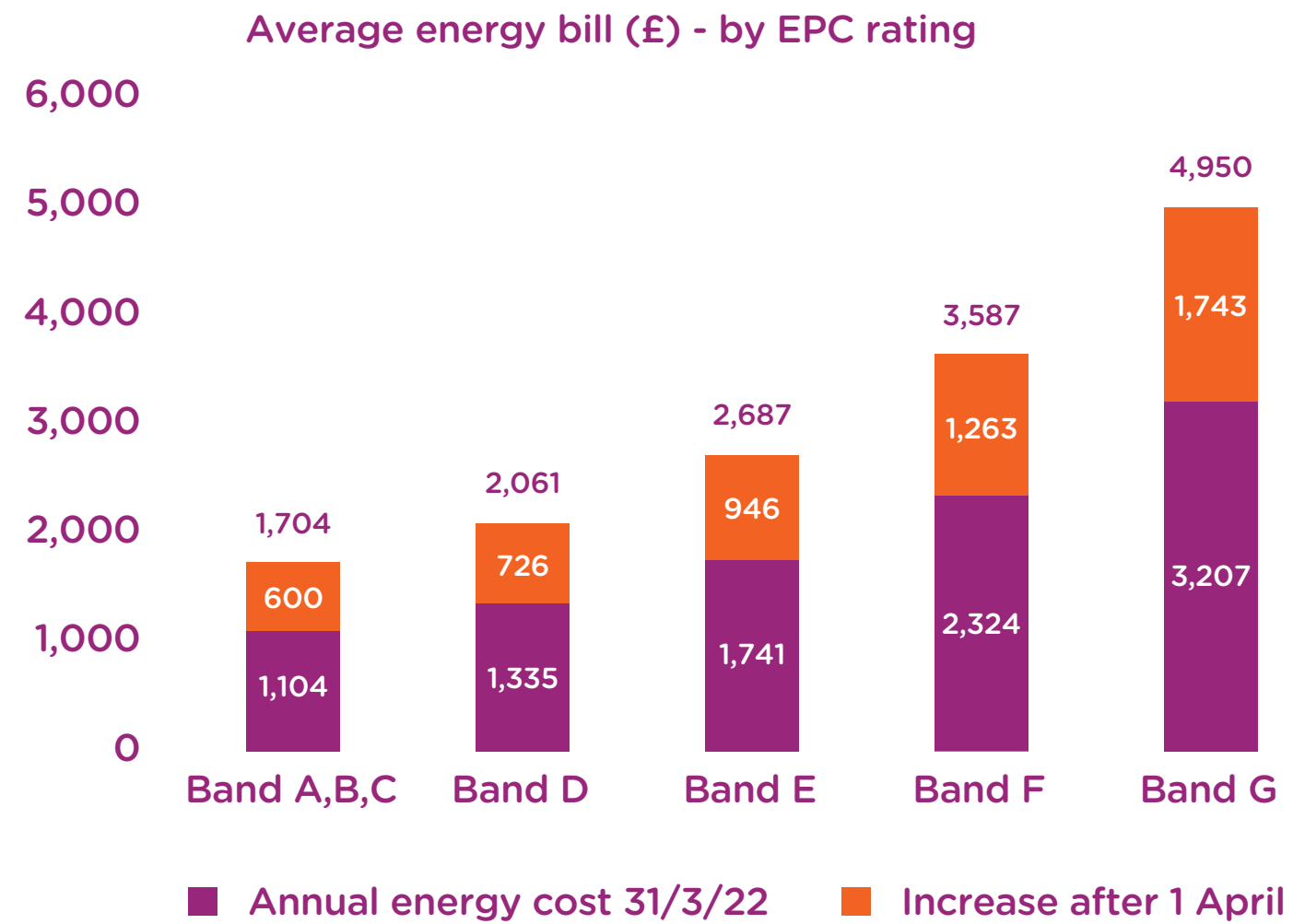
The energy efficiency of homes is measured using Energy Performance Certificates which give each home a rating from A (the most efficient) to G (the least efficient). At the end of March 2022, **over 70% of our homes** were already in the A to C categories but not many of them were A-rated. We have over **600 homes** that are officially 'fuel poor' in the E, F and G bands.



| EPC | Quantity of homes 2021-22 | % of total homes 2021-22 |
|--------------|---------------------------|--------------------------|
| A | 79 | 0.3% |
| B | 6,845 | 26.3% |
| C | 11,898 | 45.7% |
| D | 6,046 | 23.2% |
| E | 411 | 1.6% |
| F | 20 | 0.1% |
| G | 4 | 0% |
| No EPC | 741 | 2.8% |
| Total | 26,044 | |

Higher ratings reduce our greenhouse gas emissions and can make a substantial difference to our customers' energy costs. Although energy costs are affected by various factors, such as household type and customer behaviours, there's a definite correlation with EPC ratings and these costs.

The graph below is from research performed by JLL and the ONS in March 2022 . The data suggests that customers living in homes with a C rating will pay roughly **35% less** for their energy compared to customers living in an E rated home.

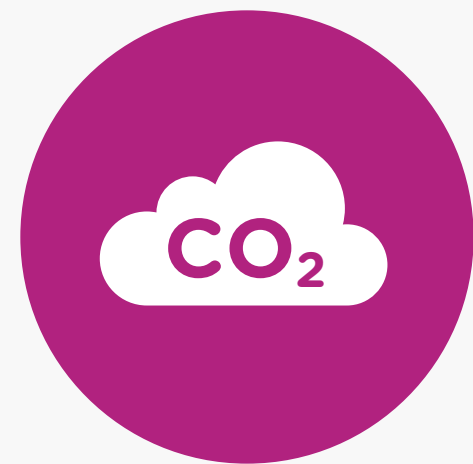


The government has set a target to reach EPC level C or better for all our homes by 2030. We'll spend £90m to meet this target. But we'll go further, making our homes as efficient as we can.

residential.jll.co.uk/insights/news/jll-could-new-home-demand-rise-as-energy-prices-soar

If homes cannot achieve EPC level C, we'll follow any guidance from the government or the regulator but the VIVID Board is reluctant to sell social housing into the private sector as this would reduce the amount of social housing available, and only pass the problem onto others.





Objective 2: Become a zero-carbon business

Our business activities are responsible for around 7,000 tonnes of CO₂ emissions each year.

These are measured and reported under the government's Energy & Carbon Reporting requirements. These emissions are mainly from our business travel and the energy consumed by our offices.

We can eliminate **70%** of our emissions by changing the fuels we use for business travel – switching from petrol and diesel to electric vehicles. This applies to our fleet of 400 vans but also the personal cars our staff use for business travel. We are planning to switch all our fleet vehicles to electric by 2025.

Changing the way we buy our energy can also make a big difference. Electricity that's generated from renewable sources generally costs more, but at the beginning of 2022 the volatility in energy markets eliminated the cost difference making it more affordable to use cleaner energy.

We've already made the switch with our energy suppliers to go green. We also produce landfill waste which is responsible for significant (but unmeasured) CO₂ emissions.

Our energy and carbon reporting data

| | kWh energy consumed year to date | | | | tCO ₂ e emitted year to date | | | | Intensity ratio |
|----------------|----------------------------------|-------------|-----------|------------|---|--------------|---------|---------------|-----------------|
| | Electricity | Natural gas | Transport | Total | Scope 1 | Scope 2 (LB) | Scope 3 | Scope 1 and 2 | |
| 2021-22 | 7,644,168 | 14,841,207 | 9,180,880 | 32,244,755 | 5,081 | 1,954 | - | 7,035 | 5.45 |
| 2021-22 | 7,469,757 | 14,812,780 | 3,884,507 | 26,754,244 | 3,771 | 1,741 | - | 5,512 | 4.23 |





Objective 3: Be a sustainable business partner

We're all about partnerships – we work with others to deliver our services and whole communities (not just our customers) live and work on our estates. We'll make sure we aren't an obstacle to others being more sustainable.

We work with over 3,000 different suppliers and buy goods from all over the world. We're anticipating that the UK's commitment to net-zero will introduce new sustainability challenges for our suppliers and we'll work with our suppliers and make sustainability a factor in our procurement decisions.

Our estates contain a variety of trees and plants which can offset the greenhouse gas emissions generated by activities on our estates. We are changing the way we manage our estates to encourage biodiversity and make them part of the solution to environmental challenges.



Case Study: Working together with BoKlok to deliver modular homes

Working with BoKlok UK, a modular home company owned by Ikea and Swedish construction company Skanska, we have begun a new innovative joint venture to deliver sustainable quality modular homes for both owners and affordable tenures. We're working collaboratively to deliver an initial target of **300 new modular homes** per year on sites throughout Hampshire, Surrey, Berkshire and West Sussex.

Our first BoKlok site will be completed in Autumn 2022 providing **72 new apartments** at our attractive lakeside development at Fulbeck Avenue in Worthing.

As well as implementing off-site precision engineered homes, BoKlok will use its sustainable technologies to reduce energy bills and provide people with opportunities to enjoy the local environment through a joint approach to place-making and community enrichment. Graeme Culliton, BoKlok UK Managing Director and Country Manager said, **"This is an exciting opportunity for both BoKlok and VIVID. We share the same values and determination to bring more sustainability to the UK housing market."**





Objective 4: Share our work and learn from others

There's still quite limited information about how more sustainable activities - everything from construction to vehicles - will impact on people's lifestyles, wellbeing and the affordability of our homes.

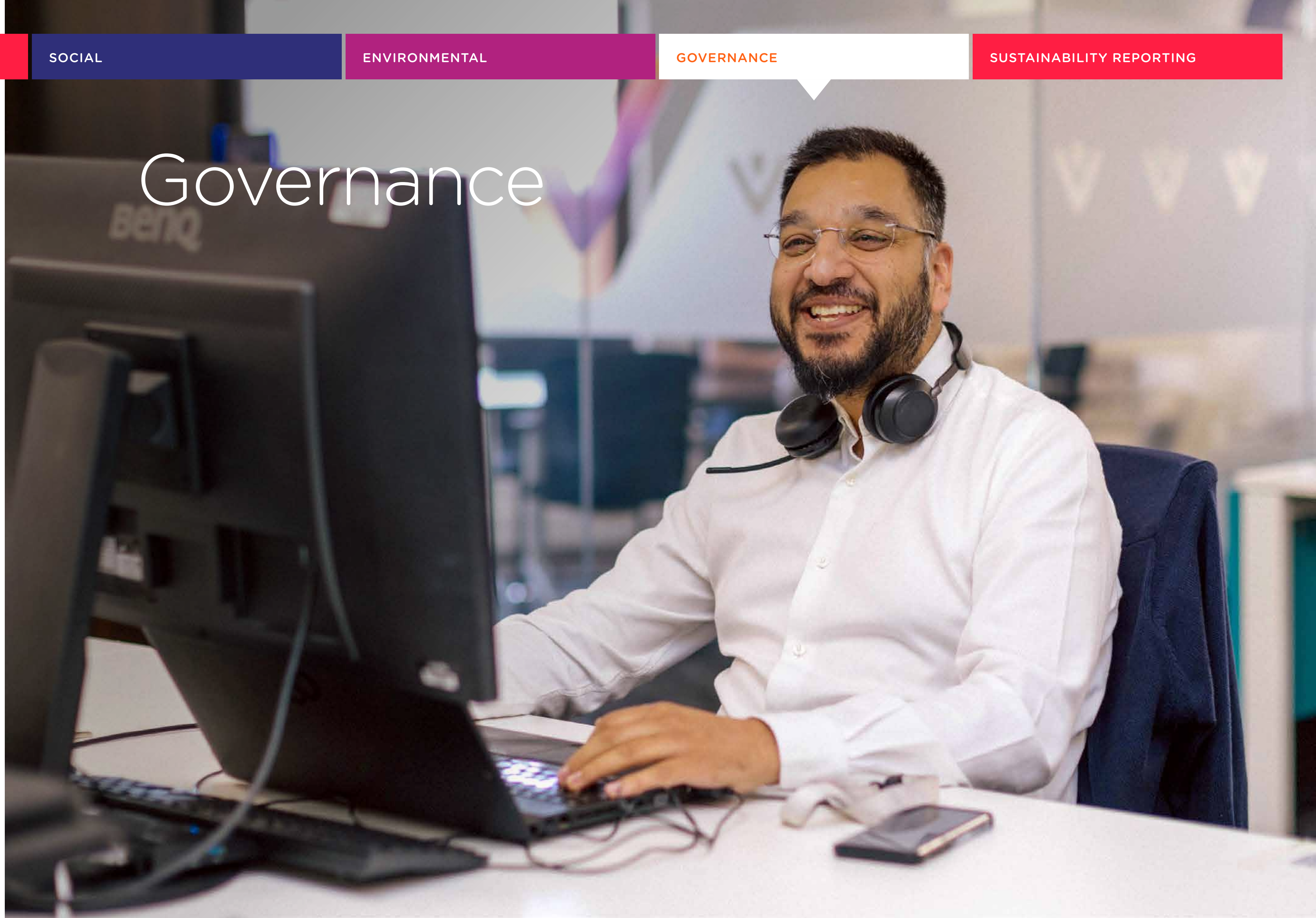
We have always carried out research into issues that affect our business and shared the findings. We'll take the same approach as we implement our sustainability plans.

In particular, we think there's a need to better understand the links between the energy efficiency of homes and fuel costs, and how different lifestyles and household compositions affect this. When we understand this better, we'll be able to give better advice to our customers.

Our sustainability goals:

- Launch a new Home Standard (for existing and newbuild homes) that includes energy efficiency standards
- Only build new homes that reach EPC level B and are capable of achieving an A rating
- Improve our homes in the EPC level E, F and G categories to the highest rating possible in 2022
- Stop installing gas heating systems into new homes by 2025
- Only buy energy from renewable (zero-carbon) sources
- Replace our petrol and diesel fleet with electric or other zero-emission vehicles by 2025
- Make electric vehicles more affordable for our staff
- Develop a new environmental standard for all our estates, encouraging biodiversity and carbon capture
- Introduce new procurement standards that make sustainability a factor in our purchasing decisions
- Publish our research into heating and energy costs
- Provide advice and support to customers using new technologies and alternative heating systems

Governance



Governance

The Board is committed to maintaining the highest standards of governance and has adopted the National Housing Federation's Code of Governance.



G1/V1

WE HAVE THE TOP
GOVERNANCE AND
VIABILITY RATINGS
FROM OUR
REGULATOR



100%

TRANSPARENCY
AROUND POLICIES
THAT SHOW HOW WE
PROVIDE SERVICES
AND MANAGE OUR
BUSINESS



1.2%

ETHNICITY PAY GAP
DOWN FROM 11.8%
3 YEARS AGO



50%

OF OUR SENIOR
LEADERSHIP TEAM
IS FEMALE



3.7%

GENDER PAY GAP,
DOWN FROM 8.3%
3 YEARS AGO





Objective 1: Be completely transparent and open about how we work

We publish our performance measures on our website every 3 months.

In 2021 we launched our Access to Information Service, enabling our customers to request any information about our business or our services.

On our website, we publish:

- All policies that determine how we manage the business
- Performance measures for our Board and Customer Service Committee
- Complaints handling performance
- Gender/ Ethnicity pay gap reporting
- Quarterly updates to our funders
- Board member declarations of interest
- Decisions taken by the Board

We don't have to publish all of this but being open and transparent is what we do.





Objective 2: Involve our customers so that we can deliver great homes and services for them

We have a diverse group of 1,300 involved customers across our operating area who work with us in a range of ways.

Case Study: The resident group at Southdown View, Portsmouth

We worked alongside the resident group at Southdown View, Portsmouth to help transform a disused fountain and open space into an attractive place to socialise, grow herbs and vegetables, and encourage local wildlife to thrive.

Here are 8 ways we have been listening and working together with our customers to build 'Bright futures':

- 1 **2 Board members** for VIVID Plus, our charitable arm, are also VIVID customers
- 2 **Neighbourhood volunteers** team up with our Neighbourhood officers, inspecting communal areas and repairs needed in the community. We currently have **38 volunteers** with **68 customers** signed up to join them
- 3 **Resident groups** - we encourage customers to set up resident groups and work with us to help identify opportunities that will make a positive difference in their area
- 4 **Customer Services Committee** - customers, staff and Board members collaborate to oversee our Service Standards performance, to drive change so we can deliver a great customer experience
- 5 **VIVID Impact** - our resident panel independently reviews our performance and ensures customers' voices are being listened to
- 6 **Digital mentors** - members of the community helping customers improve their digital literacy and feel confident online
- 7 **Formal panels and focus groups** - we create opportunities for our customers to get involved in our policy, procurement and service consultations
- 8 **8% of our staff are also our customers**, supporting insight and ownership across the organisation



Objective 3: Foster a company culture that is inclusive and supportive for all

To be a truly successful organisation we need an inclusive culture that allows everyone to give their best, and a diverse workforce that reflects the demographics of our region.

Our employee Diversity and Inclusion group shapes our approach so everyone is empowered to be themselves and succeed.

We're working hard to address the barriers people within ethnic minority groups face in a workplace. Our most recent Ethnicity Pay Report shows our pay gap has closed by more than 10 percentage points from **11.8%** to **1.2%**.

We've continued to encourage and develop women into our leadership and trade roles. Women currently make up 50% of our senior leadership team and 60% of our wider leadership roles. Currently our gender pay gap is **3.7%**, down from **8.3%** 3 years ago.

Attracting more women into our trade workforce remains a big focus. We have a target to achieve **9%** more women into our trade roles by 2023. To do this we're partnering with Highbury College to provide students with 'on the job' training through work experience and promoting our apprenticeship schemes. We've already achieved a **7%** increase and are confident about meeting and exceeding our target.





Objective 4: Build a high performing organisation

We put a strong emphasis on helping our staff develop, and aim to create a stimulating environment in which they can learn.

Our 'good to great' programme for our management teams focuses on building a 'growth mindset' and becoming a high performing organisation.

Our Optimise initiative provides a tailored programme to support first time or aspiring managers to reach their goals.

We target job and development opportunities to those living in our communities, particularly young people who are looking to take their first step on their career path. We offer a range of apprenticeship courses and levels across the organisation from IT to carpentry.

Kickstarter



This year we announced our involvement in the Kickstart Housing Partnership. As part of this we have created 18 job placements for unemployed 16-24-year-olds in Portsmouth and Basingstoke and have offered 6 Kickstarters a permanent position with us.

One of these 6 was Daniel, who joined us through the Kickstart programme supporting the IT Service Desk and was offered a permanent position as Trainee Support Technician.

Daniel said, "The Kickstart programme has enabled me to get an opportunity to train, learn, grow my skills and progress in my career. Kickstart has opened doors for me and also opened my eyes to what I really want to do in my life and has set me on the right career path. I'm looking forward to learning the skills I need to progress in the IT industry and particularly develop through my time at VIVID."

Our people are the driving force of our business

Their energy and passion to make a difference in their communities means we can deliver our promises.

We aim to create an environment where staff want to give their best, somewhere they feel valued, rewarded and have opportunities to grow. Our values – Work as One Team, Encourage, Challenge and Change, and Deliver a Great Customer service – underpin this and helps everyone understand how their role fits into the bigger picture.

We've established a culture that is vibrant and celebrates choice. That means we encourage our people to self-serve and take ownership of their careers and working life. Our flexible benefits scheme also allows staff to build their own package based on what matters most to them. Employees can choose as many benefits as they like, from our new electric vehicle lease scheme, private medical insurance, and childcare vouchers, to wellbeing support and discounted gym memberships.

Similarly, we offer a range of support and guidance to staff to help their physical and mental wellbeing and allow them a choice of what is best suited to them and their needs. Our Stigma Busters, a team of people from across the organisation, promote good mental health and identify new initiatives and support for our employees.

We recognise our people, like the rest of society, have been through a challenging time through the pandemic, compounded by a sharp rise in the cost of living.



We have been certified by Best Companies and recognised for our commitment to our employees, with a 'very good' 1-star accreditation rating. This has resulted in us being placed 9th in the 'top 25 housing associations to work for' in the UK list.



Smart working

This year we introduced "smart working", setting a new way of working following the pandemic lockdowns. Staff have greater flexibility in deciding where they work but are encouraged to use our offices for collaborative activities, such as team meetings and training.

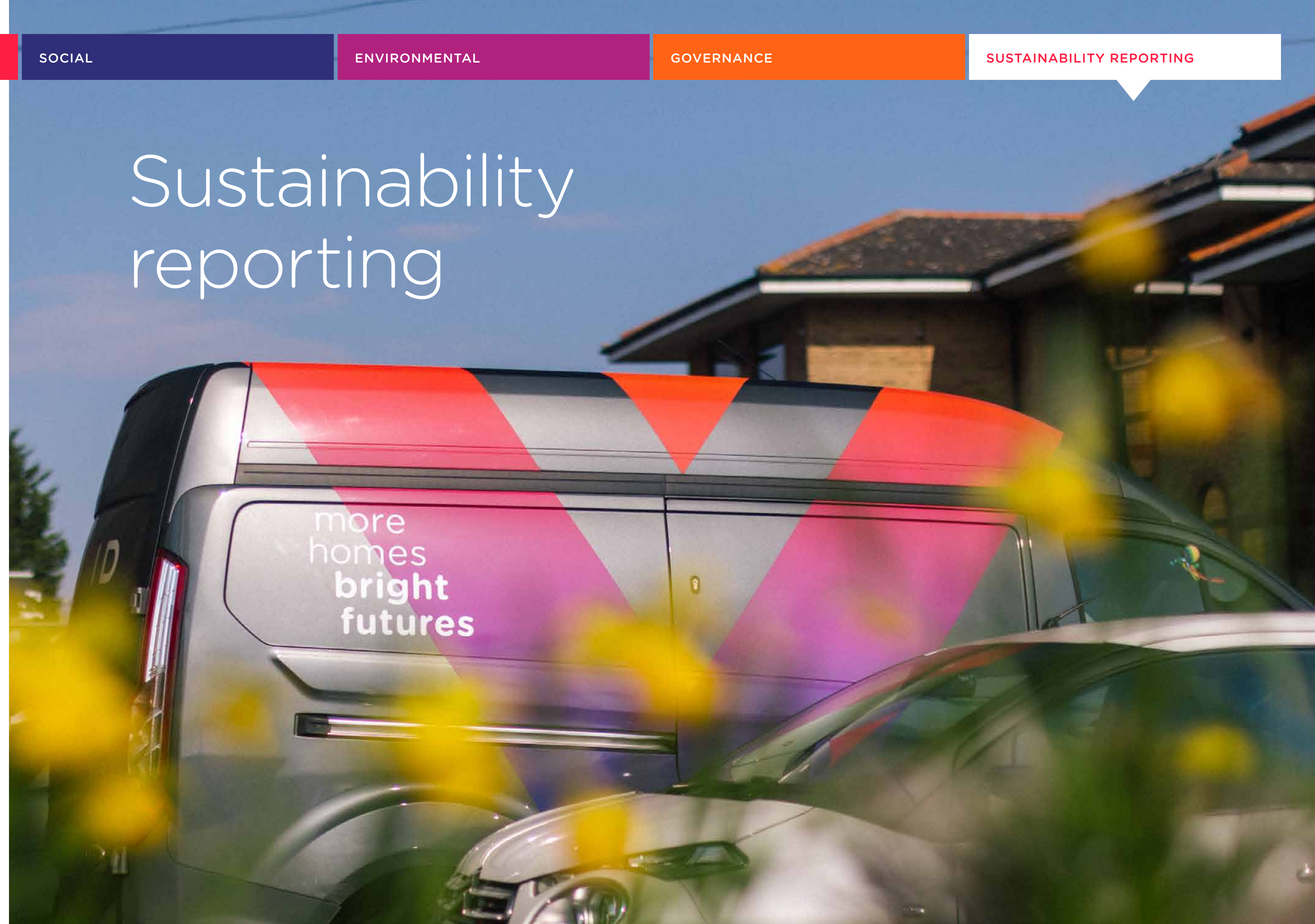
The improvements we've introduced to our technology has made our hybrid working journey seamless and inclusive. We've provided new laptops and mobiles to staff, increased our use of the Microsoft 365 suite, and improved our meeting room technology, allowing staff to work in different locations but still feel connected to the business.

We'll continue to transform the way we run our business through our technology transformation 'Programme 2025', which focuses on driving improvements for both our people and our customers.

Our governance goals:

- Retain top G1 rating from the regulator
- Publish all the policies governing how we operate our business
- Eliminate our gender pay gap
- Eliminate our ethnicity pay gap
- Increase female representation in trade roles by 9% between 2020-2023
- Achieve a 2-star rating in the Best Companies survey

Sustainability reporting



Sustainability Reporting Standard (SRS)

Social

| | SRS question | VIVID response |
|--|--|--|
| Affordability Building safety and quality and security | C.1 How do VIVID average rent levels compare with the private rented sector and the Local Housing Allowance? | 98% of our homes have rents set below the Local Housing Allowance for the respective area; 1.7% are over the LHA (0.3% set at LHA rate). This equates to charging our customers £96m less per year than the LHA. Where we are overcharging against LHA this totals £383k per year. This is usually where customers are living in sheltered or supported housing schemes. In these instances, higher service charges are embedded in total weekly rent. |
| | C.2 What is the breakdown by type of VIVID's properties by tenure type at March 2022? | As of 31/03/2022 (using annual census Statistical Data Return classifications for our regulator classifications) of our 33,179 homes we have: General needs (social rent) - 19,310, 58.2%; General needs (affordable rent) - 5,144, 15.5% Intermediate rent - 310, 0.9%; Supported and housing for older people - 1,433, 4.3%; Low- cost home ownership - 3,903, 11.8%; Leaseholders 2,211, 6.7%; Private rented sector - 481, 1.4%; Other 176, 0.5%. |
| | C.3 How many new homes did VIVID build in 2021/22? | We built 1,401 homes during 2021/22. This breaks down by tenure as follows: affordable rent 429 (31%), social rent 260 (19%); shared ownership 480 (34%); market sale 145 (10%); market rent 87 (6%). |
| | C.4 How is VIVID supporting its customers in relation to rising fuel costs? | We have a Money Advice and Benefits team, which brought in £4.9m of additional income for our customers in 2021/22. We have a Welfare Fund of £400K which is available, amongst other things, to provide emergency assistance to those who need energy top ups working in partnership with Charis, an administrator for many essential funds and grants. We provide employment and training services which secured over 310 job starts for our customers in 2021/22. We have developed a new 2022 Sustainability Strategy which outlines how we will be developing a retrofit programme that puts the customer first by ensuring we retrofit our worst energy performing homes first. We will be seeking to achieve a minimum of EPC C on all homes by 2030 in line with the government social housing target. |
| | C.5 What percentage of VIVID homes have fixed tenancy agreements of over 3 years? | We are in the process of converting all our fixed term tenancies to assured 'lifetime' tenancies. We currently still have 1,103 tenancies to convert which is approx. 4.3% of our social rented stock. |
| Building safety and quality | C.6 What percentage of VIVID homes with a gas appliance have an in-date, accredited gas safety check? | 100% |
| | C.7 What percentage of VIVID homes have an in-date and compliant Fire Risk Assessment? | 100% |
| | C.8 What percentage of VIVID homes meet the Decent Homes Standard? | 100% |

| | SRS question | VIVID response |
|------------------|--|--|
| Customer voice | C.9 What arrangements are in place to enable customers to hold management to account for provision of services? | VIVID Impact - our customer scrutiny panel (9 panel members meet monthly) |
| | C.10 How does VIVID measure customer satisfaction and how has customer satisfaction changed over the last three years? | <p>We run both perception and transactional surveys. Our perception survey is run by TLF Research who carry out telephone interviews with a sample of customers every 6 months. We calculate a Customer Satisfaction Index which is based on importance as well as satisfaction.</p> <p>Our score over the last 3 years:</p> <ul style="list-style-type: none"> - March 22: 78.4% (target 81%) - March 21: 80.4% - March 20: 77.9% <p>There has been an upward trend in satisfaction over the last 3 years which peaked in March 2021. We experienced the same trend for our transactional surveys. We use the feedback from our surveys and complaints to focus improvements on those areas that will make the biggest difference to our customers.</p> <p>We'll be reviewing our perception survey methodology to ensure it meets the requirements of the new Tenant Satisfaction Measures (TSMs) from the RSH.</p> |
| | C.11 In the last 12 months, how many complaints have been upheld by the Ombudsman? | <p>We had 14 cases investigated by the Ombudsman and 4 of these had a finding of maladministration. Some examples of lessons learnt include:</p> <ul style="list-style-type: none"> • Redesigned our processes and developed a team to specialise in damp and mould investigations and maintenance • Reviewed our tenure specific information on our website and housing management system to make sure customers are aware of landlord and managing agent responsibilities, and trained staff so the correct advice is given to customers • Created a team to focus on the management of contractors working on our behalf to repair customers' homes • Developed a checklist and guidance for customers viewing a mutual exchange home to help assess whether the property is the right choice for them including advice on parking arrangements for customers |
| Resident support | C.12 What support services does VIVID provide to customers? How successful are these services in improving outcomes? | Please see objective 4 of our 'Social' section to see how we and our charitable arm VIVID Plus is making a difference to our customers lives when they need it most. |
| Placemaking | C.13 Provide examples of case studies where VIVID has been engaged in placemaking or placeshaping activities | Please see objective 4 of our 'Social' section to see how we supporting our communities to make their houses into homes. |

Sustainability Reporting Standard (SRS)

Environmental

| SRS question | VIVID response |
|---|---|
| C.14 What is the distribution of EPC ratings of existing homes (those completed before the start of the previous financial year)? | A - 79 (0.3%); B - 6,845 (26.3%); C - 11,898 (45.7%); D - 6,046 (23.2%); E - 411 (1.6%); F - 20 (0.1%); G - 4 (0.0%); No EPC - 741 (2.8%) |
| C.15 What is the distribution of EPC ratings of new homes (those completed in the previous financial year)? | 100% of our new homes completed in the year ending 31 March 2022 are in EPC rating band A-C. |
| C.16 What are Scope 1, Scope 2 and Scope 3 green house gas emissions? | See Objective 2 of our Sustainability Strategy for Scope 1 and 2 emissions. We hope to share Scope 3 emissions in future ESG reports. |
| C.17 What energy efficiency actions has VIVID undertaken in the last 12 months? | A Savills Zero-Carbon Study was commissioned in February 2022 to review all homes, provide investment options and to support the development of our 2050 retrofit investment programme. All EPC Band F and G homes have been assessed and where applicable have been PAS 2035 retrofit surveyed, to establish full retrofit requirements. |
| C.18 How has VIVID mitigated the following climate risks? - Increased flood risk - Increased risk of homes overheating | Our new Sustainability Strategy outlines how we will be tackling climate risks. |
| C.19 How does VIVID provide customers with information about correct ventilation, heating, recycling etc? Please describe how this is done. | Information and instructions on ventilation, heating and waste are provided to customers at sign up. Our new Sustainability Strategy outlines how we will be seeking to further improve customer education and understanding of heating, ventilation and recycling. |

Climate change

SRS question

VIVID response

C.20 How is VIVID increasing green space and promoting biodiversity on or near our homes?

With regards to new homes, biodiversity net gain is addressed through the planning system. For any new development, we are required, wherever possible, to protect existing habitats and ecosystems. Any habitat loss is identified and mitigated in the early planning stages, we carry out specialist site surveys and assessments by licensed ecologists to determine a baseline against which we can then implement mitigation strategies. We endeavour to improve the position over and above the planning requirement where we can. We might, for example, introduce bird and bat boxes, create wilding areas, retain or plant woodland, increase the provision of green areas, protect and introduce new animal or plant species, provide allotments.

C.21 What is VIVID's strategy to actively manage and reduce all pollutants? What is the target and how do you measure performance?

See objective 2 of our Sustainability Strategy.

C.22 What is VIVID's strategy to use or increase the use of responsibly sourced materials for all building works? What is the target and how do you measure performance?

With regards to new build properties, we endeavour to instruct that material are sustainably sourced wherever possible and that providence certification is provided.

C.23 What is VIVID's strategy for waste management incorporating building materials? What is the target and how do you measure performance?

Our new Sustainability Strategy outlines how we will be seeking to reduce our waste. We have recently reprocurd our waste management contracts to ensure more detailed and transparent measurement of our waste and recycling.

C.24 What is VIVID's strategy for good water management? How do you target and measure performance?

As part of our new Sustainability Strategy we will be assessing all green spaces to improve sustainable drainage and surface water management. In addition, included within the strategy is a plan to reduce all corporate energy consumption and this will include water usage measurement at our offices.

Sustainability Reporting Standard (SRS)

Governance

| SRS question | VIVID response |
|--|--|
| C.25 Is VIVID registered with the Regulator of Social Housing (RSH)? | Yes, our registration number is 4850. |
| C.26 What is VIVID's most recent viability and governance regulatory grading? | We maintained the highest possible rating of G1/V1 in July 2021. |
| C.27 What Code of Governance does VIVID follow? | We follow the National Housing Federation Code of Governance 2020. |
| C.28 Is VIVID not-for-profit? | Yes |
| C.29 How does VIVID manage organisational risks? | The Board sets our risk management policy, which states our risk appetite across 5 categories of risk, and maintains the strategic risk register. The Audit and Risk Committee (ARC) creates an annual assurance plan setting out the programme of audit and assurance work required to ensure risks are well-managed. Audit and assurance work is carried out by our internal auditors and a panel of specialists. Alongside this, management complete a quarterly self-certification for all control activities and an annual compliance check for each of the 7 regulatory standards and the code of governance. The ARC considers changes to the operating environment and risk profile at each of its quarterly meetings and adjusts the assurance plan accordingly. The ARC then reports the outcomes of its assurance work to the Board to support the Board's opinion on our system of internal control. |
| C.30 Has VIVID been subject to any adverse regulatory findings in the last 12 months (e.g. data protection breaches, bribery, money laundering, HSE breaches or notices) - that resulted in enforcement or other action? | No |

SRS question

VIVID response

C.31 What are VIVID's demographics of the Board? And how does this compare to the demographics of VIVID's customers, and the area that they operate in?

33% of the Board are women (compared with 61% of our customers). The average age of a Board member is 56. We are unable to disclose the % of Board members that are BAME (customers are 11%), or whom have a disability as too many have chosen not to disclose this information in such a small sample.

C.32 What percentage of the VIVID Board and management team have turned over in the last two years?

25%

C.33 Is there a maximum tenure for a VIVID Board member? If so, what is it?

Yes, our rules outline a maximum of 2 fixed terms. Each fixed term expires at the end of the AGM following the third anniversary of their appointment. No fixed terms should enable a Board member to serve beyond their 7th consecutive AGM.

C.34 What percentage of the Board are non-executive directors?

69%

C.35 What is the number of Board members on the Audit Committee with recent and relevant financial experience?

Shena Winning and Lynda Shillaw are both Chartered Accountants

C.36 Are there any current executives on the VIVID Remuneration Committee?

No

C.37 Has a succession plan been provided to the VIVID Board in the last 12 months?

Yes

C.38 For how many years has VIVID's current external auditor been responsible for auditing the accounts?

3 years

C.39 When was the last independently-run, Board effectiveness review?

September 2019

C.40 Are the roles of the chair of the Board and CEO held by two different people?

Yes

C.41 How does VIVID handle conflicts of interest at the Board?

We have a Code of Conduct and Conflict of Interest Procedure which set this out. Board members must complete a fit and proper persons declarations form on appointment and again as part of their appraisal. They must also complete a Board member declaration of interest form on appointment and update this as and when any changes occur. The register of interests is presented to every Board meeting, published online and reviewed by the Executive and by the Chair as part of the appraisal process.

| | SRS question | VIVID response |
|-----------------|---|--|
| Staff wellbeing | C.42 Does VIVID pay the Living Wage? | Yes |
| | C.43 What is the gender pay gap? | 3.7% as at Oct 2021 |
| | C.44 What is the CEO-worker pay ratio? | 8.6:1 |
| | C.45 How does VIVID support the physical and mental health of their staff? | See objective 4 of the Governance section. |
| Supply chain | C.47 How is social value creation considered when procuring goods and services? | <p>We want to deliver social value through our commissioning of services and works, requiring the support of our supply chain in response to this need.</p> <p>We've identified four key social value categories:</p> <ul style="list-style-type: none"> • the value of meeting basic human needs such as providing security, safety, food, water, warmth and rest directly related to an individual's circumstances and situation. • the value of improved personal health, mental health outcomes related to housing improvements, repairs and new build linking to improved property air quality, temperature, accessibility and adaptability. • the value of helping people in feeling safe, secure and that they belong. • the value of helping people reach their full potential and enabling people to utilise their skills, develop their talents, abilities and realise their goals. <p>These categories are identified in our Social Value Framework and have been shaped by the needs of our communities, business activities, key policy contexts and made tangible through social value metrics and outcomes.</p> <p>For organisations to be successful tendering for our contracts, we are looking for outcomes which evidence that customers will feel safer in their neighbourhoods, that people feel more immersed in their neighbourhoods, that we maximise our impact on the local economy through supporting social, small and medium enterprises; allowing people to gain meaningful work and career progression.</p> |
| | C.48 How is environmental impact considered when procuring goods and services? | <p>We obtain information about any environmental management systems suppliers have implemented and any recognition/awards they have won. We include pass/fail questions around relevant environmental accreditations where appropriate. We ask suppliers to upload a copy of their environmental or sustainability policy or strategy, or describe their approach if no policy or strategy document exists. Specific tenders will provide an opportunity to really focus on environmental issues (e.g. waste tender). In these circumstances, there will be bespoke evaluation criteria incorporated to ensure all environmental issues and concerns are addressed; as well as now asking how suppliers can support the aims of our recently published sustainability strategy (where appropriate).</p> |

Conclusion

We have an extremely strong ESG story which we've only scratched the surface of here. That's because the activities we've discussed in this report are our core business. We exist to provide more homes, help our customers to thrive, address the cost of living, reduce the carbon footprint of our homes and maintain the highest standards of transparency and governance. These aren't extras, they're what we do.

If you've read this and want to know more, our [website](#) has regular news and updates about our work. And if you share our ambition to really change lives, get in touch - we'd like to talk.

Stay in touch

