



Sustainable Financing Framework 2026



Contents



Section 1: Introduction

Who we are	3
Our vision	4
Our impact	4
Rationale for refreshing the framework	5
Regulatory framework for affordable housing	6

Section 2: Sustainable Financing Framework

Framework overview	7
1. Use of proceeds	8
2. Project evaluation and selection	14
3. Management of proceeds	16
4. Reporting	17
External review	18

Who we are

We're VIVID, a leading housing association in the south of England with more than 38,600 homes and 84,000 customers.

Our activities focus on 5 neighbouring counties: Hampshire, Berkshire, Surrey, West Sussex and Wiltshire. This gives us local knowledge and strong relationships with key strategic partners, such as local authorities and contractors. We're here to ensure that everyone, regardless of their background, has access to a safe, affordable and welcoming place to call home.

We believe our homes are more than just buildings - they're the springboard for dreams, connections and futures. By listening closely to our customers, we shape not only the homes we provide but the services around them.

We delivered over 1,500 new homes in 2025-26 - one of the highest figures among housing associations in England - helping to provide decent homes for those who need them most. As we closed the year, we've delivered over 11,500 new homes since VIVID was formed in 2017. We've also continued to strengthen our relationships locally and nationally, engaging with councillors, council officers, Members of Parliament and peers, as well as leading industry bodies.

We developed a new Energy and Sustainability Strategy last year to accelerate our efforts over the next 5 years and embed sustainability across all our operations. We've also secured £14.35m from the Government's Warm Homes: Social Housing Fund, which, alongside our own £33.6m investment, will support targeted improvements to around 1,800 homes over the next 2 years. This forms part of our broader commitment to achieving net zero emissions by 2050, underpinned by a fully costed plan that includes low carbon heating pilot projects and the phased replacement of fossil fuel systems. To date, over 92% of our homes have an EPC rating of C or above, with a target of reaching 100% by 2030.



Our charitable arm, VIVID Plus, plays an integral role in delivering our wider vision by providing additional targeted support and investment to our customers and communities. Through a broad range of initiatives, VIVID Plus focuses on addressing local priorities, supporting place shaping projects and helping customers access tailored services that enable them to thrive.

Click [here](#) to find out more.



Our vision

Our vision today remains as it's always been: **more homes, bright futures**. Supporting our efforts to deliver against this vision, we created a 5-year Corporate Plan in 2023 to guide our work through to 2028.

We're driven by 3 clear ambitions:



Trust

Our customers are our strongest advocates



Pride

People are proud to live in our homes and communities



Impact

Grow and influence to positively impact more lives

By focusing on these ambitions and placing customers truly at the centre of our work, we're making good progress and are confident that we'll continue to make the long-term impact and achieve the vision we're striving for.

Our impact

Having a place to call home is vital to everyone's wellbeing and chances in life.

To help tell our own ESG performance story, we've adopted the Sustainability Reporting Standard (SRS) for Social Housing. By reporting against the criteria set out in the SRS, it helps our efforts to be understood in a transparent, consistent and comparable way to the rest of our sector. This facilitates lenders' and investors' assessment of housing providers' ESG performance and therefore enhances our ability to access finance. It enables us to identify ESG risks and opportunities where positive social and environmental outcomes can be achieved. Through our adoption, we can clearly show we're part of the housing sector's wider contribution to sustainability.

Our environmental, social and governance reporting within our annual report identifies our objectives (the "objectives") designed to maximise our impact, which were developed in consultation with our customers. These objectives encapsulate our approach to ESG and align with the United Nations' Sustainable Development Goal's ("UN SDGs"). The objectives may evolve over time, and this framework is intended to remain aligned with these developments.

For the latest information, visit the ESG section on our [investor relations webpage](#).



Rationale for refreshing the framework

We originally published our Sustainable Financing Framework in November 2022 alongside our EMTN programme. Since then, we've continued to evolve in both scale and ambition, reinforcing our position as a financially robust organisation (G1/V1 rating from the Regulator of Social Housing) and a leading provider of affordable housing in the South of England.

As a long-term business, we're committed to delivering homes that will serve communities for generations, and we recognise that this requires us to continuously adapt to an evolving operating environment.

This commitment sits within a rapidly evolving operating environment, where expectations on housing quality, affordability and service delivery continue to rise, while the impacts of climate change and broader environmental

pressures require a more structured and ambitious response. Against this backdrop, it's important that our approach to sustainable financing evolves alongside our strategy. Strong governance underpins our ability to respond effectively, ensuring a continued focus on long-term resilience and sustainability.

This updated framework reflects that evolution. It aligns our sustainable financing approach with our strategic priorities, enhances transparency, and supports the delivery of our growing sustainability ambitions – for this reason, this update sees the eligible categories expand and the granularity of the criteria improve. As we continue to access debt capital markets to fund our development and investment programmes, the framework ensures that our financing activities remain clearly linked to positive environmental and social outcomes.



Regulatory framework for affordable housing

Registered providers of social housing in England are regulated by the Regulator of Social Housing (RSH) under a strengthened regulatory framework established by the UK Government ¹.

Following the Social Housing (Regulation) Act 2023, the RSH introduced a revised framework (from April 2024), placing consumer regulation on an equal footing with economic regulation and increasing scrutiny through proactive inspections and enhanced enforcement powers. The RSH publishes regulatory judgements to indicate how well providers are meeting the applicable standards. These judgements include gradings for governance (G1-G4) financial viability (V1-V4) and, following inspection, consumer grades (C1-C4) under the new consumer regulation regime. Please refer to the regulatory standards for more information ².

We're proud to have maintained our G1/V1 rating, the highest governance and viability ratings, following the latest check by the Regulator of Social Housing in December 2025. As of the time of publication, we've not yet been issued a consumer grade, pending inspection under the new consumer standards regime.

¹ Regulatory framework - <https://www.gov.uk/government/collections/how-we-regulate>

² Regulatory standards - <https://www.gov.uk/government/collections/regulatory-standards-for-landlords>



Framework overview

This section describes the methodology by which we'll approach projects addressing a combination of both environmental and social objectives, which will be delivered using the net proceeds of financing raised under the framework.

This Sustainable Financing Framework (the “**framework**”) aligns with the principles and guidelines (referenced as the “**principles**”) published by the International Capital Markets Association (“**ICMA**”) and Loan Market Association (“**LMA**”) for sustainable finance debt instruments, as may be amended from time to time:

- [ICMA Green Bond Principles 2025 \(GBP\)](#)
- [ICMA Social Bond Principles 2025 \(SBP\)](#)
- [ICMA Sustainability Bond Guidelines 2021 \(SBG\)](#)
- [LMA Green Loan Principles 2025 \(GLP\)](#)
- [LMA Social Loan Principles 2025 \(SLP\)](#)

(together, the “**principles**”)

Our framework applies the 4 core components of the principles:

- 1 Use of proceeds
- 2 Project evaluation and selection
- 3 Management of proceeds
- 4 Reporting

We may update this framework to align with emerging market standards and best practice.



1 Use of proceeds

An amount equal to the net proceeds of any sustainable finance instruments raised under this framework will be exclusively applied to finance or refinance, in part or in full, new or existing eligible social projects and/or green projects (collectively, “eligible projects”).

Our identified eligible project categories, as aligned with the ICMA and LMA categories, comprise:

Green project categories	Social project categories
Green buildings	Affordable housing
Renewable energy	Affordable basic infrastructure
Energy efficiency	Access to essential services
Pollution prevention and control	Employment generation (including SME financing)
Sustainable water and wastewater management	
Terrestrial and aquatic biodiversity conservation	
Clean transportation	
Eco-efficient and/or circular economy adapted products, production technologies and processes	

Depending on the nature of the project, the investment in the eligible projects can be measured through asset value (refinancing existing assets), capital expenditure (“Capex”) or operating expenditure (“Opex”). A look-back period of up to 36 months prior to the time of debt issuance will be applied. VIVID intends to allocate the net proceeds, or an amount equal to the net proceeds, to eligible projects within 24 months of issuance.



Green projects - eligibility criteria

In alignment with the ICMA Green Bond Principles and the LMA Green Loan Principles (the “green principles”), the eligible green projects aim to address or mitigate a specific environmental issue and/or seek to achieve positive environmental outcome, including but not limited to:

ICMA/LMA eligible project categories	Eligible projects	Type of expenditure	Example impact metrics	Indicative alignment to the UN SDGs
Green buildings	Development and acquisition of new, and refinancing of existing, buildings with an EPC rating of ‘B’ or ‘A’	Capex Opex Asset Value	Number of new buildings developed Number of existing buildings refinanced	 
Renewable energy	Installation of renewable energy systems, including air and ground source heat pumps, solar PV and batteries	Capex Opex	Total capacity of renewable energy installations (MW) Total amount generated from renewable sources (kWh)	 
Energy efficiency	Investment in the retrofit of existing homes, in order to improve the EPC ratings by at least 2 EPC bands or a minimum EPC rating of C or to uplift the Energy Efficiency score (or reducing consumption) of a building by at least 30% through: - Improving insulation and ventilation in our homes - Wherever possible, delivering place-based, cross-tenure energy efficiency schemes in partnership with local authority and housing association partners - Integrating energy efficiency improvements into existing planned maintenance programmes - Engagement with customers on efficient energy usage - Reducing our own energy consumption (e.g. offices and landlord energy supplies)	Capex Opex	Number and expenditure of uplifting the EPC rating of a building by at least 2 bands Number and expenditure of uplifting the SAP/ Energy Efficiency score of a building by at least 30% Number of new homes delivered using modern methods of construction (e.g. modular housing) Overall uplift in average SAP	 

ICMA/LMA eligible project categories	Eligible projects	Type of expenditure	Example impact metrics	Indicative alignment to the UN SDGs
Pollution prevention and control	Programmes to reduce waste and increase recycling across construction activity, office operations and homes, helping to move materials away from landfill or incineration and towards higher recycling rates Ongoing management of operational waste through Group recycling measures and collaboration with suppliers to cut carbon emissions, waste generation and water use	Capex Opex	Waste recycling rate (%) and waste diverted from landfill (%)	
Sustainable water and wastewater management	Delivery of water-efficient new developments and retrofit measures across existing homes through maintenance programmes Customer engagement initiatives to support reduced water consumption and lower related utility bills Supply chain and contractor practices that promote efficient water use and protect water resources	Capex Opex	Construction site water intensity (cubic metres per 100sqm completed or under construction) Number of homes visited to provide tailored water-savings assessments, water-saving products and behaviour change advice	
Terrestrial and aquatic biodiversity conservation	Protection and enhancement of green spaces across existing estates and new developments e.g. trees, shrubs, bulbs, meadows and habitats Customer engagement to co-develop local green space improvement projects where they live Measurement and monitoring of green space quality using recognised frameworks (e.g. Urban Greening Factor and Biodiversity Net Gain) to inform development standards and prioritise enhancement projects	Capex	Number of biodiversity enhancement projects delivered to estates Number of customers engaged in biodiversity activity Number of planting and habitat features delivered	 

ICMA/LMA eligible project categories	Eligible projects	Type of expenditure	Example impact metrics	Indicative alignment to the UN SDGs
Clean transportation	Construction, extension and/or improvement to core sustainable transport infrastructure such as electric vehicle charging points and cycling infrastructure Procurement or deployment of or investment in vehicles with zero direct (tailpipe) CO₂ emissions and associated infrastructure	Capex Opex	Number and proportion of zero tailpipe emission vehicles procured for employees or customers Number of electric charging ports installed % of fleet that is electric/zero-emission	 
Eco-efficient and/or circular economy adapted products, production technologies and processes	Incorporation of modern methods of construction within developments, such as off-site fabrication of prefabricated or standardised components and modules Use of responsibly sourced, low embodied carbon materials in construction	Capex	Modern methods of construction utilisation rate (%) % of sustainably sourced timber	 

Social projects - eligibility criteria

In alignment with the ICMA Social Bond Principles and the LMA Social Loan Principles (the “social principles”), the eligible social projects directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes especially but not exclusively for a target population(s), including but not limited to:

Target population (as defined by the principles)	VIVID alignment
Excluded and/or marginalised populations and/or communities	Those on local authority housing waiting lists Homeless or at risk of homelessness
People with disabilities	Those eligible for disability benefit
Migrants and/or displaced persons	Migrants housed as part of government resettlement programmes
Undereducated	Those supported by our employment and training team
Underserved, owing to a lack of quality access to essential goods and services	Those on local authority housing waiting lists Customers supported by our tenancy support/welfare fund
Unemployed	Customers supported by employment and training team Customers supported by our financial inclusion team Those helped into employment through VIVID apprenticeships, graduate opportunities or our ‘Kickstart programme’ for youth unemployed
Women and/or sexual and gender minorities	Those supported by our partnership with the Domestic Abuse Housing Alliance
Ageing populations and vulnerable youth	Those supported by the Independent living team within tenancy support
Other vulnerable groups, including as a result of natural disasters	Those on local authority housing waiting lists or who are homeless

ICMA/LMA eligible project categories	Eligible projects	Type of expenditure	Example impact metrics	Indicative alignment to the UN SDGs
Affordable housing	Construction, refurbishment, refinancing and acquisition of low-cost rental accommodation, low-cost home ownership accommodation as defined in the Housing and Regeneration Act 2008, including shared ownership Projects delivered by VIVID Plus relating to the prevention of homelessness, e.g. Housing First and Rough Sleeper Accommodation Programme services delivered in partnership with Two Saints	Capex Asset Value	Number and cost of homes built or acquired Number of people from the target population supported	  
Affordable basic infrastructure	Expenditure in community-focused areas and children's play facilities located near residential developments Funding to establish recreational environments that enhance resident wellbeing and support positive mental health outcomes	Capex Opex	Additional number or area (m2) of green or play space, community infrastructure and amenities provided	 
Access to essential services	Expenditure relating to providing access to essential services, including healthcare, financial, benefits and welfare services e.g. free meal provision, saving advice services, debt advice service	Opex	Number of people from the target population supported Amount of additional income accessed through benefits advice	 
Employment generation	Implementation of initiatives to improve access to education, skills development, vocational training, and opportunities that enhance employability, such as mentoring Engagement with external stakeholders and partners to support broader social and community outcomes	Opex	Number of people supported in accessing employment opportunities Number of traineeships or apprenticeships offered	   

Exclusions

We will also exclude the financing or refinancing of fossil fuel-related power generation activities, including the construction, development, expansion or operation of power plants that are primarily powered by coal, oil or natural gas.



2 Project evaluation and selection

The Treasury Committee evaluates and selects projects for their alignment with the ‘use of proceeds’ section in this framework as well as the group’s broader sustainability objectives and risk management procedures. Project selection is then appraised and approved by either the Project Approval Committee or the VIVID Plus Board, depending on the project category (see next page).

The Treasury Committee oversees our treasury strategy and provides assurance on funding decisions. The Treasury Committee is chaired by a non-executive director and its members include the CFO and a minimum of 2 non-executive directors, bringing a breadth of financial and banking backgrounds, including expertise in Environmental, Social and Governance finance. It meets at least quarterly, or more frequently if required.

Our Treasury Committee is responsible for:

Overseeing the allocation of expenditure to eligible project categories, ensuring we appropriately utilise all the proceeds of any Sustainable Financing Instruments

Overseeing external verification of eligible expenditure where required

Reviewing and updating the framework to reflect changes in our business, developments in market standards and investor expectations

Project Approval Committee

Responsibilities: Approving expenditure on major projects which support our Development Strategy, Corporate Plan and planned improvements programme

Chaired by: CEO

Committee members: The committee will be made up of a minimum of 3 Board members which must include 1 non-executive director and 1 executive director

Meeting frequency: At least quarterly or more frequently if required

VIVID Plus Board (charitable arm)

Responsibilities: Helping shape our community investment strategy ensuring we’re meeting our objectives, we’re investing in placemaking activity that meets our criteria and monitoring our tenancy support services

Chaired by: Non-executive director

Board members: The Board shall consist of between 3 and 6 Board members

Meeting frequency: At least quarterly or more frequently if required

Green buildings	Access to essential services
Renewable energy	Employment generation
Energy efficiency	Socioeconomic advancement and empowerment
Pollution prevention and control	
Sustainable water and wastewater management	
Terrestrial and aquatic biodiversity conservation	
Clean transportation	
Eco-efficient and/or circular economy adapted products, production technologies and processes	
Affordable housing	
Affordable basic infrastructure	

Look-back period

For capex and opex spend, proceeds may be applied using a look-back period of up to 36 months, i.e. the Sustainable Financing Instruments covered by this framework can be matched to expenditure relating to eligible projects up to 3 years prior to the receipt of the debt.

Declassification

If an asset is no longer eligible under the criteria included in the use of proceeds table, it will be removed from the eligible project portfolio with the aim of replacing the asset with another eligible project as soon as reasonably practicable.

Environmental and social risk management

We recognise that projects financed or refinanced through this framework may be associated with environmental and social risks. We have established governance processes, policies and controls to identify, assess and manage potential risks throughout project selection, approval and monitoring activities.

Project eligibility and funding decisions are subject to review by relevant management and governance committees, which consider applicable environmental, social, regulatory and operational factors. Where material risks are identified, appropriate mitigation measures are incorporated into project planning, implementation and oversight processes.

We maintain ongoing monitoring and reporting mechanisms to support compliance with relevant policies, regulatory requirements and strategic objectives, and to help ensure that financed projects continue to align with the objectives of this framework.



3 Management of proceeds

An amount equal to the net proceeds of bonds issued under this framework will be allocated to finance or refinance, in whole or in part, eligible green projects and/or eligible social projects. The Treasury Committee tracks the balance of net proceeds to ensure they're managed in line with this framework.

Identifiable cost centres and an internal register are used to ensure that allocation details are adjusted on a regular basis to match them to eligible projects. For each eligible project we will track:

A brief description	The amount allocated	The expected impact
---------------------	----------------------	---------------------

Pending allocation, any proceeds from sustainable finance instruments issued under the framework will be held as cash deposits or in sterling-denominated money market funds in line with our treasury management policy, or used for short-term repayment of other debt facilities before they're allocated to eligible projects.

We commit to allocating the net proceeds (or an amount equivalent to those net proceeds) to eligible projects within 24 months following receipt of the debt. We confirm eligible projects are primarily tracked and managed on a project-by-project basis. Project-level records for active eligible projects are maintained through our existing systems and controls.



4 Reporting

For bonds issued under this framework, we will publish on our website details of the allocation and impact within a year of issuance, and on an annual basis until full allocation of bond proceeds, and on a timely basis in case of material developments.

This will cover, amongst other things:

Allocation reporting

- Description of the outstanding sustainable finance debt instruments
- Net proceeds outstanding
- Amount of proceeds allocated to eligible projects
- Split between social and green allocation
- Split between financing and refinancing
- Amount of unallocated proceeds (if any)
- List of eligible projects financed

Impact reporting

We will report on the estimated impact of the projects funded per the indicative impact metrics provided for each category in the section '[use of proceeds](#)'. These have been proposed in line with the ICMA Harmonised Frameworks for Impact Reporting for Green and Social Bonds (2026), where possible. Methodologies for calculations will be provided where feasible and case studies may be provided if useful to the context.

The sustainable bond allocation and impact reporting will sit alongside our broader group reporting on initiatives and delivery of our objectives, particularly through VIVID Plus, in our annual review.



External review

DNV, an independent external verifier, have been appointed to confirm the alignment of the framework to the relevant ICMA and LMA principles as listed on pages 8-13.

DNV has provided a Second Party Opinion on this framework.

A link to the Second Party Opinion is available [here](#).



Stay in touch



Disclaimer

- VIVID note that there is currently no framework or definition (legal, regulatory or otherwise) as to what constitutes an "environmental", "social", "governance" ("ESG"), "green", "sustainable", "climate-friendly" or an equivalently-labelled product, or as to what precise attributes are required for a particular investment or activity to be defined as "ESG", "green", "sustainable", "climate-friendly" or such other equivalent label nor can any assurance be given that such a clear global definition or consensus will develop over time. As a result, VIVID is making this statement in order to assist its lenders, potential lenders, investors, potential investors and other third parties with regard to its own current position in view of the possibility of different interpretations of these terms.
- While VIVID has obtained information from sources considered to be reliable, VIVID neither represents that any third-party ESG information or data is accurate or complete, nor that VIVID has (itself or via a third-party) taken any steps to independently or otherwise verify such information and data. Accordingly, VIVID does not accept any liability whatsoever for any direct, indirect or consequential loss arising from any actions or inactions undertaken in reliance on third party information or any other contained herein or in relation to determinations made under any regulatory regime by investors, users and other relevant persons.
- Investors, users and other relevant persons are reminded that differences in interpretation are possible. Different persons (including third-party data providers, investors and other financial institutions) may apply different interpretations, standards and criteria, including through use of internal methodologies, and arrive at different conclusions. Investors, users and other relevant persons are advised to obtain their own independent financial, legal, regulatory, tax or other advice as necessary in order to make their own investment decision as to whether an investment, product or asset meets their ESG needs, including ESG performance, ESG alignment, and alignment to or compliance with any regulatory regime. This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by VIVID. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by VIVID as to the fairness, accuracy, reasonableness or completeness of the information in this document.
- This document may contain statements about future events, projections, expectations, prospects and estimates that are forward-looking statements (together, "forward-looking statements"). None of the forward-looking
- statements in this document should be taken as forecasts or promises, nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such forward-looking statements have been prepared are correct or exhaustive or fully stated in the document.
- VIVID undertakes no obligation to update, modify or amend this document, to reflect actual changes in assumptions or changes in factors affecting forward-looking statements or otherwise notify any addressee if any forward-looking statement set forth herein changes or subsequently becomes inaccurate.
- This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever.
- This document has not been approved by any security regulatory authority. The distribution of this document may be the subject of legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.