



**PRIMA**  
GROUP

**Environmental,  
Social and  
Governance  
Strategy**

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# Environmental, Social and Governance Strategy

## 1 Aim of the Strategy

This Environmental, Social and Governance (ESG) Strategy sets out Prima's objectives around having a positive impact on society, the economy and the environment. Reporting against these objectives allows us to demonstrate the positive impact we make, showing how these important issues are central to our mission and activities, and evidences the wider contribution of our work.

Our aims from this strategy are:

- To show our customers that we are listening to them and acting in their best interests. We believe ESG can create opportunities to improve outcomes for our communities and support more sustainable social housing, helping to drive the significant private and public investment needed to meet the zero-carbon and environmental agenda.
- To set out our commitment to collaborating with other housing providers and partners to deliver our shared purpose and give something back to our communities, so we demonstrate our impact as a sector, and overcome the funding challenges we are all facing.
- To demonstrate to investors that we are a socially aware, culturally-aligned partner that will only work with those that are serious about ESG outcomes.
- To offer evidence to Government that ESG reporting can be used to drive capital investment and address the country's housing crisis and related issues.

## 2 Who does this Strategy apply to?

This policy will apply to all Prima Group employees, Board Members, Involved Residents and any other person contributing to Prima's sustainability goals, including consultants and contractors. It outlines the responsibilities of Prima Group and its employees in respect of working towards these goals.

## 3 About ESG

**ESG** stands for **Environmental, Social and Governance**. Until recently this tended to be referred to as **Corporate Social Responsibility (CSR)** which has been around since the 1950s, but the term ESG was officially coined in 2004 with the publication of [Who Cares Wins – Connecting Financial Markets to a Changing World](#). Simply put, it is about how a company gives back to society and builds on its reputation and viability. While CSR aims to make a business accountable, ESG criteria make its efforts measurable.

The **Sustainability Reporting Standard for Social Housing** is a voluntary reporting and disclosure framework which proposes 12 themes for housing associations to report on their ESG performance in a transparent, consistent and comparable way.

Developed by the Good Economy, following widespread consultation and engagement from across the housing and financial sectors, it sets out 12 themes across the 3 areas of ESG areas to be measured:

ESG Area	Theme Name	Description
Social	Affordability and Security	Provides affordable and secure housing
	Building Safety and Quality	Resident safety and building quality are well managed
	Resident Voice	Listens to residents' voice
	Resident Support	Supports residents, and the local community
	Placemaking	Supports residents and the wider local community through placemaking
Environmental	Climate Change	Prevents and mitigates the risk of climate change
	Ecology	Promotes ecological sustainability
	Resource Management	Sustainable management of natural resources
Governance	Structure and Governance	Legal structure of the organisation and its approach to Governance
	Board and Trustees	High quality board of trustees
	Staff Wellbeing	Supports employees
	Supply Chain	Procures responsibly

These themes are split further into 48 qualitative and quantitative criteria which are identified as **core** and **enhanced** requirements to demonstrate strong ESG performance. The criteria are also aligned to international frameworks and standards, with specific criteria also enabling social value reporting.

It is expected that housing association's performance against each of the criteria, together with information about any work in progress and their objectives going forwards, is regularly reported and published.

#### 4 Looking forward to Sustainable Development Goals (SDG)

Looking forward, *investors are now moving beyond ESG, developing towards Sustainable Development Goals (SDGs).*

*"The Sustainable Development Goals (SDGs), adopted by all UN member states in 2015, have become a powerful rallying call and set of common global goals that demand investors – along with governments, business and civil society – to do more to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.*

*Affordable housing is recognised as a universal social good within the SDGs. "Access to adequate, safe and affordable housing" is a core target for SDG 11 Sustainable Cities and Communities. But housing is not just about "bricks and mortar". There is strong evidence, including in the UK, that good housing contributes to other positive outcomes. Having a decent, affordable home is an important determinant of people's health and wellbeing (SDG 3), has a positive knock-on effect on children's education (SDG 4), can help people into decent work (SDG 8), can contribute to reducing inequalities (SDG 10) and can provide a route out of poverty (SDG 1). Housing's*

carbon footprint can also be reduced through the right energy efficiency and construction measures (SDGs 7 and 13).”

Chart 5: How social housing contributes to the Sustainable Development Goals



Source: The Good Economy

Although Prima’s initial focus in this area is ESG reporting, by assessing ourselves against the ESG framework using the **Sustainability Reporting Standard for Social Housing**, we have also started to align our work with the SDGs.

## 5 ESG Strategy Statement

The aim of this strategy is to set out how Prima Group acts as an organisation and how its mission, values and priorities align with these ESG (and towards SDG) themes.

**Our Mission** is to: *Put our customers and communities first.*

**Our Vision** is to: *Create good quality, safe and affordable homes, helping to building strong communities.*

**Our four Priorities** show we plan to deliver our vision:

			
<b>Customers</b>	<b>Partnerships</b>	<b>Transformation</b>	<b>Homes &amp; Growth</b>
We will deliver a great customer experience by listening to and understanding the needs of our customers	We will work with others to deliver benefits for our customers and communities	We will be a strong and efficient business that is innovative in our approach and a place people want to work	We will continue to grow and provide good quality homes that are affordable and sustainable

We will introduce an ESG report, to be updated at least every two years and published on

the Prima Group website, setting out progress and performance on meeting our ESG aims. This will be in line with the Sustainability Reporting Standard for Social Housing.

As a housing association our social purpose and impact is significant. We are committed to bringing wider benefits to our neighbourhoods and communities where we can. We want to act responsibly in all we do, reducing any negative impact our work may cause to the environment or others we work with. We are conscious of the need to build more genuinely affordable homes, and in doing so we are committed to ensuring our ESG is embedded across our work.

ESG has three central factors and we're embedding these into our business in the following ways:

- **Environmental** examines how we perform as a steward of our natural environment and how we focus on climate change, ecology and resource management.
- **Social** criteria looks at how we treat people, and concentrates on our residents' voice, support for residents, building safety and quality, affordability and security, community wealth building and placemaking.
- **Governance** criteria examines how we as an organisation keep to our values- how we are governed - and focuses on structure and governance, our Board, staff wellbeing, procurement and our supply chain management.

Our ESG reports will include non-financial performance indicators which include ethical, sustainable and corporate government issues, such as making sure there are systems in place to ensure accountability and managing our carbon footprint.

We have set ourselves key pledges across each of the main ESG areas, to help put ESG in the centre of our strategy and operations:

Environmental	Social	Governance
Energy efficiency - all existing stock will be at least EPC Band C by 2030	We will continue to arrange estate clean up days and community events	We currently have no gender pay gap. We will maintain that position
Energy efficiency – All our new builds will be at least EPC Band B	We will continue to work with partners to support those facing homelessness	We will review our approach to Equality and Diversity during 2023/24
We will encourage agile working to reduce the travel footprint of staff. We will monitor office usage and business mileage levels.	We will use our procurement process and make spending decisions to benefit our communities and add social value	We will invest in our tenant engagement strategy to put tenants at the heart of all our decisions in a way which suits them
We will use our	We will support food	We will move to fully

**Environmental**  
procurement processes to make ethical and environmentally conscious spending decisions

**Social**  
poverty initiatives, such as local food banks or food projects, with funding or practical assistance

**Governance**  
adopting the 2020 NHF Code of Governance by April 2023

## 6 Sustainability Reporting Standards for Social Housing

The tables on the following pages set out the core and enhanced criteria housing associations will be assessed against for ESG, in line with the Sustainability Reporting Standards for Social Housing. The tables show where Prima are already able to evidence meeting the criteria as well as areas where work is still required. It is this framework we will measure ourselves against and it will form the basis of our ESG report in future.

### 6.1 Social

Criteria			Yes/No
<b>AFFORDABILITY AND SECURITY</b>			
C1	Core	For properties that are subject to the rent regulation regime, report against one or more Affordability Metric: 1) Rent compared to Median private rental sector (PRS) rent across the Local Authority 2) Rent compared to Local Housing Allowance (LHA)	Yes Yes
C2	Core	Share, and number, of existing homes (homes completed before the last financial year) allocated to: General needs (social rent), Intermediate rent, Affordable rent, Supported Housing, Housing for older people, Low-cost home ownership, Care homes, Private Rented Sector	Yes
C3	Core	Share, and number, of new homes (homes that were completed in the last financial year), allocated to: General needs (social rent), Intermediate rent, Affordable rent, Supported Housing, Housing for older people, Low-cost home ownership, Care homes, Private Rented Sector	Yes
C4	Core	How is Prima Group trying to reduce the effect of fuel poverty on its residents?	Yes
C5	Enhanced	What % of rental homes have a 3 year fixed tenancy agreement (or longer)	Yes
<b>BUILDING SAFETY AND QUALITY</b>			
C6	Core	What % of homes with a gas appliance have an in-date, accredited gas safety check?	Yes
C7	Core	What % of buildings have an in-date and compliant Fire Risk Assessment?	Yes
C8	Core	What % of homes meet the Decent Homes Standard?	Yes
<b>RESIDENT VOICE</b>			



C9	Core	What arrangements are in place to enable the residents to hold management to account for provision of services?	Yes
C10	Core	How does Prima Group measure Resident Satisfaction and how has Resident Satisfaction changed over the last three years?	Yes
C11	Enhanced	In the last 12 months, how many complaints have been upheld by the Ombudsman. How have these complaints (or others) resulted in change of practice within Prima Group?	Yes
<b>RESIDENT SUPPORT</b>			
C12	Core	What support services does Prima Group offer to its residents. How successful are these services in improving outcomes?	Yes
<b>PLACEMAKING</b>			
C13	Enhanced	Provide examples or case studies of where Prima Group has been engaged in placemaking or place shaping activities	Yes

## 6.2 Environmental

Criteria			Yes/No
<b>CLIMATE CHANGE</b>			
C14	Core	Distribution of EPC ratings of existing homes (those completed before the last financial year)	Yes
C15	Core	Distribution of EPC ratings of new homes (those completed in the last financial year)	Yes
C16	Enhanced	Greenhouse gas emissions Scope 1 (direct), Scope 2 (indirect) and Scope 3 (all associated emissions)	No
C17	Enhanced	What energy efficiency actions has Prima Group undertaken in the last 12 months?	Yes
C18	Enhanced	How is Prima Group mitigating the following climate risks: Increased flood risk, Increased risk of homes overheating	Yes
C19	Enhanced	Does Prima Group give residents information about correct ventilation, heating, recycling etc.	Yes
<b>ECOLOGY</b>			
C20	Enhanced	How is Prima Group increasing Green Space and promoting Biodiversity on or near homes	Yes

C21	Enhanced	Does Prima Group have a strategy to actively manage and reduce all pollutants? If so, how does Prima Group target and measure performance?	No
<b>RESOURCE MANAGEMENT</b>			
C22	Enhanced	Does Prima Group have a strategy to use or increase the use of responsibly sourced materials for all building works? If so, how does Prima Group target and measure performance?	Yes
C23	Enhanced	Does Prima Group have a strategy for waste management incorporating building materials? If so, how does Prima Group target and measure performance?	Yes
C24	Enhanced	Does Prima Group have a strategy for good water management? If so, how does Prima Group target and measure performance?	No

### 6.3 Governance

Criteria			Yes/No
<b>STRUCTURE AND GOVERNANCE</b>			
C25	Core	Is Prima Group registered with a regulator of social housing?	Yes
C26	Core	What is the most recent viability and governance regulatory grading?	Yes
C27	Core	Which Code of Governance does Prima Group follow, if any?	Yes
C28	Core	Is Prima Group Not-For-Profit? If not, who is the largest shareholder, what is their % of economic ownership and what % of voting rights do they control?	Yes
C29	Core	Explain how Prima Group's board manages organisational risks	Yes
C30	Enhanced	Has Prima Group 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 equivalent action?	Yes
C31	Core	What are the demographics of the board? And how does this compare to the demographics of Prima Group's residents, and the area that they operate in?	Yes
C32	Core	What % of the board AND management team have turned over in the last two years? Add commentary if useful.	Yes

C33	Core	Is there a maximum tenure for a board member? If so, what is it?	Yes
C34	Core	What % of the board are non-executive directors?	Yes
C35	Core	Number of board members on the Audit Committee with recent and relevant financial experience	Yes
C36	Core	Are there any current executives on the Remuneration Committee?	Yes
C37	Core	Has a succession plan been provided to the board in the last 12 months?	Yes
C38	Core	For how many years has Prima Group's current external audit partner been responsible for auditing the accounts?	Yes
C39	Core	When was the last independently run, board- effectiveness review?	Yes
C40	Core	Are the roles of the chair of the board and CEO held by two different people?	Yes
C41	Core	How does Prima Group handle conflicts of interest at the board?	Yes
<b>STAFF WELLBEING</b>			
C42	Core	Does Prima Group pay the Real Living Wage?	Yes
C43	Core	What is the gender pay gap?	Yes
C44	Enhanced	What is the CEO-worker pay ratio?	Yes
C45	Enhanced	How does Prima Group support the physical and mental health of their staff?	Yes
C46	Enhanced	Average number of sick days taken per employee	Yes
<b>SUPPLY CHAIN</b>			
C47	Enhanced	How is Social Value creation considered when procuring goods and services?	Yes
C48	Enhanced	How is environmental impact considered when procuring goods and services?	Yes

Prima is currently able to report on all of the twelve ESG areas, the core and some of the enhanced criteria. However our assessment shows three areas where further work is required, and a number of other areas where we can improve our approach. We will need to prioritise time and resources on working towards being able to better report on these areas and will produce an ESG action plan to track progress.

## 7 Making sure we do what we say

This Strategy will be reviewed as and when needed, but as a minimum of every two years.

The ESG Report will be reviewed as a minimum of every two years. We will publish the finalised version on our website and continually review our performance in this area.

A number of KPIs, policies, pledges and statements are referred to in this strategy, progress on these will be reported to Board.

## 8 Legislation and Guidance

There are many different frameworks and standards being considered and adopted by organisations, for example:

- Taskforce on Climate Related Financial Disclosures ([TCFD](#))
- Sustainable Development Goals ([SDGs](#))
- Global Reporting Initiative ([GRI](#))
- Sustainability Accounting Standards ([SASB](#))
- International Capital Markets Association ([ICMA](#)) and Loan Market Association ([LMA](#))

In April 2022, the UK became the first G20 country to mandate all large private companies with more than 500 employees and publicly listed companies who already publish non-financial information to include climate disclosures consistent with the TCFD in their annual reports. There is the possibility that this will apply to smaller organisations in the future. Prima Group has been looking at how it currently performs in these areas, so as to identify where we are doing well but also to establish where we need to do more or improve existing services and standards.

## 9 Consultation

This Strategy has been consulted on with team members from Assets and HR, prior to further review from Managers, Heads of Service and Exec members between the period November 2022 to January 2023.

## 10 Equality Impact Assessment

Prima welcomes feedback on this strategy and the way it operates. We are interested to know of any possible or actual adverse impact that this policy may have on any groups in respect of gender or marital status, race, disability, sexual orientation, religion or belief, age or other characteristics.

The strategy has been screened to determine equality relevance for the following equality groups: gender or marital status, race, disability, maternity or pregnancy, sex, sexual orientation, religion or belief, age or other characteristics.

## 11 Data Protection

A number of the reporting requirements rely on Prima using customer and employee data when providing evidence of meeting the ESG criteria, these will always be anonymised. All handling of personal data will be conducted under the Group's Data Protection Policy ensuring compliance with the Data Protection Act 2018.

Personal data that is inappropriately accessed or disclosed may constitute a data breach. The GDPR (General Data Protection Regulation) requires organisations to keep a record of all data breaches and, where the breach is likely to result in a risk to the rights and freedoms of individuals, the organisation must notify the Information Commissioner within 72 hours of becoming aware of the breach. If the data breach results in a high risk to the rights and freedoms of individuals, those individuals must be notified without undue delay.

## 12 Document Control Data

<b>Version:</b>	V12023 This Strategy supersedes the Corporate Social Responsibility Strategy V12018
<b>Author:</b>	Julie Hunter, Risk and Assurance Officer
<b>Owner of the Strategy:</b>	Executive Director of Insight and Group Services
<b>Consultation Panel:</b>	HR Officer Commercial Admin Assistant Customer Strategy and Insight and Manager Head of Housing Head of HR and Group Services Executive Director of Insight and Group Services Executive Director of Housing and Growth
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