

## THFC becomes first lender to report against UK social housing's voluntary ESG standard

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bLEND, the funding company run by The Housing Finance Corporation (THFC), has today become the first investor to disclose the performance of its borrowers against the ESG criteria set out by the Sustainability Reporting Standard (SRS).

The non-profit company believes publishing the combined performance of 16 housing associations in its current funding pool will encourage other institutional investors to follow suit, raising levels of transparency and accountability in the social housing sector.

The SRS was launched in November 2020 by a collaboration of 18 housing associations, banks, investors, service providers and impact investing organisations. Along with THFC, the standard was supported by M&G, Legal & General Investment Management, NatWest, Big Society Capital and the Impact Investing Institute.

It was devised in response to concerns that ESG investment in social housing was being inhibited by the absence of a common reporting standard.

Under the terms of adopting the SRS, housing providers commit to report against its ESG criteria, while lenders and investors who adopt the SRS are not.

If housing associations can be shown to already be ahead of the curve in delivering positive social and environmental impact, the move is predicted to stimulate further interest from investors looking for opportunities to maximise the ESG performance of portfolios.

THFC was set up in 1987 in partnership with the National Housing Federation and the Regulator of Social Housing (then the Housing Corporation), to facilitate and promote private investment in the UK social housing sector. As at March 31, 2021, it had a loan book of £7.9 billion. It launched subsidiary bLEND – now a lender in its own right with nearly £1.2bn of issuance – in 2018.

The ESG data was published today in the bLEND report [Funding Housing, Making Impact](#), which also reports against its Social Bond Framework launched earlier this year, when bLEND converted around £1bn of issuance to social bonds.

Key findings from the report, which will give bLEND a clear benchmark for reporting in subsequent years, include:

- 3,710 units were added by bLEND borrowers during the 2020-21, with 100% allocated to affordable tenures
- 65% of existing stock had EPC ratings of A-C against a sector average of 60%, while 95% of new builds were A-B
- In 2020/21, bLEND itself delivered impact through competitively priced funding, with a weighted average interest rate of 2.19%,

- 56% of bLEND borrowers pay the Real Living Wage
- In three years, bLEND has grown to nearly £1.2bn across four maturities, all of which are social bonds.

Piers Williamson, CEO of THFC, said: “We want to help housing associations be leaders in shaping the provision of ESG data. Our decision to go it alone and collect and publish the aggregated performance of our funding pool will make us and our sector more accountable, transparent and aligned to the Sustainability Reporting Standard. Given the growing interest in ESG across the economy, it is vital the social housing sector grasps the opportunity to communicate the significant impact it has on society – and increasingly – the environment.”

Brendan Sarsfield, CEO of Peabody and chair of Sustainability for Housing, said: “By sticking its neck out, THFC is pushing the boundaries of ESG reporting in the sector. And in doing so, is also helping communicate the compelling story about both the past and future positive impact of the sector – it is this story of impact we know is becoming increasingly important for all our stakeholders, including potential investors, residents and their communities.”

### Notes to Editors

**About bLEND and THFC:** The Housing Finance Corporation (THFC) is the UK’s leading affordable housing aggregator, with £7.9bn of lending to around 160 housing associations in England, Wales, Scotland and Northern Ireland. THFC was set up in 1987 in partnership with the National Housing Federation and what was the Housing Corporation. It now also operates through its subsidiary company, bLEND, which was established in 2018. As a not-for-profit, the group’s surpluses are retained and reinvested to ensure THFC can continue to provide competitively priced funding for HAs long into the future. THFC’s track record of innovation includes some of the earliest green finance products for retrofit and sustainable developments.

**About the SRS:** The Sustainability Reporting Standard for Social Housing (SRS) was launched in November 2020 by the ESG Social Housing Working Group – a unique collaboration of 18 housing associations, banks, investors, service providers and impact investing organisations. It is a voluntary reporting framework, covering 48 criteria across ESG considerations such as zero carbon targets, affordability and safety standards. The working group partners included Centrus, Clarion, Optivo, Sovereign, Guinness Partnership, Home Group, Insight, M&G, LGIM Real Assets, NatWest, Pension Insurance Corporation, The Housing Finance Corporation, Savills and Trowers & Hamlins, Big Society Capital and the Impact Investing Institute. The Good Economy led and facilitated the process of developing the standard. Around 100 organisations have signed up to the SRS to date.

For further information, please contact Piers Williamson, CEO of THFC and bLEND, via [piers.williamson@thfcorp.com](mailto:piers.williamson@thfcorp.com)

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