



Environmental, Social & Governance

(ESG) Report

2019 / 2020

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GROUP

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Our vision is that

Everyone
Has a Home



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Introduction

Welcome to our **2019 / 2020 Environmental, Social & Governance (ESG) Report.**

Motivated by our vision that everyone has a home, we are proud to continue to help as many people as possible to live in safe, affordable, good-quality housing in communities they are proud to call home.

Through our inaugural annual ESG report, we demonstrate our environmental responsibility, how our activities have a positive impact on people in our communities, as well as a robust governance framework. The report should be read in conjunction with our Framework for Sustainable Finance.

In the year to 31 March 2020, we invested over £198 million and built more than 1,000 homes, providing almost 3,000 people with access to new affordable housing. Our development programme is focused on building new homes with a range of housing options, whilst maintaining a strong programme of affordable rented homes as well as supporting housing development in rural communities.

We also partnered with East Boro Housing Trust, (East Boro) and were delighted to welcome over 150 new colleagues to the Group on 31 March 2020. Social impact is a key priority in the delivery of our growth strategy. Growth supports our commitment to do things in an ethical way, and we consider a range of options to work in partnerships to enhance our social impact in our communities.

We made significant investments in our homes, going above and beyond compliance and investing £62.8 million maintaining and improving our existing properties and £9.2 million on a range of health and fire safety measures. We make the best use of our assets by improving the quality of shared communal areas and investing in the estates in which they live to help create communities that people are proud of. We maximise the use of our land to deliver more homes and community facilities. Within our communities we aim to make a positive contribution towards a net carbon reduction, improve the energy efficiency of our stock and limit the impact on the environment.

This year also saw us continue to work towards every one of our homes receiving an Energy Performance Certificate (EPC) rating of 'C' or above by 2025, five years ahead of the Government target, and through the Warm Homes fund we are pleased to have been able to reduce the impact of fuel poverty for 81% of customers involved in the scheme.

Listening and responding to the opinions of customers and the feedback from over 4,000 customers in our latest full customer survey, has played an important part in shaping decisions that we have made this year and has resulted in a number of services being enhanced and improved. Through the Aster Foundation we continue to empower our customers to sustain their tenancies and improve their life chances, enabling their independence, creating a lasting legacy through our thriving communities and sustaining the workforce of the future. It also looks to develop innovative ways to create environmentally active partnerships and embed our sustainability approach across our communities - targeting our investment at the places we can make the most impact, will help deliver social value to our customers.

Throughout 2019 and 2020, we continued to evolve our digital offer to make it as easy as possible for customers to access the information they need when they need it. And with almost 12,000 customers registered for MyAster, an interactive self-service app that allows customers to book repairs and manage their data, we're looking at more ways to provide instant access to the things that matter to our customers.

More information can be found on our website, www.aster.co.uk. For any specific queries, please contact investor.relations@aster.co.uk.



Report structure

UN Sustainable Development Goals

Making a positive contribution to the communities in which we operate is embedded in our corporate strategy. This is further delivered through the work of the Aster Foundation¹ investing in our communities and their future through a range of initiatives including our Into Work and Financial Wellbeing services, our Digital College, tackling fuel poverty, mental wellness and resilience and volunteering opportunities. This work, coupled with building as many homes as we can through a range of housing options to support our vision that everyone has a home, aligns to several UN Sustainable Development Goals (SDGs)².



¹ www.aster.co.uk/foundation

² www.sdgs.un.org

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The structure of this report is aligned to the specific themes outlined in The Sustainability Reporting Standard for Social Housing³. Within each theme we have reported against individual criteria. Our reporting is also aligned to the UN SDGs and the table below gives the themes and the specific SDGs to which they relate.

| ESG | Theme | Description | UN Sustainable Development Goals |
|---------------|-----------------------------|---|--|
| Environmental | Climate change | Impact on climate change and risk mitigants | 7 9 13 Affordable and Clean Energy/ Industry, Innovation and Infrastructure/ Climate Action |
| | Ecology | Protection of the local environment and ecology | 15 Life on Land |
| Social | Affordability and security | Extent to which homes are genuinely affordable | 1 10 11 No Poverty/Reduce Inequality/ Sustainable Cities and Communities |
| | Building safety and quality | Meeting legal responsibilities to protect residents and keep buildings safe | 11 Sustainable Cities and Communities |
| | Resident voice | Listening to and empowering residents | 11 Sustainable Cities and Communities |
| | Resident support | Initiatives to support individual residents | 11 Sustainable Cities and Communities |
| | Placemaking | Homes and places that meet local needs | 11 Sustainable Cities and Communities |
| Governance | Structure and governance | Structure and approach to governance | 16 Peace, Justice and Strong Institutions |
| | Board and trustees | Suitability and performance of the board and trustees | 16 Peace, Justice and Strong Institutions |
| | Staff wellbeing | Staff support and wellbeing | 8 Decent Work and Economic Growth |

UN Sustainable Development Goals (continued)

1 Our vision is that everyone has a home. We are committed to providing homes people can afford in places they want to live. We support our customers to sustain their tenancies, to find employment and to access the emotional, financial and physical support they need. Through the Aster Foundation we invest in the future of our communities through a range of initiatives including our Into Work and Financial Wellbeing services, our Digital College, tackling fuel poverty, mental wellness and resilience offer and volunteering opportunities. We also support Housing First to tackle homelessness and our Independent Living Services to support and enable independence for our older customers by providing solutions to address a range of exclusion challenges.

7 Through Aster Solar, we provide green electricity to our customers, reducing fuel poverty and generating profits that can be reinvested into charitable activities. Our customers save between £100 and £200 per annum on electricity bills and carbon emissions are reduced by one tonne of carbon per home, per year. We're committed to exploring new opportunities and have plans to develop a solar farm on land we own as part of a community energy project, creating green, sustainable and affordable energy for our customers.

9 We continue to work towards every one of our homes receiving an Energy Performance Certificate (EPC) rating of 'C' or above by 2025, and through a £1 million Warm Homes Fund grant, have improved the EPC ratings of 800 of our older homes to a C or above. Of the new homes we delivered during 2019/2020, 99% have an EPC rating of B and we are committed to continuing to build to this standard, as well as introducing the Environmental Impact Rating (EIR) of B or above as a consideration in the appraisal stage of the planning process. The Group also operates a voids disposal, stock option appraisal and land enhancement programme which generated proceeds of £21.4 million in 19/20. The proceeds from the void disposal, stock option appraisal and land enhancement programmes will be reinvested into future sustainable developments.

10 We are committed to creating a fairer and more inclusive culture by creating an environment where diversity in all its forms is welcomed and celebrated. Our diversity principles set out our approach and focus on:

- Knowing our customers and colleagues
- Delivering fairness for all and ensuring everyone has a voice
- Ensuring diversity of thinking.

We are accredited by the Disability Confident Scheme and have recently launched our first LGBTQ+ network with support from LGBTQ+ charity Stonewall.

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We supply a wide range of housing options in response to the housing crisis, working towards our vision of ensuring everyone has a home. We provide safe, well maintained homes supported by long-term investment in communities where people choose to live. We strive to create communities our customers are proud to call home and invest in the future of our communities through the Aster Foundation, the work we choose to do over and above our landlord and development activities.

13

Operating under the ISO 14001 standards, we are continuously looking at ways to reduce our carbon footprint and maximise our use of green and renewable energy. All of our new build homes meet current sustainability targets and we are committed to ensuring that every one of our existing homes meets a minimum EPC rating of C or above by 2025. We are invested in using renewable energy sources like solar to reduce our environmental impact and we are taking an agile approach to office space to create a more sustainable model for the future.



Climate change

This theme seeks to assess how the activities of the housing provider are impacting on climate change, and how they are mitigating the physical risks of climate change. This theme considers current practice, as well as the changes being made to improve performance in the future.

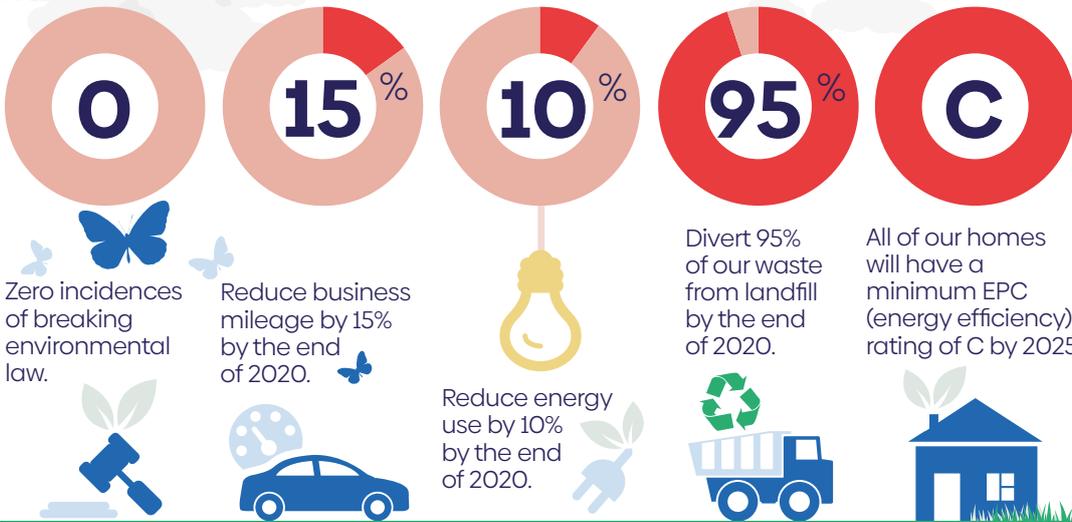
1. Environmental management

In order to provide a framework to manage our environmental risks and maximise opportunities, we operate an environmental management system, which is externally certified to the ISO 14001 standard. As part of this, we are continually seeking ways to reduce energy consumption and minimise the associated greenhouse gas emissions.

In the year to 31 March 2020 we:

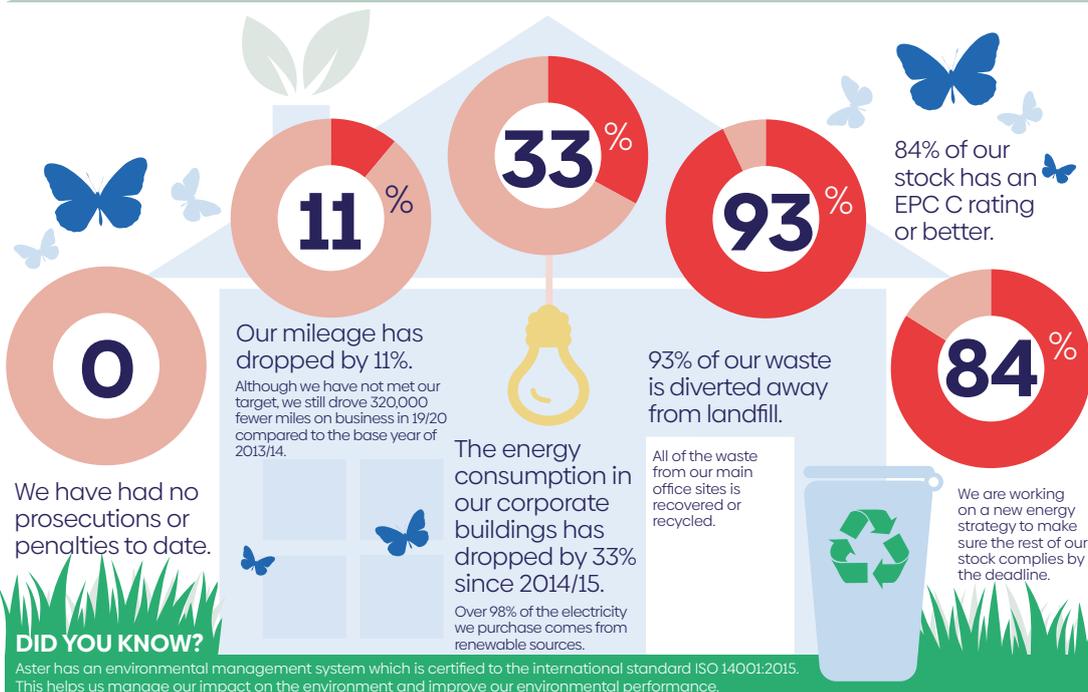
- Secured renewable electricity supplies for all sites covered by the corporate three-year contract, accounting for over 99% of consumption
- Replaced 82 older fleet vehicles with new, more efficient models
- Introduced an additional mileage rate (five pence per passenger per mile), claimable by employees carrying colleagues on business journeys. Due to this and other measures, including further improvements in technology to encourage more home working and online meetings, grey fleet mileage per employee has decreased by 11% since 2013/2014
- Disposed of an oversized office building (Flourish House in Wells) and replaced it with smaller, more efficient spaces in Wells and Frome
- Challenged regional facilities teams to reduce energy consumption over a three-month period in the corporate buildings they oversee, by adopting measures such as upgrading lighting to LED, optimising heating and cooling controls, and encouraging colleagues to turn off appliances and equipment when not in use
- Saw the continued growth of the Transformation Network and green champions. The champions have introduced bird boxes at our offices, encouraged litter picking during walking meetings and arranged beach cleans with the National Trust
- Secured £1m funding from the Warm Homes Fund to reduce fuel poverty in up to 800 of our homes by installing first time central heating to help bring these homes to at least an EPC C, or better supporting our EPC target of all homes having an EPC rating of C or above by 2025
- Trialled Switchee, which is an in-home smart thermostat designed to optimise home heating systems. Resident engagement was carried out alongside each installation and we were able to interact with customers directly through the devices, enabling us to be more proactive in identifying fuel poverty or potential property issues. In the longer-term, we hope it will not only reduce responsive related visits, but also enable customers to have affordable warmth.

ASTER & THE ENVIRONMENT



TARGETS

CURRENT PERFORMANCE



DID YOU KNOW?

Aster has an environmental management system which is certified to the international standard ISO 14001:2015. This helps us manage our impact on the environment and improve our environmental performance.

Climate change (continued)

2. Streamlined Energy & Carbon Reporting (SECR)

During the coming year we are looking to define medium and long-term carbon emissions reduction targets. Also, although not within the scope of SECR reporting, we will continue to develop our energy strategy, which aims to ensure that all of our housing stock achieves a minimum energy performance certificate (EPC) rating of C by 2025, five years earlier than the Government target. Currently, just under 84% of our properties meet this requirement.

Our SECR data shows the energy use and associated greenhouse gas emissions arising from offices, depots and communal customer sites, the operation of our vehicle fleet, and staff (grey fleet) business travel. The information is presented both in absolute terms as total energy usage and greenhouse gas emissions, and as an intensity measure relative to the total number of homes we own and manage.



Streamlined Energy and Carbon Reporting (SECR) for period 1 April 2019 to 31 March 2020

| Energy consumption | |
|---|---------------|
| Mains gas (MWh) | 14,896 |
| Transport fuel – company fleet (MWh) | 7,327 |
| Transport fuel – business travel in employee-owned vehicles (MWh) | 2,859 |
| Fuel used in plant and equipment) (MWh) | 927 |
| Mains electricity (MWh) | 7,648 |
| Total energy consumption (items 1-6) (MWh) | 33,657 |
| Emissions - mandatory SECR reporting | |
| Combustion of gas (Scope 1) (tCO ₂ e) | 2,739 |
| Combustion of fuel for transport (Scope 1 – company fleet) (tCO ₂ e) | 1,793 |
| Combustion of fuel for transport (Scope 3 – business travel in employee-owned vehicles) (tCO ₂ e) | 686 |
| Purchased electricity (Scope 2, location-based) (tCO ₂ e) | 1,955 |
| Total gross emissions for which SECR reporting required (items 7-10) (tCO₂e) | 7,172 |
| Intensity ratio – mandatory emissions reporting | |
| Total gross emissions (item 11) per property managed (tCO₂e/property) | 0.265 |
| Methodology | |
| Greenhouse Gas Reporting Protocol – Corporate Standard | - |
| Other emissions - non-mandatory reporting | |
| Emissions from fuel used in plant & equipment (Scope 1) (tCO ₂ e) | 159 |
| Emissions from purchased electricity (Scope 2, market-based) (tCO ₂ e) | 25 |
| Emissions from electricity consumed in transmission & distribution (Scope 3) (tCO ₂ e) | 166 |
| Total gross emissions - mandatory plus non-mandatory reporting | |
| Total of scopes 1, 2 and 3 emissions (location-based electricity) | 7,498 |
| Total of scopes 1, 2 and 3 emissions (market-based electricity) | 5,568 |
| Intensity ratios – total gross emissions | |
| Total gross emissions (item 17) per property owned & managed (location-based electricity) (tCO ₂ e/property) | 0.277 |
| Total gross emissions (item 18) per property owned & managed (market-based electricity) (tCO ₂ e/property) | 0.206 |

Explanatory notes on the data

- 1 Mains electricity and gas consumption data is derived from invoices and has been provided by our energy broker, who purchase energy on our behalf.
- 2 Fleet fuel consumption has been derived from fuel card data, which covers all purchased fuel.
- 3 The energy consumption associated with business travel in employee-owned vehicles is not directly measured and has therefore been estimated from the mileage driven, which is captured by our expense handling software.
- 4 The consumption of fuel used in plant and equipment has been obtained from a combination of fuel card data (for petrol and diesel purchased from garage forecourts) and purchase invoices (other fuels).
- 5 Emissions have been calculated using the 2019 UK Government Greenhouse Gas Conversion Factors for Company Reporting. The exception to this is the market-based emissions factor for the main corporate (renewable) electricity supply contract, which was provided by the supplier.

Climate change (continued)

3. Energy performance of our stock

In 2016, we set out our Energy Plan which aims to ensure all our homes have an EPC rating of C or above by 2025, five years earlier than the target set out by Government. At 31 March 2020, 84% of our properties met this requirement, and more than 99% of the homes we built where data was available in the year to 31 March 2020, had an EPC of B.

| Energy efficiency rating Existing homes - at 31 March 2020 | | | Energy efficiency rating New homes - 12 months to 31 March 2020 | | |
|---|-----|-------|--|-----|-------|
| Very energy efficient - low or no running costs | | | Very energy efficient - low or no running costs | | |
| (92-100) | A | 0.5% | (92-100) | A | 0% |
| (81-90) | B | 17.9% | (81-90) | B | 99.6% |
| (69-80) | C | 65.6% | (69-80) | C | 0.4% |
| (55-68) | D | 15.9% | (55-68) | D | 0% |
| (1-54) | E-G | 0.1% | (1-54) | E-G | 0% |
| Not energy efficient - higher running costs | | | Not energy efficient - higher running costs | | |

Year on year, the average energy performance of the Standard Assessment Procedure (SAP) of our homes improved by 0.5 SAP points, and our average SAP rating is 74, which is above sector average.

In practical terms this means we have approximately 4,500 homes that we will improve or dispose of before 2025. Our void disposal programme and options appraisal processes consider options for poorly performing assets (eligibility criteria including energy efficiency, age, maintenance and repair obligations), including disposal where the SAP rating of a property is below 65.

Our asset management plan (2020/2021) also outlines that we will make a positive contribution towards a net carbon reduction, improve the energy efficiency of our stock and limit the impact it has on the environment.

We have a small development of highly energy efficient Passivhaus⁴ homes near Liskeard in Cornwall. Built in 2012, these 20 properties comprise a range of tenures and property types. We continue to monitor their performance in order to help give us an example of the long-term benefits of more sustainable builds.

⁴ Passivhaus buildings provide a high level of occupant comfort while using very little energy for heating and cooling. They are built with meticulous attention to detail and rigorous design and construction according to principles developed by the Passivhaus Institute in Germany.

4. Aster Solar

Aster Solar Limited is a special purpose vehicle (SPV) for investment in photovoltaic panels on behalf of our other Group entities.

Through Aster Solar, our main activity is to provide green electricity to our customers through the installation of photovoltaic panels on existing properties.

The alleviation of fuel poverty amongst our customers is a key objective for Aster Solar, together with the ability to generate profits that can be reinvested into charitable activities. To date we have:

- Installed 749 domestic solar PV systems on some of the least efficient homes in our portfolio
- Helped install a further 240 systems not financed through SPV
- Achieved an EPC of C or better on these homes as a result, in line with our EPC target of C by 2025
- Enabled affected residents to save between £100 and £200 per annum on electricity bills together with reducing carbon emissions by one tonne of carbon per home, per year.

We continue to explore opportunities to grow and increase the percentage of renewable energy generated across our homes. As a result, several activities are under way:

- A pilot project to explore the new Smart Export Guarantee is being considered, designed to test how much electricity is produced and exported to the grid. This will determine if this can be scaled up to see solar panels fitted on new homes we build, by offsetting some of the capital and ongoing maintenance costs by receiving income for the electricity we produce
- A review was commissioned to explore the viability of developing a solar farm on land owned by us. That land has now been advertised on the PowerPaired community energy website where we hope we can explore developing the site as a community energy project (subject to funding and planning permissions).

Capacity of renewable energy production:



5. Certification and compliance

We've held third-party ISO 14001 certification of our Environmental Management System (EMS) since 2010. The purpose of the EMS is to ensure we:

- Identify and manage our environmental risks and opportunities
- Meet our policy commitments
- Remain legally compliant
- Continually improve our environmental performance.

Having third-party certification demonstrates to key stakeholders, including our customers, regulators, investors and employees, that our EMS is successfully achieving these aims and is doing so in line with the requirements of the most widely used environmental management standard worldwide.

The scope of our certification is 'the provision of social housing and associated services, including care and support, property development, property maintenance, property management and administrative services.'

Environmental incidents are monitored and reported to the Group Risk & Compliance Committee, a committee of our Board.

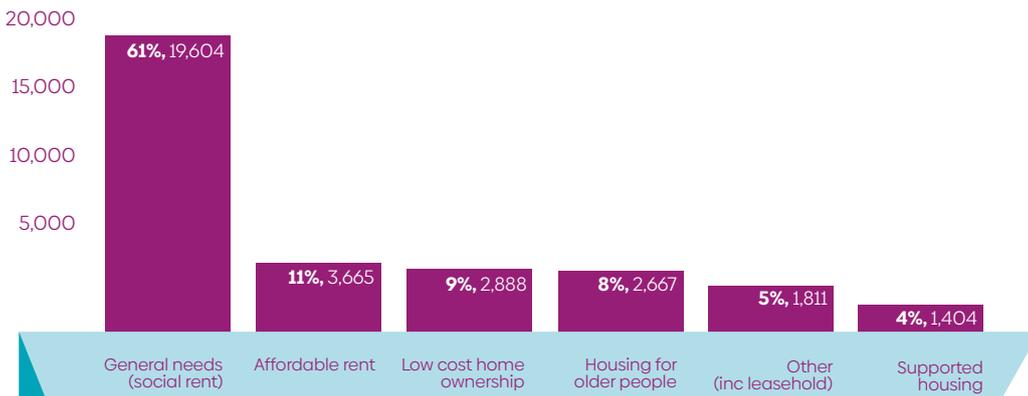
Affordability & security

This theme seeks to assess the extent to which the housing providers provides long-term homes that are genuinely affordable to those on low incomes.

1. Homes and bed spaces in management

Most of the homes and bed spaces in management are for social and affordable rent. At 31 March 2020, we had 32,039 homes across 50 local authorities of which 72% were for social and affordable rent.

Homes and bed spaces in management
31 March 2020



2. Homes under development

The provision of affordable housing is at the centre of what we do. In the year to 31 March 2020, we completed 1,051 homes, 91% of these being affordable housing for either rent or shared ownership. We also built 96 homes for open market sale through risk sharing joint ventures, the profits from which fed into the affordable development programme.

At 31 March 2020, we had 2,317 homes under development of which 95% were affordable for rent or shared ownership, and the remainder were for open market sale through our joint ventures.

Homes under development
31 March 2020



3. Affordability

We offer security of tenure to existing and prospective residents and we let most of our homes either with an assured tenancy or a starter tenancy. We carry out pre-allocation assessments where we look at any risks that might mean the tenancy fails including an affordability check. Working with our Local Authority partners we cap 83% of our affordable rents at the local housing allowance level.

We stopped offering fixed term tenancies during 2019 and have converted the majority of these to assured tenancies. We aim to be responsive and flexible to the wide range of housing needs ensuring we make the best use of our homes by letting them as quickly as possible. When we benchmark ourselves against other housing associations, we perform in the top quartile. In areas where demand is low or we have homes that are difficult to let, we work with our Local Authority partners and let these where possible on temporary tenancies to help them meet their obligations under the Homelessness Reduction Act.

We have nominations agreements in place with all Local Authorities in which we operate, which guarantee those on the housing register access to our available units helping them meet their statutory housing duties. The housing registers use a point or band-based system to identify specific housing need and prioritise applicants.



Building safety & quality

This theme seeks to assess how effective the housing provider is at meeting its legal responsibilities to protect residents and keep buildings safe.

The vision of our Asset Management Strategy is to provide safe, well maintained homes supported by long-term investment in communities where people choose to live. Our beyond compliance approach to health and safety and fire safety saw us invest £9.2m in these areas in the year to 31 March 2020.

1. Fire Safety

At 31 March 20, our Fire Risk Assessment (FRA) compliance was at 99.9% on a target of 100% at year end. The COVID-19 lockdown restrictions meant we had to postpone all non-essential works including FRAs, but we have now returned to a normal programme of safety inspections and FRA compliance. When compared to target, we are recovering well at 81.6% for the high priority FRAs at 30 September 2020.

2. Gas servicing

As with FRA compliance, gas servicing compliance was excellent at 31 March 20 with 99.7% compliance on a target of 100%. The COVID-19 restrictions caused significant disruption in the first half of 2020/2021, but we have since carried out more than 9,000 routine gas safety checks with compliance at 100% at 30 September 2020.

3. Electrical compliance

Electrical compliance was 98.8% at 31 March 2020 and despite the significant disruptions from COVID-19, has recovered to the same level at 30 September 2020.

4. Decent homes standard

All of our homes were compliant with the Government's Decent Homes Standard at 31 March 2020.

Resident voice

This theme seeks to assess how effective the housing provider is at listening to and empowering residents.

The Customer and Community Network is an integral part of our governance framework consisting of customers, senior executive and non-executive directors, with the responsibility for scrutinising and challenging our performance, how we deliver services to our customers, and onward recommendation of customer related policies and strategies. The resident voice is further integrated through our Customer Overview Group (COG) and the Customer Scrutiny Panel.

The COG is made up of a group of customers who review and approve customer facing policies and procedures and make recommendations on how services are best delivered for our customers.

Some of the recent work that COG have been involved in includes:

- Operational target setting for customer facing services
- Focussing on customer satisfaction survey data
- Repairs and maintenance performance
- Energy and Environmental Sustainability Strategy work.

The Customer Scrutiny Panel provides a thorough and customer focussed assessment of our services and processes.

Regular customer surveys are undertaken to measure and understand our customer's perception of our organisation, allowing a consistent and comparable approach of customer satisfaction across the business and with other housing associations. Our performance for Quarter 1 2020/2021 for General Needs (GN) and Housing for Older People (HOP) demonstrates excellent customer satisfaction.

| Survey of Tenants and Residents (STAR) | Target | Quarter 1 2020/2021 |
|--|--------|---------------------|
| Overall customer satisfaction | 80% | 83% |
| Rent represents value for money | 90% | 92% |
| Neighbourhood as a place to live | 88% | 88% |
| Customer effort (how easy or difficult is Aster to deal with) | 80% | 84% |
| Repairs service | 75% | 73% |
| Maintenance of communal areas – not monitored | 75% | 78% |
| Customer feels safe and secure – 88% (all at 87%) | 87% | 88% |
| Satisfaction with the quality of your home (excluding new build) | 76% | 80% |

Three other surveys were also carried out in Q1 2020/2021 to measure customer feedback on the following areas over the last 12 months:

New Customers - 450 new GN and HOP customers were surveyed regarding the process of moving into their home, and how well the property met their needs. They told us:

- Ease of process
 - First let properties: **84%**
 - Re-let properties: **78%**.
- Meeting their needs
 - First let properties: **84%**
 - Re-let properties: **77%**.



Resident voice (continued)

Responsive Repairs – we surveyed **1,200** customers who had a repair in the last 30 days. They revealed:

- Overall satisfaction: **94%**
- Being kept informed: **89%**
- Quality of the repair: **90%**
- Ease of process: **85%**.

Planned Maintenance – **600** customers who had planned maintenance at their property's building told us:

- Overall satisfaction: **77%**
- Ease of process: **79%**.

Registered with the Housing Ombudsman, the Designated Complaints Panel (DCP) is a group of customers that are specially trained in reviewing complaints independently and objectively where a resolution hasn't been reached during the formal complaints process. In the year to 31 March 2020, the DCP reviewed nine complaints, upholding two and making recommendations to us to help improve our service delivery and learn from these complaints.

We work hard to ensure we deliver a good quality service but sometimes things don't turn out as we expected. In the year to 31 March 2020, we had **530** formal complaints and **788** fast track complaints. Of these, 14 remained unresolved and were escalated for review, nine were reviewed by the DCP and four were investigated by the Housing Ombudsman:

- **530** formal complaints received
- **788** fast track complaints
- **14** complaints unresolved and escalated to director review
- **9** complaints reviewed by DCP
- **4** complaints investigated by the Housing Ombudsman.

Resident support

This theme seeks to assess the effectiveness of the initiatives that the housing provider runs to support individual residents.

The Aster Foundation was created by us to give something back. It's the work we choose to do over and above our landlord and development activities. Social innovation, enterprise, community and collaboration is at the heart of our work.

Through our Aster Foundation we invest in our communities and their future through a range of initiatives including our **Into Work** and **Financial Wellbeing** services, our **Digital College**, tackling fuel poverty, **mental wellness and resilience** offer and **volunteering** opportunities.

The Foundation also supports Housing First to tackle homelessness and our Independent Living Services to support and enable independence for our older customers.

Our social incubator, **inc.** will be integral in creating and supporting the next wave of social entrepreneurs who will make a difference and drive change across our communities.

1. Into Work

We offer our tenants one-to-one support through our Into Work scheme, where we can help with creating a CV and job applications, interview skills and preparation, job searching, registering with online job sites, finding volunteer opportunities, work placements and apprenticeships, IT skills and access to our Digital College. In the year to 31 March 2020, Into Work helped 47 customers who had been unemployed for a long period of time or, who faced barriers back into work. 98% of the those we supported into work have remained employed, with the majority able to transition from benefits and become financially independent.



2. Financial Wellbeing service

Our Financial Wellbeing service continues to support our customers to have a healthy relationship with money. By helping our customers to access the right support and benefits available, our Financial Wellbeing team provided 2,301 cases of financial wellbeing support which meant our customers were able to access £738,000 in support for our customers in the year to 31 March 2020, with a successful 88% of appeals and 82% success of benefit applications.

Our dedicated team is on hand for our customers who need support to help them become financially independent, to pay their rent on time and to sustain their tenancy. Our people are trained to offer welfare and benefit advice and have helped hundreds of customers to maximise their income and to claim the benefits they're entitled to. The team also assists with claims and appeal decisions on appropriate benefits as well as providing support on budgeting and accessing grants, food banks, and other vital financial support or services. Employment and digital skills also form part of this service, along with referrals to our Into Work service, debt advice and signposting to other community support groups if we can't help.

We held various weekly drop-in surgeries during the year at five of our local offices, job centres and support groups to make our services more accessible. We focused on bridging the gap with the Department for Work and Pensions (DWP) helping to alleviate the impact of welfare reform on our customers, allowing us to resolve complex issues more quickly.

During the year to 31 March 2020, we had 2,707 referrals by colleagues, local support groups and district councillors into our financial support service, which resulted in the team helping 782 customers with successful benefit applications and appeals.



3. Digital College

Our Digital College delivers accredited learning online to help customers learn new skills. All courses support employability and include health and safety, construction, healthcare and safeguarding. The college is easy to access and simple to use and helpful for those who want to develop, upskill and increase their earning potential. In the year to 31 March 2020, 187 people benefited from the online courses which are mobile friendly to enable studying on the move.



4. Mental wellness and resilience

According to Mind, approximately one in four people experience a mental health problem in the UK each year. Here at Aster, good mental health, wellbeing and resilience are priorities in work and across our communities.

In 2020, the Aster Foundation trained over 1,000 people in mental wellness and resilience, with 92% of those who attended our courses saying they felt able to support others across our communities.

"That's truly the best course I have ever participated in and I realise now, for the first time in 62 years of life, that I am not the only person to have these types of feelings! I thought it was just me and I wish I could have known about this 40 years ago when I was in my early 20's. The positive thing is that now I have the tools for my tool bag. I'm going to write down three positive things about today this evening! Thank you."



5. Volunteering

Volunteering is our way of investing in communities where they need it the most, supporting local partners and worthwhile causes. It's a fantastic way to make a difference, drive change and help us get closer to the communities we live and work in.

In the year to 31 March 2020, we invested 335.5 days of volunteering into our communities. In 2020, we developed this further through creating Aster VIP, our digital platform which connects our colleagues and communities together more than ever before. We are excited for what the future holds and look forward to supporting our community infrastructure to thrive.



6. **inc.**

Our social incubator, **inc.** is part of our commitment to develop innovative and sustainable ways to drive change. A disruptor in the community investment space, **inc.** was set up to inspire, connect and enable social entrepreneurs to make a difference across our communities.

A unique ten-month programme offers a strong core syllabus covering all areas of business development, growth and ethics:

- An opt in syllabus which can be used to strengthen areas people wish to develop
- Mentoring and coaching to support personal growth
- Access to funding and investment
- Opportunities to gain insight from our customers
- Benefit from expert advice and support from our colleagues and partners
- An entrepreneurial community of peers to collaborate with and provide support.



7. Other resident support

We understand that being able to live independently is important to a person's quality of life.

We offer a range of accommodation specifically for people aged 55+, and help with home adaptations, repairs and technology to support independence. Our 'Connected Living' team also provides affordable technology that offers reassurance 24/7, and the peace of mind that help is on hand wherever and whenever it is needed. We provide security, confidence and reassurance when people need it the most.

During COVID-19, our teams have made over 10,000 wellbeing calls to customers and we are working with partners, The Bell Group, to create a sustainable and vibrant activity programme for our older communities to thrive within.

We have worked hard to build strong relationships with local food banks and reuse centres enabling us to quickly get food parcels, furniture and white goods to customers who need it the most. We helped 273 customers in 2020 with referrals to food banks which meant that they could continue to put food on the table when times were hard. We also have a dedicated hardship fund to help customers struggling with unexpected expenses. This fund looks to help customers with white goods, carpets, utility top ups, and smaller items to help customers through difficult times. In the year to 31 March 2020, we assisted 163 customers through this fund.

Our Housing First initiative, which aims to tackle homelessness, housed seven vulnerable people during the year to 31 March 2020. A further 22 street homeless individuals were housed during the COVID-19 pandemic, helping homeless people rebuild their lives through homes and support. At the end of Q1 2020/2021, 100% of Housing First customers have had successful tenancies where no enforcement actions or ending of tenancy has been required.



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Our 2019/2020 Feeling Part of the Community survey asked approximately 1,600 General Needs and Housing for Older People customers if they agreed with the following:

| | Response |
|---|----------|
| I feel a valued member of my community | 86% |
| I feel safe in my community | 94% |
| I have enough contact with other people in the community | 93% |
| I have someone who listens to my views and acts upon them | 81% |

During April-December 2020:

- 14 customers were supported into work
- 595 people received mental health training by the Aster Foundation, with 92% feeling they can now support others in their community with poor mental health
- 110 days were spent volunteering by customers and colleagues in their communities and for charitable causes
- £11,000 of external donations, grants and value for the Foundation and its communities.

Dealing with the impact of COVID-19:

- 3,436 customers in our sheltered and extra care schemes were contacted to ensure they had appropriate support, medication and food
- More than 10,000 calls were made to vulnerable customers, which included our Aster Connect service where 99 vulnerable customers experiencing loneliness and isolation received weekly calls
- We received 976 referrals for support
- Assisted customers to claim £275,740 in benefit income and appeals
- Helped a further 19 customers into work and 65 customers through our Digital College
- A 'Covid Hardship Fund' initiative was developed to offer customers affected financially by COVID-19. This helped approximately 300 customers with food vouchers and 15 customers with mobile phone top ups.

3. Case studies

Kirsty's story

Kirsty and her then 17-year-old son, moved to Wiltshire and their first Aster home after complex family reasons forced her to move from her home in Scarborough.

Kirsty had no local support network and was struggling with her confidence. She had been out of work for several years and was struggling with managing her money and household budget.

Our Into Work Officer helped Kirsty update her CV, apply for local jobs and training, and find help for the financial cost of new clothing needed for job interviews. We were also able to help and support Kirsty's son with employment advice and training.

Kirsty secured a full-time job working in a local shop, resulting in greater financial independence and increased personal confidence and is now far more confident and positive about the future.

Jim

Jim had been unemployed for some time and was unable to reduce his outstanding debts and arrears. Our Financial Wellbeing officer helped him build life skills around resilience and sustainability in managing his finances.

Jim is now working in a supermarket and he'll be enrolling in a self-employment course with a view to becoming a tour guide.

Sheridan

Sheridan wanted to find a job but found her anxiety and depression was making it difficult. Our Into Work team helped her to create a CV and develop the skills she needed to complete application forms.

Sheridan is now working as a mental health care assistant. It's a permanent role and she is loving the work.

Jennifer

Jennifer, a victim of domestic violence was finding it difficult to find a job. Our Into Work team spent time building her confidence with support and help on updating her CV, developing her skills through our Digital College and preparing for interview.

Jennifer has now secured work in a supermarket as a shop assistant and is rebuilding her life.

Pauline

When Pauline was struck down by a condition called Guillain-Barre syndrome (GB), her whole world fell apart. GB left Pauline paralysed and unable to talk or move. She spent five months in hospital and a further four in specialist rehabilitation with no idea of what her future now held.

On discharge and with her mobility severely affected, she found she could no longer live in her former home and was moved into temporary accommodation. Aster stepped in and offered her a level access bungalow. Unfortunately, because of her change in circumstances she could no longer work and was forced to claim Universal Credit.

Our Financial Wellbeing team helped Pauline navigate the processes and applications for grants and the additional financial support she was entitled to.

Pauline was over the moon.

“I couldn't have done this without all your help and support, and I am very grateful.”

Placemaking

This theme seeks to highlight the wider set of activities that housing providers undertake to create well-designed homes and places that meet local needs and provide great places for people to live and enjoy.

Our partnerships with Community Land Trusts (CLTs) help provide homes that are shaped by local people, for local people, putting community needs ahead of profit. 65 homes were built in the year to 31 March 2020, to support rural communities in partnership with CLTs. Two more schemes are due to complete in 2020/2021, with a further 15 schemes in the pipeline. In 2020/2021 so far, one of three partnerships have been set up to deliver environmental improvements to our communities.



Structure & governance

This theme seeks to assess the housing provider's overall structure and approach to governance.

Aster is a charitable registered society, registered with the Regulator of Social Housing (RSH). We hold the highest possible ratings for governance (G1) and viability (V1), which was reaffirmed by the RSH in December 2020.

Our governance framework is structured on the UK Corporate Governance Code. This is a set of principles of good corporate governance that we follow in our governance arrangements, including those around board leadership and effectiveness, remuneration, accountability and stakeholder relations.

Board & trustees

Our Overlap Boards (the Board) are responsible for making sure we meet our social purpose, vision and values, and is supported by our Executive Board. The overall role and purpose of the Executive Board is to ensure that there is effective leadership of, and a system of assurance between, the operations of the Aster Group and the Overlap Boards and their sub-committees.

One of the key success factors of our Board, is the balance of skills and experience that our Non-Executives bring. As part of the ongoing skills assessment of our Boards and Committees, we introduced the Board Skills Vision, which aims to quantify the key skills and characteristics we are looking for at Aster. The Board Skills Vision is a holistic set of criteria focusing on everything from fact-based judgements to emotional intelligence, teamwork and values. We recruit on cultural fit and value alignment, just as much as we do on experience.

The Board recognises that effective succession planning is not only a fundamental component of board effectiveness but is also integral to the delivery of Aster's strategic plans. It is essential in ensuring a continuous level of quality in management, in avoiding instability by helping mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual, and in promoting diversity.

The Board has approved a Board Membership, Recruitment and Succession Policy endorsed a succession policy and the Group Remuneration & Nominations Committee routinely reviews the succession plan for the Overlap Boards and the Committees to facilitate future recruitment in a timely manner. The Committee works to ensure a continuous flow of talent is available through developing existing directors and independent members, and also by identifying suitable external candidates to ensure a refreshing of talent and ideas, and the ongoing maintenance of skills.

When recruiting, by mapping our Board skills we can get a clear idea of what we are looking for in our applicants and what each of them could bring to the collective. From our most recent recruitment in the latter part of 2019, our successful applicants have brought a wealth of experience from very different sectors and have been able to add value immediately. As with all of our decisions, the long-term sustainability of the business is central and the skills we have recruited in risk, digital transformation, compliance and a whole new range of experiences will help our Boards and Committees make better decisions as a result.

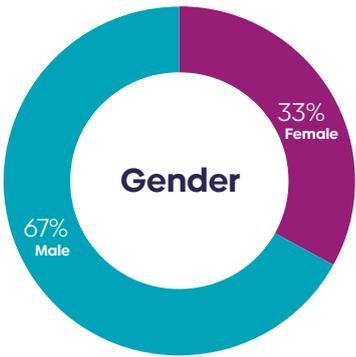
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Board demographic



Board characteristics



*Executives unlimited

**in the last two years

Auditors - KPMG

Independent Chair and CEO

Non-executive remuneration committee

Conflicts of interest - managed under the Board Code of Conduct

Board representation on Audit Committee with relevant experience

Charitable registered society



Staff wellbeing

This theme seeks to assess how staff are supported and how their wellbeing is considered.

One of the six pillars of our Corporate Strategy is our Transformation Strategy. In it we say the purpose is “enabling sustainable transformation across the business and our communities. Ensuring people have the technology they need, pro-actively communicating internally and externally, and empowering our employees to create a fair and inclusive culture.”

We have undertaken a full review of role profiles and job evaluation, market benchmarking and an equal pay review. This information has enabled us to establish a framework which will allow us to achieve a balance between flexibility and control in pay decision making. Our new pay framework will be implemented in April 2021 and will demonstrate fairness and transparency in the way that pay is set and reviewed.

We have recently published our Diversity & Inclusion (D&I) policy and principles. Launched during National Inclusion Week, our aim was to raise the profile of D&I by starting to raise awareness, give people the opportunity to educate themselves and to start a narrative in the business which will enable representation, involvement and action.

We continue to make excellent progress in this area with some notable achievements listed below:

- Test Valley Employer of the Year award for our work around mental health first aid
- Held a series of mental, physical and financial wellbeing road shows with over 400 colleagues attending
- Best Mental Health Wellbeing Strategy in the Reward & Employee Benefits Association (REBA) Employee Wellbeing Awards 2020
- Prioritised the conversion of our programme of wellbeing interventions and training to a fully online, digital delivery at the outset of the COVID-19 pandemic
- In our November 2020 Employee Engagement Survey results, 84% reported that they felt Aster was committed to their wellbeing. 88% reported that they believe Aster is truly committed to the health and safety of colleagues.

1. Gender pay gap

Since April 2017, the Gender Pay Gap report has been an annual compliance requirement of all employers of more than 250 employees. The assessment is based on company data at a single point in time (5 April) each year. The reported gender pay gap shows the difference between the average earnings of men and women and is expressed as a percentage of male earnings.

Since its introduction, our gender pay gap has been decreasing except for 2020, where the metric was affected by the impact of a specific recruitment campaign in our maintenance operations.

As a result of this campaign, which saw more men than women join Aster within one grouping, there has been a notable impact on one of the reported quartiles, resulting in a small upward shift in the overall pay gap for the business. This is indicative of the sensitivities of the Gender Pay Gap methodology to fluctuations in organisational demographics.

| | Percentage |
|------|------------|
| 2017 | 20.3% |
| 2018 | 17.9% |
| 2019 | 9.0% |
| 2020 | 10.2% |

Although our Gender Pay Gap compares well to the UK average of 15.5% in 2020, addressing the pay gap never stops and our Diversity & Inclusion action plan helps to embed inclusivity at the heart of the organisation.

To date, key achievements outside of the work on the development of a new pay framework, include:

- MumsNet accredited flexible employer
- Implementation of flexibility principles that recognise colleagues have many demands on their time, enabling work to be done alongside other commitments
- 146 women occupying leadership roles out of 294
- Structured and tailored leadership development offer for aspiring and new leaders
- Well-established links with a range of schools and colleges to promote the breadth of careers on offer across Aster and the wider sector
- Embedding Restorative Practice within The Aster Way themes of transparency, freedom and trust, and experiment and adapt.

Our focus now includes:

- Blind (to all protected/non protected characteristics) recruitment and selection processes
- A focus on family leave, rather than just maternity leave, and encouraging either parent/carer to have time off to support their family
- Job pricing process to be embedded and linked to workforce planning, ensuring salaries advertised are evidence based on independent data
- An updated talent and resourcing approach to ensure our default position is to share all vacancies with internal candidates first and are prioritised for development and access to opportunities
- Leadership development offer for established and senior leaders
- Further extending our approach to flexibility, including our involvement in the national Flex Appeal campaign.

2. CEO to worker pay ratio

We have included the CEO to worker pay ratio based on option B of the BEIS methodology⁵. The methodology uses the Gender Pay Gap (GPG) data to calculate the ratio in three steps.

Step 1 - Rank the remuneration of our employees from lowest to highest based on the pre-existing GPG pay data, and identify those employees at the 25th, 50th and 75th percentiles of the employee population based on this pre-existing data.

Step 2 - Calculate the three employees' pay and benefits for the year.

Step 3 - Calculate pay ratios for employees at each percentile using the latest CEO Single Total Figure of Remuneration (STFR) and the employee pay and benefits figures identified at the 25th, 50th and 75th percentile points for the relevant financial year.

Our CEO to worker pay ratio compares favourably to FTSE 100 median ratio which was 84:1 in the same period. The data below sets out the CEO to worker pay ratio for the various percentiles:



3. Aspiring Living Wage employer

We aspire to become a Living Wage accredited employer committed to diversity and inclusion and will be investigating this in more detail following the implementation of our new pay framework in April 2021.

⁵ The Companies (Miscellaneous Reporting) Regulations 2018 Q&A

4. Programme experience

Building on our transformation journey over the past six years; Programme Experience will improve and modernise our customer and colleague experience.

Through five key workstreams, we'll work collaboratively to ensure we can respond to rapidly changing customer and colleague expectations and can continue to succeed long into the future.

Specifically, it brings together five key workstreams:

- The Aster Offer, which focusses on transforming our colleague offer and experience
- Project Dynamics, the technology enabler for business transformation
- A new Customer Experience strategy designed to create effortless, end-to-end customer journeys
- Our sustainability focus to maximise working in different ways to ensure true sustainability going forward
- The Aster Foundation, which focusses on innovative investments in our customers and communities.



Governance

Supply chain

This theme seeks to assess if the housing provider procures responsibly.

We aim to ensure Sustainable Procurement meets the requirements for goods, services, utilities and works not on only on a cost-benefit analysis, but with a view to maximising net benefits for Aster and the wider world.

There are three areas of focus:

- Economic (e.g. corporate governance, ethical trading, payment on time)
- Social (e.g. diversity, human rights)
- Environmental (biodiversity, carbon footprint, climate change).

To support Sustainable Procurement, we insist on adherence to the following Aster Policies from all of our suppliers on all tenders with an estimated contract value of £50,000 and over:

- Aster Group Data Protection and Confidentiality (inc GDPR).
- Aster Group Equality and Diversity
- Aster Group Environmental Sustainability
- Health and Safety Declaration
- Modern Slavery Act Compliance.

Going forward, it is imperative that Sustainable Procurement is a key consideration when producing any tender. This is expected to bring the following advantages:

- Cost savings - focusing on following a whole life costing methodology when sourcing goods and services
- Enhance our corporate image
- Creating markets for new products and services, by using technology to develop and market sustainable products.

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