



# MORHOMES

## SUSTAINBLE HOUSING ASSESSMENT

### CASE STUDY: MELIN HOMES

South-East Wales based Melin Homes owns and manages more than 4,000 homes in Blaenau Gwent, Monmouthshire, Torfaen, Newport and Powys. True to its social purpose, Melin strives to make a positive impact on the environment and the communities in which it operates.

In advance of MORhomes' new Sustainable Bond, Melin was one of the first to pilot MORhomes' new Sustainable Housing Assessment. A first-of-its-kind tool comprising of 11 questions, it measures housing providers' ESG performance (environmental, social, governance) against an objective standard. The SHA aims to help housing associations effectively report on and benchmark ESG whilst also providing MORhomes with a clear and consistent way to demonstrate overall impact to investors.

**Elizabeth Howard is Melin's director of finance. Here, she shares more about Melin's experience of the SHA and the additional benefits the organisation has felt since going through the process.**

## PULLING IT ALL TOGETHER

“The Sustainable Housing Assessment came at the perfect time for Melin as it gave us a framework to review all our separate social and sustainable initiatives as a whole. It has brought colleagues together from across the organisation and focused our minds.

“Our social purpose is always at the core of what we do. We knew we were making a positive impact but thanks to this assessment process, we now have all the information in one place. We can see the areas in which we’re doing really well and those in which we need to focus our energies to improve.”

## ADDITIONAL BENEFITS

“This process has really galvanised Melin’s teams. One of the outcomes is that we will be setting up a new Sustainability Working Group with representation from all Melin departments. We’ll be continuing to use the 11 questions going forward and we now have our independently validated assessment to benchmark our progress in future. The SHA metrics are based on the core metrics in the Sector Reporting Standard (SRS). We’re committed to adopting the Sector Reporting Standards so that our ESG reporting is consistent with other housing associations.

“A score of 50% in the SHA is a ‘pass’ and indicates high standards so it was reassuring to see that we scored so well, particularly in the environmental category where we achieved 75%. It demonstrates that our sustainability declarations are backed up with evidence.

“In many areas, we are going way above the minimum requirements and our commitment to sustainability doesn’t end with our properties. From upgrading our fleet of vans to become electric over the coming years, to recently switching our electricity to green energy suppliers in all our communal areas, sustainability is key to every business decision. All new homes in our development pipeline will also have the top ‘A’ Energy Performance Certificates.”

## THE SHA PROCESS

“The process of completing the SHA was clear and straightforward, we had 11 multiple choice questions to complete. We did have to go away and secure various pieces of information and data from across Melin but this was all part of the process of pulling together all our ESG work. Through taking part in the pilot, we also had a chance to suggest ways to streamline the process in future.



“It’s great to have our evaluation report to refer back to. It has been independently validated by Ritterwald and they’ve done a thorough and professional job of validating the data.”

## LOOKING AHEAD

“At Melin we are committed to continuous improvement and we are now using the SHA to set some goals for the future. We’re really pleased to have been involved in the development of the SHA with MORhomes, Ritterwald, Sustainalytics and Natwest. As a MORhomes borrower, it is really exciting to see them being on the front foot with the Sustainable Bond.”

## SHOWCASING THE SECTOR

**Patrick Symington, CEO at MORhomes**, added; “Housing associations like Melin are doing a great deal more than is publicised to make a positive social and sustainable impact. Melin is a shining example of this and we were very pleased to see the outcome of its SHA. Housing associations have a real collective ambition to build on their existing work and keep doing more to address the challenges of climate change.

“Like many housing associations in England and Wales, Melin has demonstrated that it is going well beyond the current regulatory requirements for tackling climate change. It is exceeding required levels of energy efficiency for its existing buildings and more than 10 per cent are already fitted with low carbon heating systems.

“It’s not just organisations but individuals who need to take responsibility for this too. Housing associations are in a great position to influence this by supporting tenants to make positive changes that can have a big impact such as correct property related ventilation, heating and fire safety methods. Melin is very active in this area and has some great initiatives. Their commitment to good governance and reporting on ESG is also important.

“Over time we expect to see housing associations continuously raising their ESG standards as we move towards the 2050 zero carbon target. MORhomes also plans to raise the standards in the SHA to help lead this effort. The SHA is the cornerstone of our Sustainability Bond Framework which makes MORhomes’ bond eligible for the very important and growing ESG investment funds. We’re very grateful to Melin and the other housing associations which helped us to shape it. This will have a significant long-term favourable effect on the cost of funds for housing associations, ultimately enabling more homes to be built which are also good for communities and good for the environment.”



For more information about the MORhomes Sustainable Bond Framework, please visit

<https://morhomes.co.uk/wp-content/uploads/2021/02/Press-release-MORhomes-Sustainable-Bond-Framework-11.02.2021.pdf>

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