

WHEATLEY HOMES EAST BOARD MEETING

**Thursday 18 September 2025
5pm AGM followed by Board Meeting
New Mart Road, Edinburgh**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minute of 21 August 2025 and matters arising
b) Action list

Main business and approvals

- [REDACTED]
5. Sustainability update

Other business

6. Governance update
7. AOCB

Wheatley Homes East

Action List

Agenda item	Action	Owner	Due	Status
25 year-end performance updates and Annual Return on the Charter	The Local Authority is to be included on Table 14 (New Build Programme)	LH	August	Open
Care update	Provide an update on the divestment of services in Fife.	Emma Thomson	TBC	Open

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Report

To: **Wheatley Homes East Board**

By: **Lorna McCubbin, Director of Assets Strategy**

Approved by: **Frank McCafferty, Group Director of Asset and Development**

Subject: **Sustainability update: Social Housing Net Zero**

Date of Meeting: **18 September 2025**

1. Purpose

1.1 To update the Board on progress toward our sustainability objectives and especially the ongoing development of the Social Housing Net Zero (“**SHNZ**”) Standard for our existing homes.

2. Authorising and strategic context

2.1 “Setting the benchmark for sustainability and reducing carbon footprint” is a stated key outcome in **Your Home, Your Community, Your Future**. Our Sustainability Strategy, which you agreed and we published in early 2023, builds on this through setting key areas of focus, namely:

- **Existing homes:** Achieve Energy Efficiency in Scottish Social Housing (“**ESSH**”) targets by end 2031/32 and have Net-Zero emissions from all properties where technically and economically feasible by end 2043;
- **New Homes:** All properties at minimum of EPC B and with Net-Zero heating systems in line with planning timescales;
- **Business operations:** Carbon neutral by end 2026 including decarbonised fleet where feasible and use of green electricity; and
- **Supporting contributors:** Build understanding and support action including among staff and communities, to address the climate emergency.

2.2 This report focuses on:

- Improving the energy efficiency of existing homes, where ESSH2 is being replaced by SHNZ; and
- The Scottish Government’s planned Heat in Buildings legislation which will determine requirements for net-zero heating in our homes; and
- Our group wide progress in decarbonising our business operations.

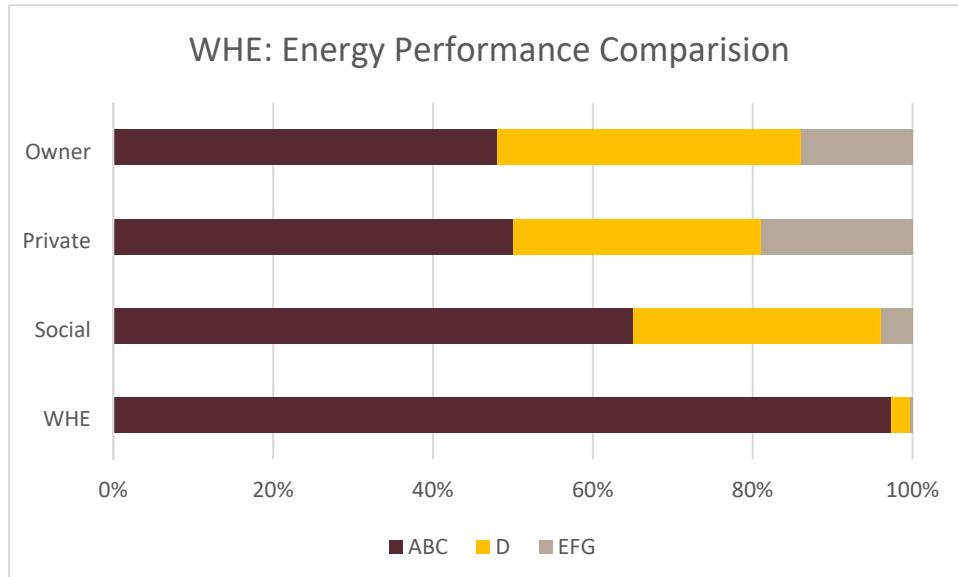
- 2.3 The Scottish Government has been consulting on energy efficiency requirements for social housing through SHNZ to supersede EESSH. This process is still ongoing. The position set out here reflects our understanding of current thinking based on what Government officials have shared in advance of SHNZ being finalised following further consideration. The Scottish Government has also recently updated and clarified its view on planned Heat in Buildings legislation. Contrary to how this was reported in some media at the time, the legislation has not been “scrapped”, and the need to stop using gas and other fossil fuels by 2045 to heat buildings, including social rented homes, will remain.

3. Background

- 3.1 Our asset investment strategy, approved in summer 2024 by the Group Board, has energy efficiency as one of the five key drivers of investment in existing stock. The other four drivers are compliance, component replacement, neighbourhood priorities and requirements from particular stock types.
- 3.2 The energy efficiency of our existing stock is shown below.

	Number	Percentage
EPC/R A	10	0.1%
EPC/R B	3,397	48.1%
EPC/R C	3,469	49.2%
EPC/R D	164	2.3%
EPC/R E	22	0.3%
Total	7,062	100%

- 3.3 Overall, 97.4% of our stock is at EPC band C or better. As shown below this compares favourably to the social housing sector and homes in Scotland more generally.



Source: Scottish Housing Condition Survey

- 3.4 Our efforts to improve the energy efficiency of our existing homes this year have mainly been delivered through our component replacement investment to improve windows, doors and heating systems, and deploying the Minibems advanced control system to reduce energy demand on our district heating systems. The Minibems approach is now almost fully implemented with only 60 homes remaining although a full year of operations on all sites will be needed before annual benefits can be assessed. Early signs are positive with efficiency levels in excess of the 60% target being delivered - which is well ahead of the 30% to 45% efficiency typically delivered by district heating systems.
- 3.5 The Minibems work has also included reconfiguration of energy centres to improve overall control and therefore carbon and cost savings. In the most recent reported quarter, 245,000 kWh of energy was saved compared to the same time last year, which equates to 7,972 kg CO₂ saved and over £16,000 of input fuel cost savings. Savings on an annual basis will be higher, given that these figures reflect usage in a quarter where heat demand was relatively low.
- 3.6 We also delivered around £0.5 million of energy efficiency improvements to 50 of our poorer performing homes from an energy efficiency perspective through the Scottish Government's SHNZ fund last year. This funding, built on similar funding in the previous year, supported improvement to pre-1919 tenements including internal wall insulation, draught proofing and installation of high efficiency heating systems.
- 3.7 We recently applied to Scottish Government for further SHNZ funds to continue improving our homes, although we were unsuccessful due to a desire to support organisations that had not previously benefited from funding. As an alternative and based on the confidence we have that the energy efficiency measures we are deploying are having a positive impact for tenants, we have looked to make use of Energy Company Obligation ("ECO") funding to improve more of our sandstone properties. Details of this are still being finalised but we would expect this funding to have a similar impact to the funding we have had previously through SHNZ.
- 3.8 Going forward, the focus of our energy efficiency related investment will be through our five-year investment plan, that the Board approves at its meeting each year in March. We will also continue seeking external funding where available to maximise the benefits for tenants.
- 3.9 All 454 of our newly completed homes last year achieved a minimum energy performance rating of "B" (408 at EPC B, 46 at EPC A), and all new-build projects with a building warrant application after 1 April 2024 will have zero-emissions heating systems as the standard source of heating.

4. Discussion

- 4.1 While our energy efficiency related investment is driven by the benefit it delivers customers through reduced energy demand, it also plays a key role in meeting our regulatory requirements. These regulatory requirements are being developed through the SHNZ standard. SHNZ has been developed over the last few years to replace the previous EESSH standard. Consultation on SHNZ ended in March 2024. Since then, Scottish Government has been working to finalise the standard including with us and other social housing stakeholders.

- 4.2 Once finalised the requirements from SHNZ will be translated into regulatory requirements through the Annual Return on the Charter (“ARC”).
- 4.3 Currently, SHNZ has not been finalised, and work is on-going in Government to do this, probably over the coming months although regulatory requirements through the ARC are not expected in the year ahead. Nevertheless, the likely shape of the SHNZ is coming clearer – based on **information that Government officials have shared with us and others on a confidential basis for feedback**. This information is used to inform this report.
- 4.4 Based on discussions with Government, SHNZ is likely to be structured around the following key areas:
- Fabric efficiency requirements;
 - Requirement to install clean heating; and
 - Applicability and temporary exemptions.

Fabric efficiency requirement

- 4.5 As part of the SHNZ consultation, two fabric efficiency options were suggested. Both of these were expressed as fabric efficiency ranges measured in kwh/m² (i.e. a measure of the energy input required to heat the property). One option had a target minimum efficiency by 2033 equivalent to an EPC C and the other option had this as an interim target with a further requirement to reach a minimum fabric efficiency equivalent to EPC B by 2040.
- 4.6 Discussion with Government officials has indicated that the first of these two options is preferred. This would see a **fabric efficiency requirement for social housing of between 71 – 120 kWh/m²/year (space heating demand) which would need to be met by 2033**. The use of ranges for fabric efficiency in SHNZ is unusual as it does not define a specific target that properties need to meet. The Scottish Government has clarified that its rationale for having a range is that it allows for greater ambition should social landlords choose. Discussion with the Scottish Government has clarified the upper (i.e. 120kWh/m²) figure in the range to be the de facto target that a property has to meet. For simplicity and clarity, the rest of this report takes 120kWh/m² as the likely SHNZ target.
- 4.7 The proposed fabric efficiency aspect of SHNZ also includes a Minimum Energy Efficiency Standard based on measures that properties will be expected to meet by 2033. This date is an extension from 2028 which was proposed in the initial consultation. The “Minimum Standard” will be based on the need to apply various measures to improve their energy efficiency in properties that do not meet the likely 120 kWh/m² target. These measures are:
- 270 mm loft insulation;
 - Cavity wall insulation;
 - Draught proofing;
 - Heating controls;
 - 80 mm hot water cylinder insulation; and
 - Suspended floor insulation.

- 4.8 With the exception of cavity wall insulation, which has potential for post-installation difficulties, these measures are aligned with our thinking on the most effective means of improving energy efficiency in our homes.

Clean heating requirement

- 4.9 The consultation on SHNZ proposed that all social rented homes should have a clean heating (zero-direct emissions) system by 2045, in keeping with Scotland's overall net-zero commitment.

- 4.10 The consultation also proposed two options for interim targets:

- Option 1: milestones which would require proportions of each landlords' stock to have clean heating installed by target dates; and
- Option 2: an interim target for properties off-gas or using other fossil fuels.

- 4.11 Following the consultation and further refinement it is expected that **the SHNZ requirement will be for all social housing to have clean heating by 2045** but that any interim target will be advisory only and not form part of the regulatory requirement. This approach appears consistent with the Scottish Government's approach to Heat in Buildings legislation which has seen the planned bill delayed and a likely much greater emphasis on addressing fuel poverty, while also retaining the Scottish Government's commitment to eliminate fossil fuel heating by 2045. Having 2045 as a required date for eliminating fossil fuel heating and increasing the focus on addressing fuel poverty is also in keeping with the approach we discussed with the Board previously where we agreed that currently we should only be looking to change heating systems for net-zero (non-fossil fuel) ones where there was an economic benefit for customers in doing so.

Applicability and temporary exemptions

- 4.12 The SHNZ is expected to apply to all social housing including properties in mixed tenure blocks. Discussions with Scottish Government have also indicated there will be provision for exemptions where properties are unable to meet to meet the Minimum Standard discussed above. Various reasons for exemption are likely including:

- In mixed tenure blocks where other residents may not agree to participate in energy efficiency measures;
- For the clean heat element only, where the property is in a planned heat network zone;
- Where legal issues need to be resolved before SHNZ can be met; and
- Where the property is planned for disposal or long-term void.

- 4.13 It is also possible that an exemption will be available for properties which are currently at EPC C but whose ratings will drop below the SHNZS compliant range under EPC reforms. Related reforms of EPC are ongoing, which are likely to see a move away from the single (A-G) rating to multiple headline measures including fabric performance (heat retention rating), heating system type and energy cost rating. The Scottish Government has indicated that it will provide guidance, as part of finalising the standard, on exemptions, including on determining if works are economically or technically viable.

- 4.14 As with all the other aspects of SHNZ discussed in this report, the points above are subject to further refinement and development through detailed guidance before the standard comes into effect. To address this in the time before the standard comes into effect, the Scottish Government has provided some interim guidance. This indicates that **social landlords should continue to invest in energy efficiency measures to help reduce running costs, and in zero direct emissions heating systems where appropriate.**
- 4.15 The position set out above is consistent with the approach we are taking currently where our investment plans will focus on energy efficiency measures that deliver benefits for tenants through saving money on heating beyond the cost of the measure over its expect lifecycle, and our investment in zero direct emission heating is focused where it delivers direct savings for customer, or where it helps us keep the cost of the heating we provide down through improving efficiency, such as in our district heating networks.

Analysis of impact of emerging SHNZ proposal

- 4.16 In advance of the SHNZ standard being in place and to inform our investment approaches, we have undertaken an analysis of our stock against the emerging thinking and targets in the standard discussed in this report.
- 4.17 The table below shows how our stock is expected to perform against the fabric efficiency element of SHNZ, and in particular the requirement to have heat input below 120 kWh/m²/yr.

RSL Subsidiary	Number above 120 kWh/m ² /yr	% above 120 kWh/m ² /yr	Number below 119 kWh/m ² /yr	% below 119 kWh/m ² /yr
Wheatley Homes East	214	3%	6,697	97%

- 4.18 We have also considered the impact of the Minimum Standard measures on the fabric efficiency of our properties. The table shows the impact of applying all the minimum measures listed in SHNZ, except cavity wall insulation.

RSL Subsidiary	Number above 120 kWh/m ² /yr	% above 120 kWh/m ² /yr	Number below 119 kWh/m ² /yr	% below 119 kWh/m ² /yr
Wheatley Homes East	139	2%	6772	98%

- 4.19 As can be seen these measures have the potential to raise 75 properties to the required fabric efficiency. It should be noted that while the remaining properties (139) would not meet the fabric efficiency target without further work, **all would meet the “Minimum Standard” which needs to be achieved by 2033 and could be relet.**

- 4.20 Going forward this will mean focusing our energy efficiency investment on the Minimum Standard measures such as improved loft insulation and draught proofing. We will also look to continue to take advantage of opportunities to undertake wider retro-fit on our poorer performing properties where there is external funding to make this economically feasible.
- 4.21 The approach to heating requirements under SHNZ is likely to be linked to Heat in Buildings legislation and is something that can be considered in due course, once this is clearer, given the 2045 deadline for making the change to net zero heating. For now, we intend to continue as is and only replace heating for net-zero systems where it makes financial sense for our customers.

Emissions from our corporate activities

- 4.22 Carbon emissions are measured across our corporate activities, group-wide, with external validation provided by SHIFT, an independent assessor of environmental performance. Our aim is to reduce carbon emissions from our corporate operations while fulfilling service requirements and maintaining tenant satisfaction. The table shows our current position and how it has changed since last year.

Tonnes of CO₂ arising from corporate activities	2023/24 (tnCO ₂)	2024/25 (tnCO ₂)
Scope 1	1859.5	1618.8
Scope 2	0	0
Scope 3	398.1	745.1

- 4.23 Scope 1 emissions are the direct greenhouse gases released by our own activities, such as fuel used for our company vehicles and our heating systems. Scope 2 emissions are the indirect emissions from purchased energy, like electricity used in our offices. Scope 3 covers all other indirect emissions that occur from sources not owned or controlled by us, such as staff travel.
- 4.24 Scope 1 emissions have reduced through improving our fleet efficiency to the EES 6 European standard for engines to ensure our vehicles can access the Low Emission Zones, in Edinburgh. Our scope 2 emissions continue to be nil due to the use of renewable energy contracts for the supply of our office electricity. We do not expect further significant change in these Scope 1 &2 emissions until our fleet moves to electric vehicles which we would only intend doing when suitable vehicles are available and the changes would not adversely impact services to tenants.
- 4.25 The increase in Scope 3 emissions is attributable to a rise in staff travel, as they work with our customers in their communities.

5. Customer Engagement

- 5.1 We discussed our approach to energy efficiency related investment with customers through our customer voice panels as part of developing our investment strategy. We also engage customers directly in planning investment works including those related to energy efficiency.

6. Environmental and sustainability implications

- 6.1 This report focuses on environmental and sustainability implications.

7. Digital transformation alignment

- 7.1 We make extensive use of data on our properties in assessing the implications of SHNZ and the applicability of suitable improvement measures. This aligns with our desire to ensure that our decisions are underpinned by robust data and analysis.

8. Financial and value for money implications

- 8.1 The information on the likely SHNZ requirements presented here is consistent with our expectation on how the standard would develop, and the investment assumption and provision we have made for energy efficiency works in our current five-year business plan.

9. Legal, regulatory and charitable implications

- 9.1 Changes in guidance and legislation, such as through SHNZ once finalised, will determine future regulatory requirements. The information provided here allows us to ensure that the investment we make in energy efficiency works will support us in meeting these requirements once finalised.

10. Risk Appetite and assessment

- 10.1 Meeting SHNZ falls within our risk appetite for **Compliance: Legal / Regulatory and is Cautious** – the early information on the likely SHNZ standard and our ability through discussion with Scottish Government to ensure the standard is well informed, will help, along with the investment we plan to make, ensure we meet this emerging regulatory requirement once finalised

11. Equality implications

- 11.1 There are no direct equalities implication associated with this report, although we do take account of individual customer circumstances in planning and delivering investment works including those related to energy efficiency.

12. Key issues and conclusions

12.1 The likely requirements, through the SNHZ Standard, are becoming more clearly defined although these have yet to be finalised. Whilst timescales are unknown for the introduction of the new standard there are no indications that this will become a defined regulatory requirement in the next year. Currently, as the standard is finalised and guidance developed, we have assessed our stock against expected targets. This shows that while we have some distance to go to meet the fabric efficiency element that is likely to apply from 2033, we are well placed to achieve this through investment in measures necessary to meet the defined Minimum Standards for properties that cannot meet the stated 120kwh/m² target and the likely exemptions that will apply.

13. Recommendations

13.1 The Board is asked to note this update.

LIST OF APPENDICES:

None

Report

To: **Wheatley Homes East Board**

By: **Anne-Marie Hallett, Head of Governance**

Approved by: **Anthony Allison, Group Director of Governance and Business Solutions**

Subject: **Governance update**

Date of Meeting: **18 September 2025**

1. Purpose

- 1.1 To update the Board and seek Board approval, where required, on the following governance-related matters:
- Strategic Governance Review;
 - The retirement and succession of the Chair and Board reappointments;
 - Modern slavery statement; and
 - Pension clause amendment.

2. Authorising and strategic context

- 2.1 The Group Board is responsible for the overall governance of the Group. This is codified through our wider governance framework, including the Group Standing Orders, individual constitutions and Intra-Group Agreements. It is also a necessary element of compliance with the Scottish Housing Regulator's Regulatory Framework and associated Statutory Guidance.
- 2.2 Any material reviews or changes to the Group's overall governance, whilst reserved to the Group Board in terms of final decisions, are based on engagement and feedback from Boards across the Group. This Board may also, at any time, make recommendations to the Group Board on the overall governance of the Group.
- 2.3 Our Rules set out the process for the appointment of a Chair. The Chair's appointment is subject to approval by the Parent.
- 2.4 As an organisation with a turnover higher than £36m, we are required to prepare a modern slavery statement under the Modern Slavery Act 2015. Since we are part of a group, it is acceptable for the statement to be made at a group level.
- 2.5 The Group Standing Orders state that matters in relation to Group treasury management and funding are reserved to the Group Board. However, as we are a guarantor to the Wheatley Funding Limited No1 Limited ("WFL1") facilities our formal approval is also required.

3. Background

- 3.1 We keep our operational governance under review incrementally through well-established processes such as annual Board appraisal and Board effectiveness reviews. These reviews focus on how well the constituent parts of our governance are operating and contribute to the overall Group view of how they are operating.
- 3.2 We have also undertaken periodic strategic governance reviews at the Group level to consider how our governance operates in totality, how it reflects or should adapt to reflect our strategic direction and our governance framework as a whole.
- 3.3 Our last strategic governance review was completed in 2021, with the key driver being the level of consolidation in previous years and reflecting on how our governance has operated during the pandemic. We were also just commencing the implementation of our 2021-2026 strategy.

4. Discussion

Strategic Governance Review

- 4.1 A strategic governance review has been commissioned to ensure our governance arrangements remain aligned with our future direction and continue to reflect best practice across the sector. The review will also consider the effectiveness, agility and appropriateness of our current governance framework.
- 4.2 The scope of the review will cover four key areas:
 - 1) Overarching Group structure;
 - 2) The role and remit of Boards and Committees;
 - 3) Board and Committee composition; and
 - 4) Board practices.
- 4.3 Each area will be assessed in the context of our strategic priorities, regulatory obligations and lessons learned from previous reviews and wider sector practice. We have appointed Campbell Tickell as an independent expert advisor to oversee the review.
- 4.4 As part of ensuring the Board's voice and feedback is reflected in the review a confidential survey will be circulated on behalf of Campbell Tickell. Campbell Tickell will also host a Board workshop alongside this meeting to provide an opportunity for Board members to contribute directly to the review process, share reflections on current arrangements, and help shape the direction of future governance.

Chair Retirement/Board member re-appointment

- 4.5 The Chair of the Board, Alastair Murray, will retire from the Board and his role of Chair following the September 2025 Board meeting. His retirement is one year earlier than anticipated due to the breadth of his professional commitments and the associated time commitment.

- 4.6 Board members were, where possible, advised of Alastair's retirement and the need to identify an immediate successor. As part of these discussions, Ken Barclay has been nominated and received support from Board members. As Board members noted, Ken is a highly experienced senior leader and Chair with a proven track record in such roles. Ken has indicated a willingness to accept the role with immediate effect.
- 4.7 The Board is asked to formally confirm the election of Ken as the Chair and that Parent approval, which we already have in principle, be formally sought at the earliest opportunity.
- 4.8 Under Rules 39 and 40, the process for the appointment and reappointment of a Board member is set out. Upon completion of this fixed term, the Board member is required to retire from office at the Board meeting held immediately following the expiry of their term.
- 4.9 In line with our agreed three-year succession plan, Jack Cadell and Judith MacGlashan have completed their fixed term, having been respectively re-elected and elected at the Annual General Meeting in 2022. The Board is asked to re-appoint Jack Cadell and Judith MacGlashan

Modern Slavery Statement

- 4.10 As has been the case since the introduction of The Modern Slavery Act 2015 our turnover breaches the threshold (£36m) which triggers the need for an annual statement.
- 4.11 The annual statement should set out the steps taken, during the financial year, to prevent slavery and human trafficking in their business or supply chains. Groups may issue a single statement covering all relevant entities and we have submitted a Group statement each year on that basis.
- 4.12 A copy of the Group statement is attached at Appendix 1. This has not materially changed from the statement agreed last year. The statement will be presented to the Group Board at its meeting on 24 September 2025. It will be published on our website and submitted to the Government's modern slavery statement registry.
- 4.13 We have assessed the risk of slavery and human trafficking in the Group and its supply chain as low for the following reasons:
 - We do not operate a large global supply chain;
 - We have an in house procurement team which aims to drive up standards within our suppliers;
 - We have a requirement in our contracts that obliges suppliers to confirm their adherence to the Act; and
 - We enjoy a high public profile and are aware of the need to ensure that we engage suppliers that demonstrate a commitment to the highest ethical standards.

A series of nine horizontal black bars of varying lengths, decreasing from left to right. The bars are positioned at different vertical intervals, creating a stepped effect. The first bar is the longest and is located at the top. The second bar is shorter and is located below the first. The third bar is the shortest and is located below the second. The fourth bar is longer than the third and is located below the third. The fifth bar is longer than the fourth and is located below the fourth. The sixth bar is longer than the fifth and is located below the fifth. The seventh bar is longer than the sixth and is located below the sixth. The eighth bar is longer than the seventh and is located below the seventh. The ninth bar is the longest bar in the series and is located at the bottom.

5. Customer engagement

- 5.1. The content of the report is reserved to the Board and is of an internal focus. As such there has been no customer engagement.

6. Environmental and sustainability implications

6.1 There are no environmental or sustainability implications linked to this report.

7. Digital transformation alignment

7.1. There are no digital transformation implications linked to this report.

8. Financial and value for money implications

8.1. There are no finance and value for money implications linked to this report.

9. Legal, regulatory and charitable implications

9.1 We are legally required to produce a Modern Slavery Statement, which must be published within 6 months of the end of the financial year.

10. Risk appetite and assessment

10.1 Our risk appetite for legal and regulatory compliance ranges from cautious to averse across each of our strategic outcomes. The updates in this report help us to remain compliant with our legal obligations and are consistent with our risk appetite.

11. Equalities implications

11.1 There are no equalities implications linked to this report.

12. Key issues and conclusions

12.1 A key strength of our governance is that we consistently keep it under review and that wider Group wide reviews take into account the feedback and experience of our Board. The approach to the Group Strategic Governance Review seeks to support us in maintaining and building on this strength.

12.2 The unplanned retirement of the Chair required us to identify an immediate successor. Following engagement with Board members, we have identified a suitably skilled and experienced successor, subject to the formal appointment process and Parent approval.

13. Recommendations

13.1 The Board is asked to:

1) Approve the appointment of Ken Barclay as the Chair, subject to formal Parent approval being received;

2) Confirm the re-appointment of Jack Cadell and Judith McGlashan;

3)

4) Otherwise, note the contents of the report.

Appendix 1: Group Modern Slavery Statement

Appendix 1 – Modern Slavery Statement

This statement on slavery and human trafficking is made pursuant to Section 54 of the Modern Slavery Act 2015 for the financial year ending 31 March 2025.

It is made on behalf of Wheatley Housing Group Limited and its subsidiaries, Wheatley Homes Glasgow Limited, Wheatley Homes South and Wheatley Homes East who had an annual turnover in excess of £36m at the end of their last financial year. It will be updated on an annual basis and approved by the Board of Wheatley Housing Group Limited, and published on our website. The statement is also made voluntarily on behalf of the following subsidiaries: Loretto Housing, Lowther Homes, Wheatley Care and The Wheatley Foundation.

Our statement is submitted to the Government modern slavery statement registry.

This statement was approved by the Board of Wheatley Housing Group on [284 August September] 2025.

About our Group

We are Scotland's leading housing, care and property management group and employ over 2,500 people.

Wheatley Homes Glasgow Limited, Wheatley Homes South, Wheatley Homes East and Loretto are subsidiaries of the Wheatley Housing Group Limited, Registered Social Landlords and registered charities. Their principal business is social housing. Lowther Homes (private rented tenancies, mid-market rent and property factoring), Wheatley Care (charitable provider of care and support), and The Wheatley Foundation (charitable support) are also covered by this statement.

We are committed to the highest ethical standards of business and ensuring there is no slavery or human trafficking in any part of our business or supply chain. Each entity in our group complies with applicable human resources legislation and the national minimum wage.

Our supply chain, due diligence and risk

We are committed to developing the economies of the areas we work in and building strong relationships with local suppliers. We operate solely within Scotland and do not have a large global supply chain. Our procurement is undertaken within the context of a wide range of legislative and regulatory requirements, including the Public Contracts (Scotland) Regulations 2015, The Procurement (Scotland) Regulations 2016, Procurement Reform (Scotland) Act 2014.

A contracts register is published on our website which contains details of our main suppliers. We update this annually.

We have a specialist procurement function that has primary responsibility for procuring goods and services on a group-wide basis in accordance with the aforementioned legislation and regulation. High-value contracts require approval by the Board. We encourage our suppliers to sign up to our Wheatley Pledge.

We adopt a Community Benefit approach to our procurement and publish a Community Benefits Statement annually. Monitoring and reporting on this demonstrates that we, our partners and supply chain are making a positive difference to individuals, enhancing communities and supporting wider economic resilience. Through this:

- we require suppliers to declare Fair Work practices within their workforce and sub-contractors, as well as non-discrimination and promotion of Equality, Diversity and Inclusion policies;
- we seek to ensure suppliers' compliance with the Modern Slavery Act 2015. We implement this through the use of clauses in our contract conditions and ensure our commitment is embedded within our procurement strategy
- Community Benefits are built into all contracts where clear benefit(s) can be gained by our communities. Progress on the implementation of Community Benefits will be managed and maintained in line with the Group's Community Benefits Statement.

We have assessed our risk of exposure to slavery and human trafficking as low. Some of the measures that we have taken include:

- Standard contract terms including a provision that requires suppliers to comply with the Modern Slavery Act 2015;
- Annual review of our procurement policy and strategy;
- Refreshed our Fraud, Corruption and Bribery Policy in 2022;
- Refreshed training for staff, including our Passport to Procure e-learning; and
- Requiring a formal declaration from suppliers that they comply with the Modern Slavery Act 2015; and
- Reviewed the Modern Slavery Statements and approaches of our construction framework contractors; care agency employment contractors; facilities management contractor; and security contractor, given these are sectors where there is a risk of forced labour, to confirm we are satisfied with these

Training

We will ensure that relevant sections of our workforce understand the risk to our business from slavery and human trafficking and are equipped to identify and respond in situations where they suspect bad practice. We have our Protecting People policy framework in place to support our staff to identify vulnerable people and have staff training for this also.

This Framework and training ensures our frontline staff who visit tenants and service users are trained to identify signs of exploitation and understand that instances of this should be reported to managers who would then work with other agencies including Social Service and Police Scotland to assess such cases.

Compliance

We will assess any evidence of non-compliance within any part of the Group or by one of our suppliers and take appropriate action.

Grievance mechanisms

Our staff can raise concerns or make complaints in relation to modern slavery and human trafficking through anonymous whistleblowing services, such as a helpline, or through trade unions or other worker representative groups. We promote grievance mechanisms for example, through our whistleblowing policy and video from policy lead highlighting to staff the process for whistleblowing.

Our policies

We operate the following policies, each of which is designed to prohibit discrimination, support legal compliance and best practice:

- Recruitment Policies;
- Employee Code of Conduct;
- Procurement Policy and Strategy;
- Group Sustainable Procurement Policy;
- Whistleblowing Policy;
- Anti-fraud, Bribery and Corruption Policy;
- Equality, Diversity and Human Rights Policy;
- Scheme of Financial Delegation; and
- Group Protecting People Policy Framework