



MTVH

Clapham Park C01 – internal courtyard (CGI)

Sustainable Bond Use of Proceeds Report - 2021/22



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Background

Sustainable Finance Framework & £250m Sustainable Bond issuance

In 2019, to demonstrate MTVH's commitment to sustainability, our Board agreed that all new financing must be sustainable, green or sustainably linked in some way and in summer 2021 MTVH issued £250m of Sustainability Bonds under our Sustainable Financing Framework. The Sustainable Financing Framework ("the framework") was created to support the raising of additional funding whether it be in the form of bank loans, private placements or the issuance of public bonds. Our Framework is linked to the International Capital Market Association (ICMA) Green Bond Principles 2021(GBP), Social Bond Principles 2021 (SBP), Sustainability Bond Guidelines 2021 (SBG) and the Loan Market Association Green Loan Principles 2021. Our Framework received a Second part Opinion (SPO) from imug | rating.

MTVH recognises the importance of Sustainability to its future funding strategy. The Framework supports the social purpose of the organisation alongside the delivery of new homes, enhancing the quality of the existing housing portfolio the building of strong, vibrant local communities. MTVH wishes to work with partners and stakeholders who share these views and aspirations, and the framework is seen as an opportunity to demonstrate these credentials.

Sustainability at MTVH

The MTVH Board approved the Sustainability Strategy and Action Plan at the start of 2021, based on six key themes:

- **Value and care for our colleagues.** Looking after our colleagues and helping them to fulfil their potential.
- **Empowering our residents and communities.** Doing what we can to provide our residents and communities with the tools that will allow them to grow and live their best lives.
- **Creating efficient and thriving environments.** Focusing on the environmental impact of our corporate operations and how we most efficiently limit and use our resources.
- **Creating our Net-Zero legacy.** Focusing on de-carbonisation across our existing housing stock and ensuring that we design and build low-carbon homes, and by 2026 have clear roadmap as to how we will achieve this.
- **Everyone should have a home and the chance to live well.** Our vision is at the heart of everything we do.
- **Effective financial management and governance.** Focusing on remaining financially strong and stable organisation, allowing us to continue to build new homes.

United Nations Sustainable Development Goals (UN SDG)

We are committed to measuring and improving our sustainable impacts in line with the United Nations Sustainable Development Goals.

Our Sustainable Finance Framework focuses on:



¹ Affordable Housing as defined by the (below market) rents charged in accordance with the relevant regulated rent standards and the regulated consumer standards of housing service.

Eligibility Criteria		
ICMA Category	Criteria	Impact Metrics
Affordable Housing ¹	Construction of new social and affordable housing in the UK	New homes delivered
	Acquisition of Affordable housing in the UK	Number of existing Affordable Homes benefitting from retrofit
	Modernisation of existing Affordable Housing in the UK	Number of customers positively impacted by delivery of new homes
	Refinancing of any monies borrowed in the past 3 years to fund the above	Lower average rents relative to private sector
Affordable Infrastructure & Services	Leading on wider improvements to the local infrastructure, including green spaces and parks, encouraging local retailers, ensuring accessibility for all	Qualitative description of projects/initiative financed/launched
Green Buildings	Construction of new homes with an EPC rating of B or above	Numbers of new homes meeting targets
	Re-financing of existing homes – subject to a minimum EPC rating of C or above	Avoided CO ² emissions
Energy Efficiency	Renovation of existing homes to bring them up to a minimum EPC rating of C or above	Numbers of new homes meeting targets
Clean Transportation	Support the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed

MTVH Sustainability Bond

Key Information

Issuer	Metropolitan Housing Trust Limited LEI: 213800ADJSQQI30HZ36
Series	Series 1 under the GBP 2,000,000,000 Debt Issuance Program (DIP) of 16 th July 2021
Bond Rating	A - Stable (S&P) A Stable (Fitch Ratings)
Volume	GBP 250,000,000
Issuance Date	28 th July 2021
Maturity	27 th July 2036 (15 years)
Interest	1.875%
Margin	Gilts + 115 bps
Yield	1.99%
Joint Bookrunners	NatWest, Barclays PLC, BNP Paribas
ISIN Code	XS2368896457

Use of Proceeds

Chart
1

MTVH Sustainable
Bond – Allocated
and Unallocated

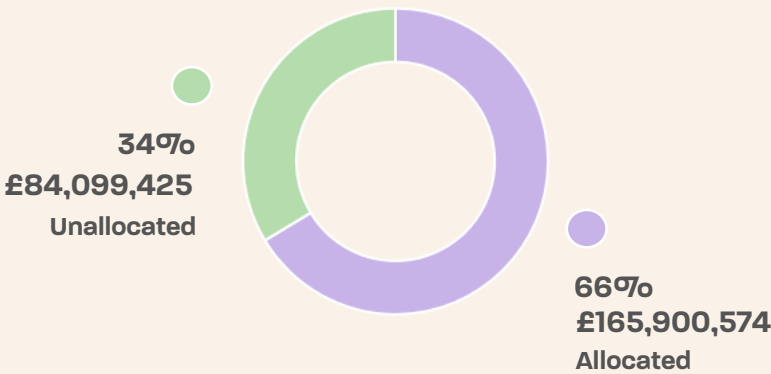


Chart
2

Allocation
to ICMA
categories

as of July 16, 2022

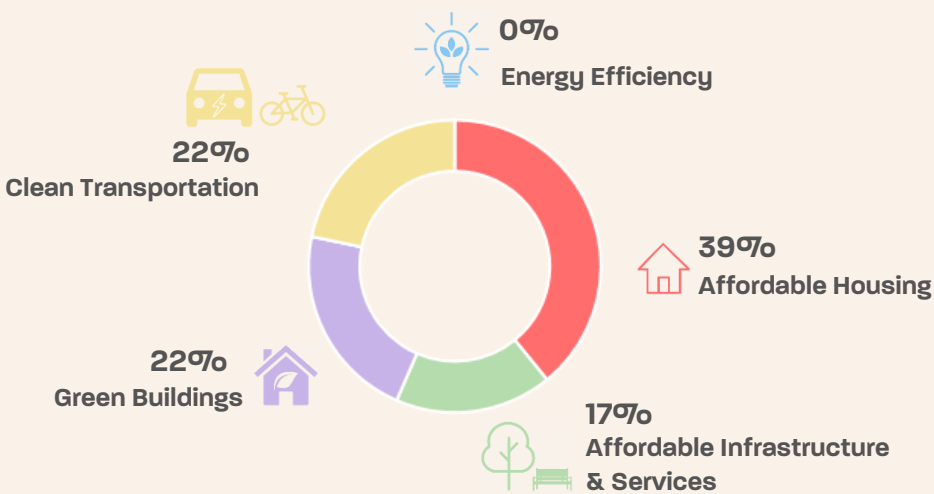


Chart # 3

Allocation by MTVH region

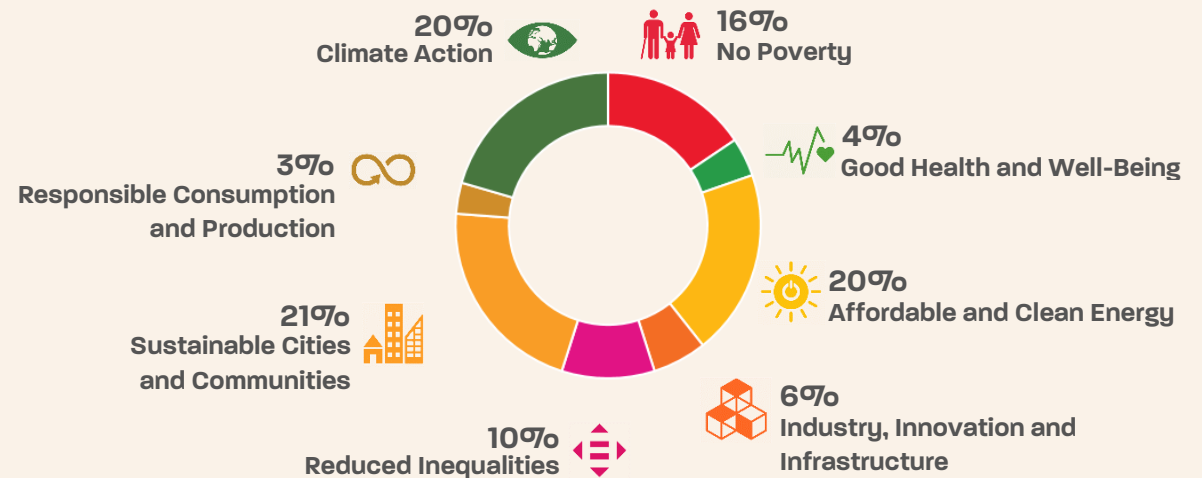
as of July 16, 2022



Chart # 4

Allocation by UN Sustainable Development Goal (SDG)

as of July 16, 2022



*** Unallocated Funds** – The unallocated funds have been utilised to optimise our debt portfolio as per the framework.

Impact Reporting

Westthorpe Gardens, North London

Westthorpe Gardens, NW4 (South side entrance and shared courtyard)

Affordable Housing:

- 103 Social rent
- 46 Affordable rent (over 55s)
- 102 Shared ownership

Affordable Infrastructure:

- Community café
- Retirement living garden
- Fully landscaped central amenity space

Clean Transportation:

- Unit to parking space ratio – 0.57 spaces per unit
- 15 active electric vehicle charging points (phase 1)
- 15 passive electric vehicle charging points (phase 1)



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Westthorpe Gardens £12,149,620.55	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	251 new homes	<div>1 NO POVERTY</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>10 REDUCED INEQUALITIES</div> <div>13 CLIMATE ACTION</div>
	Affordable Infrastructure	Social	Leading on wider improvements to the local infrastructure, including green spaces and parks, encouraging local retailers, ensuring accessibility for all	Qualitative description of projects/ initiative financed	See above	
	Clean Transportation	Green	Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See above	

Bridge Road, North London

The Old Shredded Wheat Factory, AL8 (South Site, "The Weave")

Affordable Housing (Phase 1):

- 50 Social Rent
- 106 Affordable Rent
- 258 Shared Ownership

Green Buildings

- All units built to EPC B

Clean Transportation:

- Unit to parking space ratio – 0.37 spaces per unit
- 13 active electric vehicle charging points



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Bridge Road (former Shredded Wheat Factory, South Side) £40,616,001.91	Affordable Housing Green Buildings Clean Transportation	Social Green Green	Construction of new Social and Affordable Housing in the UK Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	New homes delivered Number of new homes meeting targets Qualitative description of projects; number of EV charging points financed/installed	414 new homes 414 EPC B rated homes (tbc) See above	<div> <div> 1 NO POVERTY </div> <div> 7 AFFORDABLE AND CLEAN ENERGY </div> <div> 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE </div> <div> 10 REDUCED INEQUALITIES </div> <div> 11 SUSTAINABLE CITIES AND COMMUNITIES </div> <div> 13 CLIMATE ACTION </div> </div>

Cambridge Gardens, South London

Cambridge Court, SM6 (Front Elevation)

Affordable Housing :

- 9 Shared Ownership

Green Buildings

- All units built to EPC B



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Cambridge Gardens £732,761.20	Affordable Housing Green Buildings	Social Green	Construction of new Social and Affordable Housing in the UK Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above	New homes delivered Number of new homes meeting targets	9 new homes 9 EPC B rated homes (tbc)	<div> <div>1 NO POVERTY</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>13 CLIMATE ACTION</div> </div>

Crane Mead, North London

Crane Mead, SG12

Affordable Housing :

- 10 Affordable Rent
- 91 Shared Ownership

Green Buildings

- All units built to EPC B

Affordable Infrastructure

- 5 small commercial units (local retail opportunities)



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Crane Mead £10,599,978.92	Affordable Housing Green Buildings Affordable Infrastructure	Social Green Social	Construction of new Social and Affordable Housing in the UK Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above Leading on wider improvements to the local infrastructure, including green spaces and parks, encouraging local retailers, ensuring accessibility for all	New homes delivered Number of new homes meeting targets Qualitative description of projects/ initiative financed/launched	101 new homes 101 EPC B rated homes (tbc) See above	<div> <div>1 NO POVERTY</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> </div>

Goldsmiths Arms, North London

Former Goldsmiths Arms, W3 (Acton Lane, London)

Affordable Housing :

- 12 Affordable Rent
- 51 Intermediate Rent

Affordable Infrastructure

- 1 small commercial unit (local retail opportunities)

Clean Transportation

- Unit to parking space ratio – 0.06 spaces per unit
- 1 active electric vehicle charging point
- 11 passive electric vehicle charging point



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Goldsmiths Arms	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	63 new homes	
£22,487,688.25	Affordable Infrastructure	Social	Leading on wider improvements to the local infrastructure, including green spaces and parks, encouraging local retailers, ensuring accessibility for all	Qualitative description of projects/ initiative financed/launched	See above	
	Clean Transportation		Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See Above	

Brightwells, South London

SO Resi Farnham, GU9 (Brightwells)

Affordable Housing :

- 72 Shared Ownership

Clean Transportation

- 60 active electric vehicle charging points



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Brightwells	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	72 new homes	
£10,915,647.20	Clean Transportation	Green	Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See Above	

Deepcut, South London

Former Princess Royal Barracks, GU16 (Deepcut, Brunswick)

Affordable Housing :

- 38 Affordable Rent
- 37 Shared Ownership

Green Buildings

- All units built to EPC B

Clean Transportation

- 14 Active electric vehicle charging points



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Deepcut	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	75 new homes	
£6,660,369.25	Green buildings	Green	Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above	Number of new homes meeting targets	75 EPC B rated homes	
	Clean Transportation	Green	Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See above	

Amber House, South London

Amber House, RG12 (Market Street, Bracknell)

Affordable Housing :

- 138 Shared Ownership

Affordable Infrastructure:

- 1 small commercial unit (local retail opportunity)



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Amber House	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	138 new homes	
£10,398,574.66	Affordable Infrastructure	Social	Leading on wider improvements to the local infrastructure, including green spaces and parks, encouraging local retailers, ensuring accessibility for all	Qualitative description of projects/ initiative financed/launched	See above	

Oakleigh Road North, North London

Oakleigh Road North N20, (Whetstone)

Affordable Housing :

- 23 Affordable Rent
- 17 Shared Ownership

Green Buildings

- All units built to EPC B

Clean Transportation

- Unit to parking space ratio – 0.45 spaces per unit
- 2 passive electric vehicle charging points



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Oakley Road North	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	40 new homes	
£5,703,522.16	Green buildings	Green	Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above	Number of new homes meeting targets	40 EPC B rated homes	
	Clean Transportation	Green	Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See above	

Clapham Park C01, South London

The Linear Park & Block C01, SW4 (Clapham Park)

Affordable Housing :

- 38 Affordable Rent
- 37 Shared Ownership

Green Buildings

- All units built to EPC B*

Affordable Infrastructure

- Delivery of the Linear Park (12,000m²), which will provide:
 - Community allotments
 - Play area
 - Woodland garden
 - Outdoor gym
 - Sun lawn



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Clapham Park C01	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	75 new homes	
£16,138,327.29	Green buildings	Green	Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above	Number of new homes meeting targets	75 EPC B rated homes	
	Affordable Infrastructure	Green	Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See above	

Clapham Park B01, South London

Block B01, SW4 (Clapham Park)

Affordable Housing :

- 97 Affordable Rent

Green Buildings

- All units built to EPC B*



*project still in design phase. EPC B predicted.

Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
Clapham Park, B01	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	97 new homes	
£15,160,100.27	Green buildings	Green	Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above	Number of new homes meeting targets	97 EPC B rated homes	

West Hendon Block J5, North London

Block J5, NW9 (West Hendon)

Affordable Housing :

- 42 Shared Ownership

Green Buildings

- All units built to EPC B

Clean Transportation

- Unit to parking space ratio – 0.45 spaces per unit
- EV charging currently under review



Project/Scheme Name and Allocation Amount	ICMA Category(s)	Primary Benefit	Use of Proceeds Eligibility Criteria	Impact Metric	Impact	Applicable SDGs
West Hendon, J5	Affordable Housing	Social	Construction of new Social and Affordable Housing in the UK	New homes delivered	42 new homes	
£14,338,003.25	Green buildings	Green	Construction of new homes with an EPC (Energy Performance Certificate) rating of B or above	Number of new homes meeting targets	42 EPC B rated homes	
	Clean Transportation	Green	Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points	Qualitative description of projects; number of EV charging points financed/installed	See above	

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External Review

In line with our Sustainable Finance Framework, this report has been reviewed and verified by an external party to confirm that the projects described in this report meet the Use of Proceeds criteria and the reporting requirements outlined in the Framework.

The annual review can be found at the end of this document, with the full annual review document (with appendices) available on our website. (<https://www.mtvh.co.uk/about-us/investor-relations/sustainable-investment/>)

External Reviewer: Morningstar | Sustainalytics

Date of external review: September 2022



MTVH

Metropolitan Thames Valley Housing Group (MTVH)

Type of Engagement: Annual Review

Date: September 23, 2022

Engagement Team:

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Introduction

In July 2021, Metropolitan Thames Valley Housing Group (“MTVH” or the “Company”) issued a sustainable bond aimed at financing investments in affordable housing, basic infrastructure, green buildings, energy efficiency and clean transportation, under the Metropolitan Thames Valley Sustainable Financing Framework (the “Framework”). In September 2022, MTVH engaged Sustainalytics to review the projects funded through the issued sustainable bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 sustainable bond based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria and associated KPIs

Use of Proceeds	Eligibility Criteria	KPIs
Affordable Housing	<ul style="list-style-type: none"> Construction of new social and Affordable Housing in the UK Acquisition of Affordable Housing in the UK Modernization of existing Affordable Housing in the UK Refinancing of any monies borrowed in the past 3 years to fund the above Target population: low-income households 	<ul style="list-style-type: none"> New homes delivered Number of existing Affordable Homes benefiting from retro fitting Numbers of customers positively impacted by the delivery of new homes Lower average rents charged relative to private sector rents
Affordable Infrastructure and Services	<ul style="list-style-type: none"> Leading on wider improvements to the local infrastructure, including green spaces and parks, encouraging local retailers, ensuring accessibility for all Target population: low-income households 	<ul style="list-style-type: none"> Qualitative description of projects/ initiative financed/launched
Green Buildings	<ul style="list-style-type: none"> Construction of new homes with an EPC (Energy Performance Certificate) Rating of B or above Re-financing of existing homes – subject to a minimum EPC rating of B or above 	<ul style="list-style-type: none"> Numbers of new homes meeting targets Avoided CO₂ emissions
Energy Efficiency	<ul style="list-style-type: none"> Renovation of existing homes to bring them up to a minimum EPC rating of C or above 	<ul style="list-style-type: none"> Number of homes meeting targets
Clean Transportation	<ul style="list-style-type: none"> Support for the use of public transport, limits on car parking spaces and the establishment of EV charging points 	<ul style="list-style-type: none"> Qualitative description of projects; number of EV charging points financed/installed

Issuing Entity's Responsibility

MTVH is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of MTVH's sustainable bond use of proceeds. The work undertaken as part of this engagement included collection of documentation from MTVH employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by MTVH with respect to the financed projects. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by MTVH.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,¹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of MTVH's sustainable bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the sustainable bonds in 2021 to determine if projects aligned with the Use of Proceeds criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria. ²	None
Reporting Criteria	Verification of the projects funded by the sustainable bonds in 2021 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

¹ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

² Sustainalytics has not assessed the Use of Proceeds criteria for its alignment with the Green Bond Principles, Social Bond Principles or current market practice.