

Sustainability report



L&Q



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An aerial photograph of a dense forest, with a faint, light-colored grid pattern overlaid on the right side of the image. The grid consists of intersecting lines forming a series of squares and rectangles. The forest is dark green and textured, with the grid lines appearing as thin, light gray or white lines. The overall composition is split diagonally by the grid lines, with the forest occupying the lower-left and the grid occupying the upper-right.

01

Overview

Chief Executive introduction

“The need for quality, affordable housing has never been greater.”



Photo: Fiona Fletcher-Smith, L&Q Chief Executive

We are in the midst of a homelessness and temporary accommodation crisis, with record numbers of people without a permanent place to live. Meanwhile, rising housing costs are affecting a significant portion of the population. According to the G15's [Funding London's Affordable homes report](#), two nurses on an average salary of £38,000, sharing an average rented home, would be unable to afford market rents in 14 of London's 32 boroughs.

As the government pledges to build 1.5 million homes, another crisis is coming into sharp focus. Whether building new homes or adapting existing ones, housing remains a high-carbon activity. With the UK committed to reaching net zero by 2050, housing associations have a vital role to play in decarbonising Britain's housing stock.

This comes at a time when our sector is under pressure. There has been a significant step change in regulation, including increased scrutiny from the Building Safety Regulator, the introduction of the Consumer Standards and Tenant Satisfaction Measures, the expansion of the Decent Homes Standard, and the implementation of Awaab's Law. We support these changes, which align with our priority of getting the basics right. Above all, that means making sure our homes are safe and decent. Without that foundation, we cannot credibly deliver

on our wider sustainability ambitions. We know there is still work to do, and we want to be open about the challenges and gaps we face, particularly in maintaining consistently high standards across a large and ageing stock. These are not quick fixes, but they are essential, and must come first.

Still, we remain focused on our goals and optimistic about the future. With residents at the heart of everything we do, the past year has seen us make steady progress against several of our strategic objectives.

Over the last 12 months, we've continued to deliver on our social mission. We handed over 2,316 new homes, with more than half of those being affordable. At the same time, our resident support services made a meaningful difference. We helped around 5,000 people reduce their debts, increase their income, or cut essential costs, generating a total financial gain of £21.5 million. We supported 426 residents with additional needs to stabilise their tenancies and issued over 3,100 emergency support vouchers to those facing financial hardship. More than 98% of participants in our successful tenancies programmes reported being satisfied with the support they received.

We've continued to invest in long-term community resilience. Our new place-based community development approach targets delivery in areas where L&Q has a strong presence, ensuring activity is shaped and driven by resident feedback. Over the year, 108 residents moved into paid work, with a further 323 supported to get closer to the labour market.

We've also made significant progress in understanding and reducing our environmental impact. Our growing awareness of climate-related impacts on our operations, infrastructure, and the wellbeing of residents is helping to shape our response. We are embedding climate considerations across our work, with a focus on delivering quality homes more efficiently and sustainably.

A key priority this year was improving the energy efficiency of our homes. Through a combination of internal investment and funding from the Social Housing Decarbonisation Fund, we reduced the number of homes below EPC C by 748. We also exceeded our target relating to the overall average energy efficiency of our homes, or Average SAP, achieving an average score of 73.21 against a goal of 72.90. All new homes handed over in 2024/25 achieved an EPC rating of B or higher.

We are also addressing the environmental impact of new developments. As signatories to the New Homes Sector Net Zero Transition Plan, launched by the Future Homes Hub, we are aligning new construction with the UK's long-term carbon reduction goals.

This year we delivered 6,865 energy efficiency measures across our Major Works Investment programme (MWIP) and the Social Housing Decarbonisation Fund. Although progress has been slower than expected, we are working closely with residents to improve communication and engagement. We've also prioritised building safety and indoor environmental quality, including targeted action on damp and mould. We surveyed over 5,200 homes and installed more than 2,600 sensors to help detect early signs of risk. We expanded our Scope 3 emissions reporting this year, taking important steps to better reflect our overall carbon impact and guide future planning.

Throughout, we've laid important foundations for long-term improvements. Central to this work is how we listen to residents. We are building partnerships with residents at every level, from the Board and governance groups to service improvement initiatives and neighbourhood activities. This year, residents have helped us shape the way we handle complaints, record repairs, and communicate about energy efficiency programmes. Nearly 300 residents took part in formal involvement opportunities, and over 800 are now part of our growing volunteer network.

Our social impact continues to be a cornerstone of our operations. We've delivered £59 million in social value through our own community investment activities and supply chain partnerships, including within our MWIP. This includes supporting individual wellbeing, creating jobs and training opportunities, and funding local projects.

We recognise that we still have a long way to go in managing climate risks and achieving net zero. With greater financial capacity, the right policy environment and funding, we would accelerate investment in energy efficiency to reduce residents' bills, move our homes and heat networks away from fossil fuels, and ensure they are fit for the future as well as the present.

At the same time, we are seeking cost-effective ways to deliver our social mission in the face of current challenges and an uncertain future. This includes strengthening the resilience of our communities, from improving the safety and sustainability of homes to protecting and enhancing green spaces that can help mitigate climate impacts such as flooding and overheating.

As a housing association, we have a long-term interest in the neighbourhoods we serve. We've been part of these communities for over 60 years, and we plan to be here for many more - continuing to deliver on our social mission: providing homes that give people the chance to live a better life.

1.1 About L&Q

L&Q is one of the UK's largest housing associations, with its own development arm. We house around 250,000 people in more than 105,000 homes, primarily across London and the South East.



We believe passionately that people's health, security and happiness depend on where they live. That's why we're more than a registered charitable housing association.



Social purpose is at the core of everything we do. We are a not-for-profit organisation, and we reinvest all the money we make to help house and support those in greatest need.



As a community partner with an enduring stake in the places we build and manage, we have a duty to deliver wider benefits to society, above and beyond providing homes.



Photo: Kirkwell House

1.2 Our approach to sustainability

The housing sector is facing increasing operational and financial challenges. At L&Q, our focus remains firmly on supporting residents and investing in their homes and communities. This includes responding to the ongoing cost-of-living crisis, contributing to the government’s ambition to build 1.5 million homes, and complying with new consumer and building safety regulations.

Through our five-year corporate strategy (2021-2026), ‘Future Shape,’ we are driving forward our sustainability goals. We remain committed to prioritising the health, safety and wellbeing of residents and communities. Our vision is to create homes and neighbourhoods that people are proud of.

We want to make sure we generate value for society, safeguard the environment, and operate our business in a transparent and ethical manner and have used the UN Sustainable Development Goals to shape our approach. Our Future Shape Strategy identified five key sustainability objectives which we are making progress against.

Future Shape sustainability objectives



Carbon emissions



Climate resilience



Construction impacts



Sustainable placemaking



ESG framework

The ESG framework we have developed ensures that ESG targets are embedded in the activities of the relevant departments and progress is reported to our Governance and Assurance Group on a quarterly basis.

Our ESG priorities are:

Environmental



Our impact on the environment

We measure our impact on the environment in a number of areas, including:

- Climate action
- Healthy places
- Resource efficiency

Social



Our residents and the communities they live in

Our social impact focuses on our residents and the communities where they live, including:

- Providing affordable and secure homes
- Supporting our residents
- Community investment

Governance



How L&Q Operates

L&Q’s governance covers how we operate as a business, house builder and landlord, including:

- Employee wellbeing
- How we manage our supply chain
- Representative governance.

In our previous Sustainability Reports, we have reported progress against the priorities set within our Future Shape Strategy. These covered Environmental, Social and Governance outcomes across a range of areas and ran from 2021/22 for up to three years. We are currently developing our strategic plans and related outcomes and targets for 2026 and beyond. For the remainder of our corporate strategy period through to March 2026, we are aiming to either maintain our standards, or deliver outcomes against a few specific priorities. We monitor and scrutinise performance on key ESG criteria within our scorecards including the number of homes meeting EPC C, construction site impacts and New Homes meeting EPC B or above. We continue to monitor and report on our Sustainability Performance Targets, which are an integral part of our sustainability-linked financing arrangements.

Our 2026 sustainability key performance targets:



72.8

Average calculated SAP score of 72.8 by 31 March 2026



3,898

Homes built by 31 March 2026



£800k

Invested in financial support services for residents by 31 March 2026

We recognise the importance of collaboration with stakeholders and the interconnectedness of all Environmental, Social and Governance priorities. We have a Sustainability Working Group made up of representatives from Property Services, Energy, Foundation, Development, Sustainability and Finance that meets monthly to share progress and coordinate sustainability activities. In 2024/25, we have continued with regular meetings of the Biodiversity Working group and Electric Fleet Transition and Charger Management Project group and have also created a new Development Working Group to drive forward our work in important areas.

Investors can find our performance results relative to the targets set in the L&Q Sustainability Finance Framework in section 6.1 of this report. For our wider set of sustainability themes and outcomes, we’ve detailed our progress in our main narrative report, basing our reporting structure this year on the Sustainability Reporting Standard (SRS) criteria. For consistency and transparency, we have also continued to report progress within our Performance Tables.

Look out for the SRS numbers in the yellow boxes throughout this report → C1

You can view our disclosure against each SRS criteria, as well as progress against L&Q’s Sustainability priorities, in our Performance Tables (click below to view a copy).

We released our first Task Force on Climate-related Financial Disclosures (TCFD)-aligned report in 2023. This was a direct reflection of our growing recognition and work on understanding the risks of climate change impacts on our business and stakeholders, and the importance of having a plan to adequately manage them. In last year’s report, we started reporting our progress against this. Check out this year’s TCFD disclosure in section 6.3 for our progress and future plans.

- Click here To view L&Q’s Sustainability Finance Framework.
- Click here To view our detailed Sustainability Performance Tables.



Our progress at a glance

E Environmental			S Social			G Governance		
	Energy efficiency of our existing homes	<div>73.21</div> <div>Average calculated SAP score</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Affordable homes	<div>2,316</div> <div>New Homes built, of which of 1,875 (81%) were affordable</div> <div><div>Sustainability Performance</div><div>Target in progress</div><div><div><div>✓</div><div>✗</div></div></div></div>		Wellbeing events	<div>90</div> <div>staff health and wellbeing events</div>
	Scope 1 & 2 Carbon emissions	<div>31,529.53</div> <div>tonnes CO₂e</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Community investment	<div>£907k</div> <div>of funding invested in financial support services for residents with 40 organisations supported</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Staff volunteering	<div>1,200</div> <div>hours of staff volunteering in the community</div>
	Improving energy efficiency of our homes	<div>675</div> <div>homes improved</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Tenancy sustainment	<div>426</div> <div>residents supported</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Social value	<div>£59m</div> <div>through community investment activities and supply chain partnerships' for accuracy and transparency</div>
	Damp and mould	<div>5,283</div> <div>homes visited</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Financial inclusion	<div>4,809</div> <div>residents supported</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>			
	In-house construction site environmental impacts	<div>100%</div> <div>of sites monitoring</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>		Resident involvement	<div>298</div> <div>residents involved</div> <div><div>Sustainability Performance</div><div>Target met</div><div><div><div>✓</div><div>✗</div></div></div></div>			





02

Environment

Our impact on the environment



We are committed to reducing the carbon footprint of our business. Our priorities are to improve the energy efficiency of our existing homes and to build energy efficient new homes. Energy use in our buildings is the biggest contributor to our Scope 1 & 2 carbon emissions. Focusing on our homes means that we can tackle the climate crisis, while also reducing energy costs for residents.



Our activities are currently focused on the following key areas:

- **Climate Action** – decarbonising our homes and activities, while futureproofing our business, residents and communities against the impacts of climate change
- **Resource Efficiency** – using resources more efficiently and minimising the amount of waste produced during the construction, refurbishment and day-to-day operations
- **Healthy Places** – maximising shared value by creating places that are healthy for both people and planet

On the following pages we have outlined progress we have made in these areas over the last year.

Energy efficiency of our homes

The energy efficiency of our homes is measured through Energy Performance Certificate (EPC) scores, which are based on data calculated through the Standard Assessment Procedure (SAP) methodology. This year, we used SAP 2012, as we did last year; however, we plan to adopt the new SAP 10 methodology in the coming years.

Whilst adopting EPCs as a measure of energy efficiency performance has its limitations, this objective links directly to our funding criteria. Our target for this year was to attain an average calculated SAP score of 72.90 (equivalent to a low EPC 'C'). We achieved an average SAP score 73.21, exceeding our target and showing a continued improvement from last year's average SAP score of 72.37. Several initiatives played a role in this increase, including the handover of new, high-performing new homes meeting EPC B or above,

Average SAP score

73.21

Almost 4% reduction
in percentage of
homes below EPC C



Sustainability
Performance
Target met



improved data collection methods, and the delivery of energy efficiency improvements through our MWIP, supported by the Social Housing Decarbonisation Fund (SHDF) Wave 2.1.

Overall, we now have 748 fewer homes below EPC C, almost 4% less than we did in 2024. We remain committed to ensuring all our new homes achieve a minimum EPC rating of B or higher, and in 2024/25, 100% of the homes handed over met this standard.

Energy efficiency of our homes as of March 2025

EPC Rating	L&Q homes	L&Q %
A	241	0.31%
B	15097	19.50%
C	42742	55.22%
D	18666	24.12%
E	597	0.77%
F	49	0.06%
G	11	0.01%
Total number of homes	77,403	
Total number of homes under C	19,323	

Note: Based on calculated SAP, this includes a mixture of data from lodged EPCs, L&Q asset data and some cloned data. These homes only include domestic homes where we have management responsibility.



“
Our existing homes
make up **42%** of our
carbon emissions
”

Our net-zero targets, progress and strategy

L&Q's decarbonisation plan

Based on our full carbon footprint for 2024/25, our existing homes make up 42% of our carbon emissions. We want residents to live in energy efficient homes that are safe and affordable, as well as comfortable and enjoyable places to live. A more energy efficient home reduces the need for heating, helping bring down residents' energy bills. It also helps to reduce our carbon footprint and moves us closer to becoming net zero by 2050.

Over the past year, we've worked to fully understand the scale of the challenge and the opportunities to accelerate progress toward raising our homes to an EPC C rating, while also gaining a clearer picture of the funding gap. We will continue to explore opportunities to improve the energy efficiency of our homes and will develop an action plan in 2026.

In 2024, we modelled the carbon emissions needed to meet a Science-Based Target (SBTi), and shared the findings with senior leadership. While we've yet to set a specific target aligned with this benchmark, we'll continue to track our progress and explore opportunities to drive better outcomes.

Energy efficiency of our operations

Gas consumption accounts for 72% of our emissions reported in streamlined energy and carbon reporting (SECR), with heat networks representing a significant portion of this usage. These systems primarily run on gas boilers, and we are reducing emissions by improving their operational efficiency.

Last year, we reported enhancing operational efficiency and reducing the carbon emissions intensity of six district heating schemes, as well as conducting optimisation studies or dilapidation reports for 18 schemes by 31 March 2024. In 2023/24, four optimisation studies and two efficiency projects were completed. A small number of related projects were carried over into early 2024/25.

This year, two optimisation studies were completed, in addition to an application being submitted for funding for three further studies, and six efficiency projects being largely completed, with one formally handed over and the rest are either closing out snags or waiting on access for a few remaining properties.

Energy efficiency measures implemented across these sites included heat network upgrades, boiler replacements, Building Management System (BMS) enhancements, and Heating Interface Unit (HIU) replacements.

We're seeing early indications of reduced gas use thanks to investment in our heat networks. We will continue to monitor and verify data and trends for future reports to draw firm conclusions.

The electricity used in the communal areas of our homes contributes only a small portion to our Scope 1 & 2 emissions. We lifted the temporary pause on buying renewable electricity, which was placed to prevent costs from being passed on to residents due to significant rises in wholesale costs of Renewable Energy Guarantees of Origin (REGOs). This year, we've been fulfilling our commitment to renewable energy in a manner that is proportionate to our direct corporate energy use.

As part of our efforts to improve generation capacity and the safety of our existing solar PVs, we have signed a new three-year contract with Low Carbon Exchange to manage our PV assets. To help improve generation capacity and safety, we introduced annual servicing of all our PV systems. We also continue to partially power our West Ham Lane office with solar panels.



Solar panels on the roof at West Ham Lane Stratford

Decarbonising our fleet

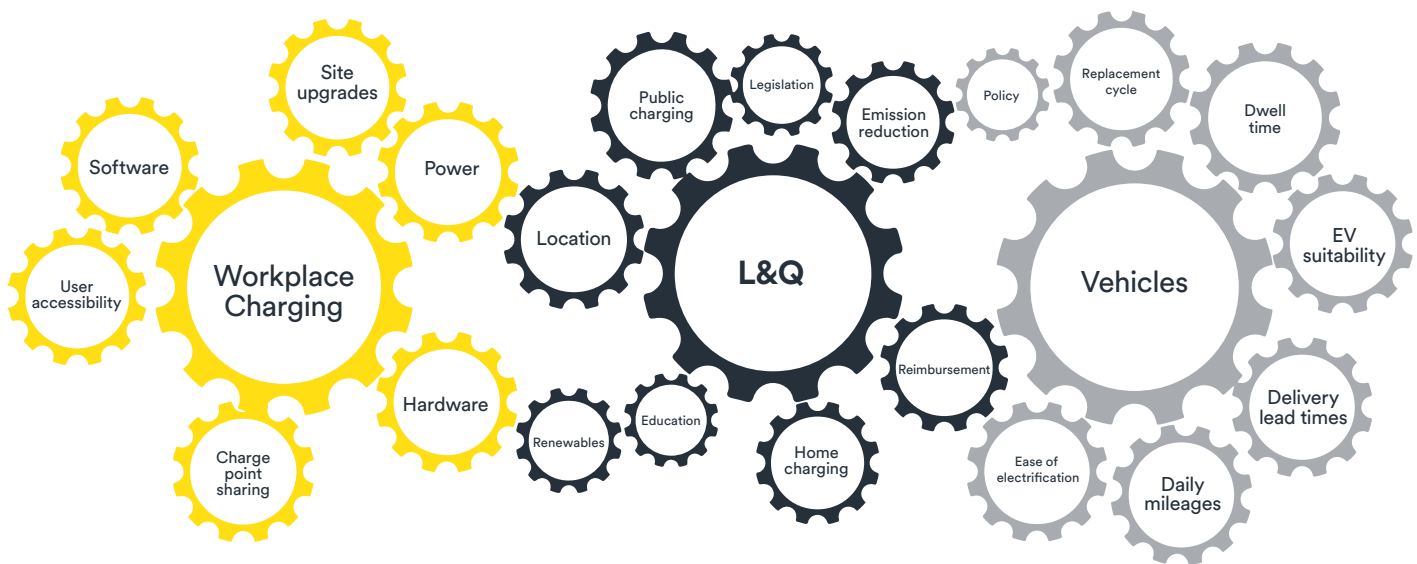
We have a fleet of petrol and diesel vehicles mainly covering Maintenance and Caretaking, with fuel use forming only 6% of our scope 1 emissions. We are taking active steps to move towards the use of electric vehicles (EVs). This will improve cost efficiency, reduce air pollution and help us meet regulatory requirements.

In line with this ambition, we are testing out our approach before scaling up with a small group of operatives, following the recommendations from the Mitie fleet and infrastructure study conducted in 2023/24.

Based on Mitie's assessment, 5% of our fleet is ready for immediate electrification. We have identified 13 volunteer drivers - including a mix of Direct Maintenance operatives and Caretaking colleagues - for our initial pilot later this year.

One of the biggest barriers to scaling EVs is a lack of public charging infrastructure. For workplace charging, we are tackling this challenge with the CleanStart depot in the North West as the central site for workplace charging infrastructure. For home charging, suitable sites have been identified for volunteer drivers who have subscribed to home charging, ensuring infrastructure planning can proceed based on actual need. We plan to improve both home and workplace charging infrastructure by procuring an organisation to deliver a dedicated reimbursement software for home-charged EVs to automate and ensure the process is fair and efficient.

While options such as public transport or cargo bikes remain limited due to high vehicle utilisation, we continue to explore alternative low-carbon solutions where feasible. Our immediate focus, however, remains on delivering a successful pilot that can inform a scalable and sustainable rollout aligned with the government's phase-out of petrol and diesel vehicles. We will continue to work with other sector stakeholders to learn and share good practice in this area.



Mitie: the many components involved in decarbonising our fleet

Our retrofit progress

After securing funding from the Social Housing Decarbonisation Fund (SHDF) Wave 2.1, we set out with an ambition to improve over 3,000 homes across the two-and-a-half-year delivery programme. By the end of year two, we had completed energy efficiency upgrades in 675 homes, and we expect this to rise to around 750 homes by the end of the programme in September 2025.

Like many in the sector, we've faced a number of challenges that have affected delivery timelines. A combination of budget constraints and a nationwide shortage of skills and capacity in this specialist area meant we had to adapt our plans. In addition, many of the homes we initially identified for improvement turned out to be performing better than expected, making them ineligible for funding. As a result, we had to spend time identifying alternative homes to carry out the works. We also encountered a higher-than-expected level of resident refusals, which also slowed down progress.

Despite these challenges, the work delivered so far has laid strong foundations, and we continue to learn, adapt and collaborate with

partners to build capacity and drive future progress. Taking lessons from Wave 2.1 and a resident focus group, we are overhauling our approach to resident communications for energy efficiency programmes. We have developed a website page where residents can access videos of interviews with other residents who received measures in Wave 2.1; and information about the programme, the measures and the benefits. These resident stories offer relatable examples and real images that demystify the process and make retrofitting a more attractive option. New materials will also clear up confusions experienced in Wave 2, reassuring residents that works will not affect their service charge or rent.

In total, we have installed 6,865 energy efficiency measures in 2024-25 across SHDF and the MWIP. We are proactively improving the way we report the measures and how we record them to enhance accuracy. The full list of energy efficiency measures is included in the table on page 18 after the case study.

We have continued to assess the energy efficiency of homes through PAS assessments, in anticipation of further rollout of measures.

Case Study

Investing in safe, comfortable and energy efficient homes

Through our MWIP, we continue to make significant improvements to the homes we manage – enhancing quality, comfort, safety, and energy efficiency for thousands of residents.

Last year we completed:

- 792 kitchens
- 447 bathrooms
- 246 roofs
- 5,691 window and door replacements, including work recently delivered by one of our new partners, Wates Group.

“Absolutely amazing, the tradesperson carried out the installation of my new windows and doors to a very high standard. I am so appreciate of the final result!”

“We have a lovely warm house – thank you very much!”

“The team was polite, arrived on time, kept the area clean, and did a fantastic job!”

Our contractors go the extra mile to support residents with additional needs. At Cramonde Court, a sheltered housing scheme, installers took steps to help residents during a window replacement project, including:

- Fitting net curtains and blinds post-installation to ensure privacy
- Offering extra communication and support where needed
- Leaving homes spotless after works, even vacuuming rooms to maintain a clean environment.

“Mum is very pleased with the new windows but needed help with her net curtains as she is vulnerable. The team stepped in to assist – thank you!”

“

Absolutely wonderful new windows. The workers were really helpful, polite, and a great team.

”

In 2024/25 across both SHDF and Major Works MWIP, L&Q has installed:



2,284

'A' rated double-glazed windows



97

homes with additional cavity wall insulation



318

homes with additional loft insulation



149

homes with Improved ventilation



1,849

'A' rated insulated external doors



1,876

Upgraded boiler systems



6

Efficiency improvements in 6 district heating schemes



226

Homes with additional internal or external wall insulation

As well as improving the energy efficiency of our homes, we also increasingly need to consider the services we provide and how we enable residents to take opportunities to decarbonise their own lifestyles in other ways. Through existing development handovers,

we have around 251 residential EV chargers, mainly in communal car parks, as of August 2025 when this initial (first) phase report is being finalised. In March 2025 we commenced a new project to survey chargers and consider optimisation and availability.

6,865

energy efficiency measures have been installed in 2024-25 across SHDF and the MWIP.



251

EV chargers can be found in communal car parks through a process of new development handovers



Case Study

Making residents' homes warmer and more energy efficient

Initially hesitant about energy efficiency upgrades, Elizabeth and Trevor Prior embraced the changes - and haven't looked back since.

"We had some concerns. What would this involve? How much disruption would it cause? Would it even work?", said Elizabeth.

L&Q arranged for a contractor to visit their home, assess the space, and recommend suitable upgrades. During the visit, Durkan took the time to walk them through the process, explain how everything worked, and answer their questions.

Feeling informed and reassured, Elizabeth, 79, and Trevor, 81, decided to go ahead. Six months later, the couple's home was fitted with a new boiler, windows, doors and insulation – all at no cost to them.

Elizabeth said: "Home improvements can be stressful and some disruption is to be expected. But I genuinely cannot fault the team. Every Friday, they'd tidy up and put things back to normal. They cleaned up after themselves, and the mess never spread through the house."

The job flowed smoothly from one task to the next, and before the couple knew it, the work was done.

"It took four weeks from start to finish. It was over before we knew it, and everything ran like clockwork," said Elizabeth.

Seven months on, the results speak for themselves.

"It feels so worthwhile now that it's over. The place is cosy and warm, and I love my new front door."

The couple have now lived through three seasons in their newly upgraded home. In winter, their end-of-terrace house was warmer and easier to heat. During a heatwave, they stayed cool and comfortable, and could regulate the temperature inside. Overall, they haven't had a single trace of damp, mould or condensation.

"They plugged every last gap and I've noticed the difference in temperature big time. With the new doors, there are no drafts at all, and the house is much warmer in the winter", said Elizabeth.

Trevor agreed: "During the colder months, we only needed the heating on once in the morning. It would come on again in the afternoon, but nine times out of ten, we'd turn it off," said Trevor.

So, would they recommend the programme to other residents? Their answer is simple: "Go for it!"



Carbon emissions Scope 1, 2, and 3

Our energy consumption and associated carbon emissions are reported in line with the UK government's (SECR) regulations. These figures represent the carbon emissions associated with the Group's consumption of natural gas, electricity and transport fuel. Specifically, they include:

- Gas and electricity used in our offices
- Gas and electricity procured for use in our residential portfolio, eg for communal heating
- Temporary gas and electricity supplies to empty homes in our residential portfolio
- Mains electricity and fuel used on our construction sites
- Fuel used by our transport fleet and
- Fuel used for business purposes by all employees within the L&Q Group.

Scopes 1, 2 and 3 carbon emissions

Measure	2019/20 baseline	2020/21	2021/22	2022/23	2023/24	2024/25	% change from baseline year
Scope 1 greenhouse gas emissions (total) as measured in tCO ₂ e	22,155.89 tCO ₂ e	23,282.93 tCO ₂ e	25,419.17 tCO ₂ e	26,263.54 tCO ₂ e	25,465.01 tCO ₂ e	24,804.69 tCO ₂ e	+12%
Scope 2 greenhouse gas emissions (total) as measured in tCO ₂ e	10,666.33 tCO ₂ e	9,84.81 tCO ₂ e	4,739.20 tCO ₂ e	5,548.35 tCO ₂ e	8,345.94 tCO ₂ e	6,724.84 tCO ₂ e	-37%
Scope 1 and 2 greenhouse gas emissions (total) as measured in tCO ₂ e	32,822.22 tCO ₂ e	33,267.73 tCO ₂ e	30,158.37 tCO ₂ e	31,811.89 tCO ₂ e	33,810.95 tCO ₂ e	31,529.53 tCO ₂ e	-3.9%
Scope 1 and 2 greenhouse gas emissions (intensity) as measured in tCO ₂ e/unit	0.2712 tCO ₂ e/unit	0.2574 tCO ₂ e/unit	0.2335 tCO ₂ e/unit	0.2426 tCO ₂ e/unit	0.2645 tCO ₂ e/unit	0.2652 tCO ₂ e/unit	-2%
Scope 3 greenhouse gas emissions as measured in tCO ₂ e (employee mileage)	403.15 tCO ₂ e	202.89 tCO ₂ e	144.75 tCO ₂ e	508.52 tCO ₂ e	508.18 tCO ₂ e	388.88 tCO ₂ e	-3.5%
Housing stock information (homes managed or under construction)	125,086	129,244	129,140	131,108	121,262	118,901	-4.9%

Note: Scope 3 employee mileage figures in this table do not include 'well-to-tank' (the extraction of fuels) and upstream transport and distribution (losses in the grid).

L&Q's total carbon emissions across scopes 1, 2 and 3 decreased by 7% in comparison to last year. Our carbon emissions intensity ratio (a metric used to contextualise carbon emissions relative to the number of homes we manage) also fell by 0.03% to 0.27 tCO₂e per unit. With the exception of our fleet, data indicates reductions across all categories. This is equivalent to a 3.9% reduction against our baseline year across scopes 1 and 2, and 3.5% reduction in scope 3.

We resumed purchasing renewable electricity for our offices after a temporary pause due to high Renewable Energy Guarantees of Origin (REGOs) prices. Our priority was to prevent costs from being passed on to residents. However, we are now able to fulfil our commitment to renewable energy in a manner that is proportionate to our strategic objectives. For more information on this, please refer to 'Energy efficiency of our operations' section in 2.1.

In our 2022/23 report, we published our full indirect emissions (Scope 3) for the first time but disclosed at a high level for only three key areas: the operational energy of our housing stock, purchased goods and services and investments. This year, for 2024/25, we have completed calculations where feasible covering downstream leased assets; fuel and energy-related activities; waste generated in operations; business travel; employee commuting and capital goods

This year, we've provided partial calculations for carbon emissions associated with capital goods. Within this report, the category only covers directly measured emissions from our MWIP supply chain partners. Our ambition is to carry out a full assessment from 2025/26 onwards. See section **4.6** for more details on how we are working with our supply chain to better understand our Scope 3 emissions.



3.9%

Reduction against our baseline year
across scopes 1 and 2.

Scope 1, 2 and 3: Breakdown of our emissions from 2024/25

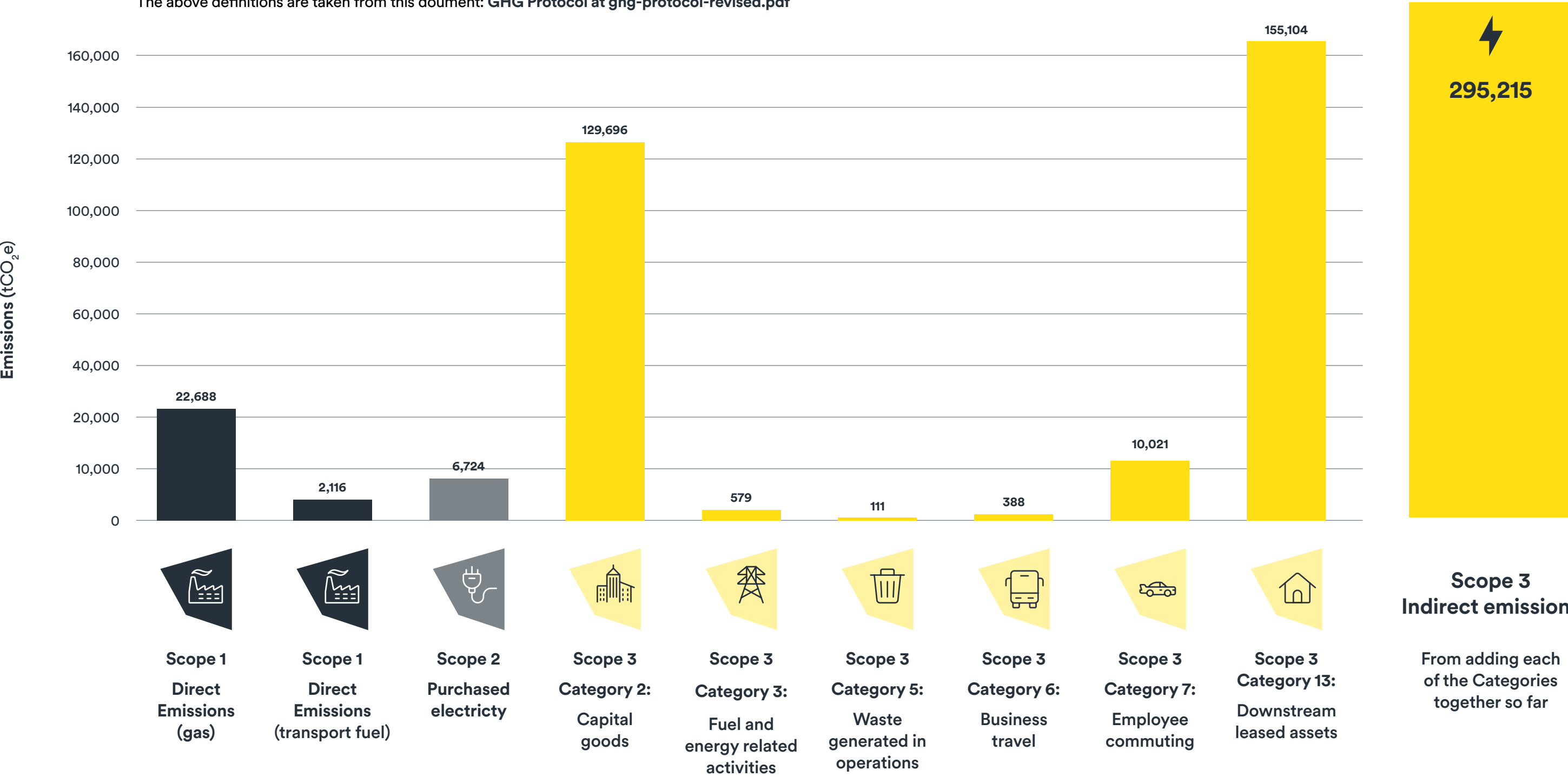
- Scope 1

Direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment.
- Scope 2

GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.
- Scope 3

Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.

The above definitions are taken from this document: [GHG Protocol at ghg-protocol-revised.pdf](#)



Our climate resilience

In 2024/25 our priority was to develop our understanding of our biggest physical climate risk, flooding.

A team of sustainability, GIS and insurance leads within L&Q have been working on addressing the need for a comprehensive flood risk management approach, to mitigate potential damage and build resilience. We have been doing this by developing a quantitative approach to regularly assessing flood risk and changes over time, to ensure we continue to have a meaningful understanding of risk levels.

By bringing together homes data with flood risk datasets, repairs analysis, critical infrastructure and existing resilience measures, we have built an internal GIS map which can be used to track, measure and develop our understanding of the priority areas we may want to consider in future planning.

Organisational priorities mean that the finalisation and communication of this modelling will now take place in 2025/26. Our climate risk review has also shown that flooding is not the only concern: overheating, subsidence and

other extreme weather impacts are growing risks for residents and homes. While we have not yet undertaken detailed modelling in these areas, we will review how we can strengthen our approach to measuring and managing these risks in the future. In the meantime, our programme to improve the energy efficiency of homes below EPC C is helping to make them warmer in winter, cooler in summer, and better prepared for a changing climate.

To strengthen governance and support the upskilling of our Board, Executive and Officer-led governance groups, we delivered sessions on the potential impacts of climate risks on L&Q, and the key drivers for achieving net zero by 2050. These workshops are helping to ensure that environmental and climate considerations are integrated into investment decisions and the development of our upcoming five-year corporate strategy.

We are also working to ensure that all developments have climate risk factored into their designs. A detailed update on our progress against the activities discussed in the 2024 TCFD disclosure can be found in section 6.3 of this report.



We are working to ensure that all developments have climate risk factored into their designs

Photo: Hollins Green development

Our Biodiversity and Green Spaces

At the heart of our communities lies the power of green spaces – areas that nurture wellbeing, bring the community together, and create healthy environments to live in. From offering peaceful places for relaxation and connection, to reducing flood risks and improving air quality, outdoor spaces bring benefits to people and plant alike.

In November of 2024, we published an internal report on Biodiversity and Green Spaces. As part of this research, we surveyed 189 residents to understand how they currently use and feel about green spaces and biodiversity.

In March 2025, we brought on board an external consultancy to help shape our Biodiversity and Green Spaces Action Plan. While the plan is still in development and targets are yet to be finalised, it will be informed by robust research and resident input. It's expected to include a range of biodiversity measures - such as garden roofs, wild flower meadows, bird boxes, insect hotels and native planting - based on desktop research, stakeholder engagement, site visits, and habitat assessments.

Building on the Action Plan's recommendations, we're considering developing a Resident Involvement Framework. This framework will set out a clear and practical approach to partnering with residents in the care and enhancement of our green spaces, ensuring that their voices and ideas shape the way these areas are managed.

We're committed to listening – not only to residents, but also to our peers. By engaging in dialogue and sharing best practices, we're strengthening our collective understanding of how to create greener, healthier and more inclusive places to live.

Over the next year, we anticipate that at least two planning applications will need to meet Biodiversity Net Gain (BNG) requirements, though both projects are still in the inception stage. We are firmly committed to meeting 10% BNG improvement, the minimum requirement nationally. Both for existing and new builds, we'll continue our efforts to align our practices with the fast changing regulation landscape on nature and climate.

We currently don't have a strategy to identify, manage and reduce pollutants that could cause material harm.



Photo: Encouraging nature at Beaulieu Park



Photo: Green spaces around Regency Heights

Integrating biodiversity into development design

Built in the right way, new housing developments can make a positive contribution to nature and to the health and wellbeing of the people who live there. The Quarry is a great example of this.

After lying derelict for over 30 years, a former working quarry in Erith has been transformed into a sustainable residential community.

Located on the disused site, the development is being delivered in partnership with Anderson and will include 859 homes. Each home is designed to maximise energy efficiency and use low or zero carbon renewable technologies.

Environmental sensitivity and green infrastructure are at the heart of the project. An eight-acre ecology area preserves existing grassland and woodland, joined up with new

wet ponds and aquatic planting features. Together, these create a connected network of green and blue corridors that provide habitats for newts, snakes, and other reptiles, as well as a wide variety of bird species. A central park will run through the development from north to south, with 800 new trees and over 200 bird boxes.

This nature-led approach helps improve air quality, manage surface water sustainably, and create a greener, more attractive place to live. Residents will have access to safe, natural spaces for play, exercise, and social connection.



The building industry is a major user of natural resources. We are taking steps to tackle the impact of our activities by firstly measuring them, and then setting targets for improvements.

Over the past couple of years, we've streamlined our reporting processes for water and waste management on our in-house construction sites, and initiated tracking of electricity use and fuel consumption, directly and by our contractors.

The data we've collected over the last three years has helped us establish a baseline for water usage, construction waste and carbon emissions linked to our construction activities. With this foundation, we've set incremental improvement targets to monitor throughout the 2025/26 financial year.

Our targets for next year are:

- A 10% reduction in m³ of water use per £100k project spend compared to 2024/25
- 5.1% reduction in kgCO₂e per £100k project spend compared to 2024/25

- A 4.4% reduction in tonnes of construction waste produced per £100k project spend compared to 2024/25
- Ensuring that at least 97% of total waste is diverted from landfill.

We not only achieved but exceeded all our 24/25 sustainability targets for in-house construction. These targets are currently based on a "per £100k project spend" as an interim measure, due to a lack of sufficient full lifecycle data for our projects. As we gather more data, we'll transition to the more standard "per £100k project value" metric, enabling us to benchmark ourselves against other developers.



We not only achieved but exceeded all our 24/25 sustainability targets for in-house construction sites

Photo: Hybrid excavator at Greenwich Peninsula

Waste

We've set a modest target for reducing construction waste because it can vary significantly depending on a project's stage. Currently, we don't have enough data to establish a solid baseline. In contrast, the water and carbon data have shown consistent patterns across our projects, giving us the confidence that our baseline is a credible starting point for setting improvement targets.

We've adopted a similar approach with our MWIP, mandating monthly reporting on their waste generation and recycling rates. Last year we set out the requirement for all sites to report their waste and energy use.

Based on the outcomes so far, and to improve our site performance on sustainability further, we will modify the existing waste to landfill target to make it slightly more stretching for the next financial year.

Key resource use from our in-house construction sites:



99.7 tonnes

construction waste/
£100k project spend



4.9 m³

water use/
£100k project spend



522kg

CO₂e/
£100k project spend



99.7%

total waste diverted
from landfill



Major Works Investment
Programme waste

99.62%

waste diverted from landfill

Improving construction standards

When onboarding new contractors and suppliers, we have set minimum standards for our contracts to embed climate considerations across our supply chain. These requirements cover energy and water efficiency, environmental management on site and the procurement of construction materials.

We've introduced a set of minimum energy and water efficiency requirements to make sure our construction sites are more energy and water-efficient from the start. This means our site cabins and facilities will now have better insulation, LED lighting, and automatic controls on lighting and heating. We're also opting for electric or hybrid construction machines whenever we can. Instead of using regular diesel, we're switching to HVO, a renewable biofuel. The construction sites using HVO were not always consistent throughout the year, though Greenwich and Walthamstow, Kodak were the reoccurring sites.

We have also implemented minimum standards clauses for the environmental management of our sites, which sub-contractors will need to sign up to at the tender stage. This will ensure that our sub-contractors minimise negative impacts on the environment while delivering their services.

Our minimum standards focuses on high carbon areas such as pollution from machinery or the use of toxic substances.

The minimum standards for contractors when purchasing construction materials for our projects ensures our supply chain monitors the suitability and compliance of the key materials, machinery and any potentially dangerous substances used on our sites. Not only do the minimum standards for our construction materials help to improve sustainability but also ensures the homes we build are high-quality, safe and sustainable.



Energy & water efficiency standards for onboarding new contractors

Minimum standards of environmental management introduced in tendering process



Improving design standards

We continue to progress with our MMC and DfMA ambitions. In 24/25, we completed 102 homes on our Excalibur site which have been built with a timber frame and off-site manufactured balconies which significantly reduces the embodied carbon of the development. The site is also connected to a renewable heating source via a communal air source heat pump energy centre. The four homes not connected to the communal heating system have been fitted with individual air source heat pumps (ASHPs).

03

Social

Social – Our residents, their homes and the communities they live in



Everything we do begins with social purpose. All our resources, and all our energy, are channelled towards providing better housing at a lower cost than can be provided in the private sector – and building more of it.

We provide greater security of tenure and services people can rely on, and we are proud to invest in residents' communities. We focus on key social issues such as work and training, loneliness and wellbeing, digital skills and debt and financial exclusion. We provide care and support services for a wide range of needs, including older people, people with learning difficulties and mental health needs, and people affected by homelessness. Our bespoke services offer choice, involvement and control to help build independence.



The social impact we have on our residents and the communities where they live includes:

- Providing affordable and secure homes – building new homes and managing homes that are a mix of tenures, meet Decent Homes Standards and are gas and fire safe
- Community investment – distributing funding and other in-kind support to build the capacity of voluntary and community sector organisations that work with residents and in the communities where they live
- Supporting residents – providing a range of services that help support residents, as well as making sure we actively listen and include them in our decision-making processes.

3.1

Providing affordable homes



C12

C13

C14

Building new homes is core to our social purpose and we are committed to playing our part in tackling the housing crisis. In our Sustainability Finance Framework, we stated our commitment to delivering 8,000 new homes by March 2024, of which at least 50% are affordable, with a further 3,898 homes (50% affordable) to be delivered by March 2026. In total, this equates to a commitment of 5,949 new affordable homes between 2021 and 2026. Last year, we completed more than 2,313 new homes, 1,934 of which were affordable. This brought our total affordable homes delivered over this period to nearly 9,375.

New homes delivered.

Measure	Existing homes	New homes
General needs	5,5061	274
Intermediate rent	3,011	325
Affordable rent*	9,469	632
Supported housing	2,417	0
Housing for older people	4,967	0
Low-cost home ownership	13,998	644
Care homes	311	0
Private rented sector	4,096	59
Other**	9,983	379

* Affordable Rent includes General Needs & Affordable Rent supported housing/ housing for older people

** Other includes Leasehold and Other Housing Stock

How we are further supporting affordability

We're dedicated to offering residents the most secure and suitable contract options tailored to their needs, while also supporting them in sustaining their tenancies for the long-term.

Our tenure policy sets out how we will:

- Provide a written contract
- Give residents the most secure form of contract appropriate to their circumstances
- Shorter-term contracts such as license agreements or ASTs shall only be used in exceptional circumstances.

Nearly all general needs residents who began with fixed-term tenancy agreements before 2018 have now transitioned to assured tenancies. We still use fixed-term starter tenancies for the first 12 months, but the majority are then moved over to rolling tenancies.

We support residents with additional needs who are struggling to keep up with their rent by referring them to the Foundation, which includes access to our in-house advisors and Pound Advice, our external financial inclusion offer.

Last year, 4,809 residents benefitted from a range of services including financial capability training, budgeting and debt management advice, and information on welfare rights. Through tailored guidance, residents receive support aimed at sustaining their tenancies and maximising their income. In 2024/25, this resulted in £21.5 million in financial gains for residents through debt write-offs, increased welfare entitlements, backdated benefit payments, and other forms of assistance.

When L&Q residents find themselves in immediate financial hardship, the Foundation provides essential support, including food bank vouchers, fuel vouchers, and emergency funding from our Personal Support Fund. In 2024/25, we distributed over 3,100 emergency vouchers totalling approximately £100k. Alongside the voucher schemes, residents in Trafford are able to access energy advice from a dedicated team. Last year, we provided energy advice to 219 households, helping them switch providers to save money on their bills, offering solutions to increase household energy efficiency, and resulting in over £50k in financial gains through energy related interventions and 28 homes where the energy supply was reconnected.



£21.5m

in financial gains
for residents



3,100

emergency vouchers
distributed to residents

Building safety and quality

The safety of residents and colleagues is paramount and fire and building safety remain one of our key areas of focus. We set a target to inspect the external wall systems of all high-risk buildings, those over 18 metres in height, by March 2022. This was completed six months ahead of target. We then established a programme to inspect the EWS of all other buildings by March 2026. At the end of 2024/25, we had achieved 84.04% completion against the target of 80%. We remain on course to have inspected all applicable buildings by March 2026.

Where unsafe EWS is identified, we put in place measures to ensure that residents remain safe and on one occasion a building has been decanted. We are carrying out remediation of unsafe EWS, although this can be delayed whilst we pursue building developers to take ownership of the non-compliant installations.

In addition to advancing our response to the Building Safety Act, we consistently assess our homes for other risks, including gas and electrical safety, asbestos, legionella and fire safety, through a programme of regular risk assessments and surveys. While we strive for 100% compliance with safety checks, we recognise that full compliance is a challenge given the significant number of assets we manage and maintain. We are however, achieving high levels of compliance in these areas.

The current compliance levels are regarded as being on a good level, especially for gas and electrical, as access prevents higher levels from being achieved.

As of 31 March, 1,177 of our units didn't meet the Decent Homes standard. This equates to 1.61% (with 98.4% meeting the standard). Those that are identified as needing additional works will be added to the necessary programmes of works for validation and planned maintenance as required.

Cladding:



100%
high rise buildings
inspected



66.4%
lower rise buildings with
external wall systems inspected

Inspections:



99.92%
compliance on
gas safety checks



98.22%
compliance on fire
risk assessments



96.91%
compliance on
electrical safety checks

Healthy Homes

In the last year, the Healthy Homes project evolved and continued to support residents affected by damp and mould in several ways. We completed assessments and Clean and Shields - mould wash down of the affected areas - at 5,283 homes and installed over 2,600 sensors. During these visits, energy experts optimise boiler, heating, and radiator settings and offer tailored advice on energy-saving practices. In addition, residents of existing homes benefit from expert advice on ventilation and heating strategies.

For newly built homes, comprehensive information is provided in the Home User Guide,

covering the operation of heating and ventilation systems and effective management of overheating issues. Additionally, the guide offers valuable tips on using recycling facilities and promoting other sustainable living practices.

This year, we enhanced ways of working by introducing in-house assessments and new ways to treat mould and improve the air quality of homes with dangerous levels of mould using state-of-the-art air filtration systems.

We've also worked closely with contractors to adjust commercial agreements, so that properties with mould are treated sooner. These new ways are proving to be not only more efficient, but also more cost-effective.



Resident voice

C15

C16

C17

C18

C19

C20

C21

C22

Tenant Satisfaction Measures

We make it a priority to hear from residents in a number of ways.

Every year the Regulator for Social Housing requires all social housing landlords to report on a set of measures that tell residents how well we're doing at providing quality homes and services. These are called Tenant Satisfaction Measures (TSMs).

The measures are grouped into five themes: keeping properties in good repair, maintaining building safety, respectful and helpful engagement, effective handling of complaints and responsible neighbourhood management.

The 2024/5 TSMs results were shared with residents at the L&Q Assembly in June 2025, and have since been published on our website with accessible, explanatory films recorded by members of our Executive team.

Monitoring and reporting our performance against the new satisfaction measures isn't the only way we listen to and learn from residents. We carry out a variety of surveys throughout the year to make sure that we know how residents are feeling and can address issues quickly. These include surveys immediately after a resident used a service. We also offer meaningful opportunities for residents to develop and test our services, including through our 3000 strong L&Q and you! Online community. We also run a volunteer programme for interested residents, which focused on bringing them closer to service improvement initiatives in areas where there are high levels of resident complaints and investment and low levels of resident satisfaction.

Click the button below, for more information, and to visit our Tenant Satisfaction Measures webpage

[Click here](#)

How our residents can hold us to account

Our Resident Services Board sit at the top of our resident involvement programme. They are a resident chaired, majority resident part of the formal governance structure. They aren't the voice of residents but they seek assurance that L&Q is considering the voice of residents, and working with residents on service improvement. They also advocate for the resident voice at board level.

From 2025, L&Q Assemblies become the main means for any interested resident, beyond those who are formally involved at a board level, to contribute to governance, strategy and decision making. The new Assemblies will build on the previous resident conferences and the expectation is for Board, the Executive team and residents to work together on key strategic issues three times per year. These replace former standing groups such as regional committees and the leaseholder forum.

The core of the resident involvement offer is a volunteer management approach which we call "resident involvement/ volunteer opportunities". These are opportunities for interested residents and L&Q colleagues to work together on specific topics where there is a scope to influence decisions and services to residents. These opportunities can be as diverse as quality assuring the quality of complaint responses, recruiting members of staff, designing new or changed services and customer journey mapping. To support the identification, prioritisation and delivery of these opportunities, the resident involvement team adopt a business partnering approach, working with teams around L&Q to identify topics and issues where resident involvement would be valuable and there is genuine scope for residents to influence something. They seek to match resident volunteer interest with business objectives.

We advertise the forthcoming opportunities each month. Residents from a continuously growing list (currently around 800) who have signed up to be involved are recruited to the involvement opportunities that interest them or fit with their availability. We do not exclude people who want

to volunteer and we monitor protected characteristics. Through induction calls with residents, we identify adjustments to make the opportunities accessible, drawing on wider learning from the voluntary sector to design opportunities that are appealing to wider groups.

At a hyper local level (building, block, estate, street etc) the resident involvement team supports local delivery teams by providing frameworks, templates, training and support, so that they can work with local people to identify and address local priorities, e.g. by participating in resident associations, estate inspections and information surgeries. Induction, training and peer buddying schemes are also in place for residents who want to get involved at the hyper local level.



Photo: Residents having their say at the Annual residents conference

National volunteers week is an opportunity to celebrate the difference residents make. In 2024/25 ten residents were recognised and celebrated through a series of promotional films and social media posts, shared with residents and staff.

L&Q's resident volunteer base increased throughout 2024/25 with 353 residents coming forward for the first time to express their interest in getting more involved with their landlord. This increases our total volunteer database to 802 residents. 298 residents gave up their time to get involved in our opportunities from April 2024 to March 2025.

Resident volunteers say that their experience of involvement was 'time well spent' and that it is having positive personal impact, helping some to enhance their skills and knowledge, feel like they

are having their voice heard and feel like they are making a difference in their community. Resident volunteers are more likely this year than they were last year or the year before to say that their experience of involvement was 'meaningful' (59%), 'accessible' (53%) and 'impactful' (41%). Resident volunteers tend to agree that their involvement 'met their expectations' (64% agree) and the experience itself was "meaningful and authentic" (58%) which indicates that our induction and volunteer role profiles are helping set expectations which we are then delivering on. Resident involvement contributed to half (49%) of resident volunteers saying they 'feel more connected to their wider community this year'. It also had a positive impact on 'self-esteem' (23%) and 'overall wellbeing' (23%) for around a quarter of resident volunteers.

“

Resident involvement contributed to half (49%) of resident volunteers saying they 'feel more connected to their wider community this year'

”

Staff members provided evidence of how we are involving residents in 2024/25:



- ✓ **Increased staff influence and leverage** to drive things forward internally
- ✓ **Challenged assumptions and gave service areas sight of unanticipated issues**, helping prevent failure demand
- ✓ **Provided 'assurance' (increased confidence) to Board and Executive Group** in their decision-making
- ✓ **Increased knowledge, understanding and empathy with residents'** experiences and expectations of the service, over and beyond the information that could be gathered from existing internal data
- ✓ **Gave staff a greater sense of pride and motivation in their role** and connection with the residents they serve.

In 2024/25, residents' involvement:

- ✓ **Co-created new Homeowner & Leaseholder Support Service** by defining scope of new managing agents service, improving communications around service charges and recruiting key roles within the team
- ✓ **Influenced the repairs change project** to 'give up more space' in involving residents in service improvement after recognising the value residents brought to the development of the "repairs diagnostic tool". This is a recently launched tool to help diagnose repairs better at first point of contact
- ✓ **Set out what residents expect from the MWIP.** These expectations are influencing how we and our delivery partners talk about the programme and how resident volunteers feedback to our leadership on how well its being delivered in practice
- ✓ **Ensured that all building-specific building safety resident engagement plans will include the same five objectives.** These include information on how residents will be involved in building safety decisions and can raise any building safety concerns with their landlord. Also co-designed building safety manager role profile, training and induction materials to ensure resident expectations are met through the role
- ✓ **Influenced scope of upcoming governance review** to bring Board and Executive Group closer to residents throughout the year via the new L&Q Assembly model, strengthening governance and accountability. Residents involved with the June 2025 and Autumn 2025 assemblies will have a direct influence on future strategy by collaborating with Group Board on the new customer offer
- ✓ **Prompted set up of new tactical teams in repairs and complaints**, an approach to keep residents informed of who to contact locally, end-to-end journey mapping across core processes to reduce risk of things 'falling between the cracks'. All high-profile activity had a focus on delivering at pace in order to report back to residents on tactical progress since the 2024 resident conference
- ✓ **Contributed to fall in no access rate for retrofit surveys after residents influenced a complete overhaul in how we communicate the decarbonisation fund.** This was after residents involved earlier in the year highlighted how original communications looked like a scam.

Related resident involvement opportunities in 2024/5	Outputs from involvement opportunities in 2024/5	Related outcomes
Social Housing Decarbonisation Fund	<p>Residents involved identified likely cause of lack of resident cooperation: the original letters looked like a scam and created concern that residents would be charged for the works</p> <p>Residents involvement provided recommendations to overcome resistance in uptake of the programme and operatives having 'no access' to carry out the works in resident homes.</p>	<p>Staff reported that resident involvement in the recommendations gave team increased leverage at L&Q to overhaul the resident communications plan and made communications on SHDF a much higher priority than it was previously.</p>

Wider Impact:

- One of the main outcomes that came out of involving residents was the decision to send communications on the SHDF from L&Q rather than by a third party to avoid residents
- In 2023/24, when all resident communications were delegated to MWIP contractors and partners, no access rates for SHDF was running between 40-50% (contractor dependent)
- In 2024/25, following the steer from residents involvement, we took responsibility for initial communications, writing to all targeted householders, explaining the scheme and introducing the contractor. Residents also received a supplementary call to discuss the letter, although if we didn't get through to them on the first call, we didn't call back. Subsequently overall no access rates fell to 28%
- We'll shortly be able to advise on no access rates for the initial batch of Wave 3 addresses, where we took full control of the initial comms, before passing the address to the partner. We are expecting to see a further decrease in no access rates.

Case Study

Resident involvement at L&Q

From strategic decisions at the Board level to day-to-day service delivery, residents play a crucial role in shaping the services we provide.



If residents don't get involved in opportunities, how will L&Q know how to adapt their services to meet the needs of residents?



In October 2024, residents got involved to help us design our new repairs diagnostic tool, RepairFinder.

In a series of sessions, residents looked at images of repairs and told us what words and terms they would use when reporting them.

We used these keywords to describe options for different types of repairs in RepairFinder, which we launched in December 2024.

Now, when residents report a repair, our colleagues use these terms when talking to them about the issue. This means they can accurately record a repair on our system and send a colleague to help with the right tools for the job.

We're already seeing an improvement in the number of repairs we're fixing first time. This will hopefully continue – alongside improved resident satisfaction – as we carry on with the developments in our service.

A resident that took part in the session said: "If residents don't get involved in opportunities, how will L&Q know how to adapt their services to meet the needs of residents? Offering transparent opportunities provides a platform for residents to challenge and create better services. It also offers the opportunity to learn new skills, which you can take forward in voluntary roles or employment."

We are dedicated to building on these achievements, ensuring residents' voices are heard in every aspect of our work.



Management of complaints

Last year, the Ombudsman upheld a total of 368 complaints, mostly about older cases from up to three years ago. We take this seriously and have taken action wherever possible.

Having learnt from complaints, we've made a wide range of improvements. We've updated and overhauled how we handle complaints, improved record-keeping, and invested in more staff and training. We're using what we learn from complaints to avoid repeat issues and to build this learning into new processes and practices.

We've also made big improvements to our repairs service. A new team now handles more complex jobs, we are diagnosing repairs more accurately when reported, and we're working to complete more repairs each day, with more fixed on the first visit. Residents are already seeing better results as a result of this.

All of this is part of our five-year plan, launched in 2021. Created with residents, it focuses on improving homes and services. Our next plan will continue this work from 2026.



During the last year, the L&Q Foundation has worked with a range of employers, supply chain partners, and internal teams to create employment opportunities for residents informed by their feedback.

This year, we supported 108 residents in securing employment, with 90% remaining in work after three months. We have also focussed on working with only residents over the last year, supporting them on their journeys into employment with some requiring significant support. To make employment opportunities accessible and to help residents make the transition into employment, we have delivered pre-screening events, recruitment campaigns and training initiatives with a range of established organisations including Axis, the NHS and Transport for London.

We have also provided online sessions with the Princes Trust, Dress for Success and the University of East London to help our residents and their families and help them move closer to employment. In late summer 2024, the L&Q Foundation began delivering JobsPlus, a Department for Work and Pensions pilot project led by the Learning and Work Institute in partnership with Waltham Forest Council. Sessions are being run at the Seddon Community Centre on the Beaumont estate.

By the end of 2024/25, 50 residents had engaged with the programme, and we've already recorded our first job outcomes. As we move into the second year of the pilot, the model's strong community focus continues to align closely with our area-based approach. We're working in partnership with local organisations to identify potential participants, and involving residents directly to help shape and promote the programme within their neighbours.

In a recent employment support satisfaction survey, 100% of respondents (n=51) were satisfied with the service.

In 2024-25



426

residents with additional needs supported to stabilise their tenancies



£21.5 million

gained for around 5,000 residents by helping them reduce their debts and outgoings or through new income



3,100

emergency vouchers issued to residents in financial crisis



108

residents supported into employment, with 323 supported to get closer to the labour market



98%+

satisfaction with successful tenancies programmes

Community-led pilot helps Leyton residents back into work

After taking part in a pioneering employment programme led by L&Q, Olga Campos, a mum-of-two and long-time resident, is now working as a Community Assistant at the Seddon centre in Leyton. Originally from Guinea Bissau, Olga moved to the UK in 2000. A waitress for much of her early working life, she stepped back from work when her parents needed full-time care.

“My dad had recently been diagnosed with Alzheimer’s. Around the time, my mum had also started using a wheelchair and needed help around the house. It was tough - cooking, cleaning, washing, all whilst caring for two young children - but I was happy to do it.”

Though she paused her career to care for her parents, it was their support that ultimately gave her the strength to return.

“My mum encouraged me to get back out there. I had mixed emotions, but I knew I wanted to do better for my kids. Universal Credit wasn’t enough.”

A chance encounter led to a turning point. During an unrelated call to L&Q about a repair, Olga heard a recorded message about employment support and decided to follow it up.

“I was scared of the Job Centre. I worried people would judge me and assume I was lazy. Everything’s online now, and I wasn’t used to that. Interviews felt terrifying.”

Through the JobsPlus programme, Olga was paired with employment support advisor Lee. Their connection, rooted in shared caregiving experiences, became the foundation of a strong and trusting working relationship.

“From our first conversation, I felt I was in safe hands. Lee was also caring for his elderly mum, so he understood what I’d been through. He never pressured me, and genuinely wanted to help me find the right role.”

Lee helped Olga recognise the valuable skills she’d developed through her caring responsibilities, from budgeting and organisation to communication and resilience. Together, they worked on her CV and cover letter, and Lee provided encouragement every step of the way.

“What helped me most was the chat we had the day before my interview. I was listing all the reasons I thought I’d fail. But Lee just said, ‘This job is for you. Keep calm, be yourself, and listen to the questions.’ That gave me the confidence I needed.”

The JobsPlus programme, funded by the Department for Work and Pensions and based on a successful US model, combines intensive support with paid six-month job placements. The Beaumont Estate in Leyton is one of 10 UK sites trialling the initiative.

Thanks to the programme, Olga is now working in a role that is both close to home and close to the community she cares about.

“It’s more than a job, it’s a purpose. I’m helping build something good for the community where my kids are growing up.”

Olga has been spreading the word among her neighbours about the support she received.

“I’ve been telling all my neighbours about JobsPlus. If it changed my life, it could change theirs too.”



Through the L&Q Foundation, we fund and deliver social initiatives that make a real difference, supporting residents and increasing community connections through engagement.

Since 2023, we have moved to an area-based community development approach, targeting 11 core neighbourhoods. We identified these areas based on where our presence is strongest. Each neighbourhood is assigned a dedicated Community Development Lead who work with a range of internal and external stakeholders to work in partnership with residents to plan and deliver activities that matter. They also coordinate closely with our MWIP partners, making sure the social value they generate directly benefits residents.

One example of this tailored approach is the 'Quid's in! Money guidance service,' delivered by Clean Slate at the Seddon Centre on the Beaumont Estate in Leyton. Research showed that more than half of surveyed residents were seeking help with debt and money management. In response, we partnered with a trusted local organisation to offer face-to-face financial guidance. This built on our existing debt advice services and responded directly to what residents said they needed.

In 2024/25, we awarded a grant to Mile Rainbow for their 'East Asian Dance Club', a hub for residents. Over 20 weeks, 225 people joined classes blending Korean, Japanese, and Chinese dance with gentle martial arts. 33% of attendees reported doing no or only a little physical activity before joining. 82% of attendees said they would recommend the programme to family and friends.

Alongside the dance club, we've supported 40 community projects organisations by awarding over £380k worth of grant funding

across our regions, including cooking and essentials programmes, a baby bank, school uniform schemes, befriending cafes, youth clubs, digital skills training, sports and wellbeing activities, walking clubs, nature projects, boxing, and community hubs. In addition to grant funding, we take a holistic approach to community development by combining financial funding with capacity-building support for local organisations to help increase their reach. Recognising the challenges of the current economic climate, we offer tailored sessions to help smaller organisations grow their reach and build long-term resilience. These sessions cover a range of skills, including key areas such as writing successful grant applications, strengthening financial management, and developing impact measurement and evaluation strategies.



£380,000

of funding awarded to **40**
community organisations through
the Community Grants programme

In 2024/25 we delivered capacity building support to 85 community organisations across the communities where our residents live. Many of these groups also received funding through our community grants programme and have gone on to deliver impactful projects in their local area.

In 2024/25 our strategic partnership with Sport England has gone from strength to strength. After confirming an additional three year £500k funding from Sport England, the Foundation has been able to grow the Get Set Go project into five new areas. This initial year has been used to conduct consultation, test and learn projects and pilots with a real focus on building trust, forming strategic partnerships, starting new relationships, and raising awareness of the project.

At L&Q we believe passionately that people's health, security and happiness depend on where they live. Our community centres have become cornerstones of our communities. The centres provide the setting for community programmes, employment skills, health and wellbeing activities, resident association meetings, nurseries and food banks.

Food poverty remains a big issue for residents. We have two established foodbanks operating across our portfolio, with a third planned to open

at the Beaumont Estate. In February 2025, we held a Winter Market on the Silwood Estate in Lewisham. Over 300 residents from 70 households received food and £7k of essential items donated by our supply chain partners.

At Limelight in Trafford, we have continued to fund projects such as a Christmas pantomime and a 'We are family' project designed to remove barriers to connection and increase social inclusion within the community. The centre continues to deliver a range of services to residents and function as a hub for community leaders. Aliaha Bukaru, the founder of the Voice of BME uses Limelight on a weekly basis to deliver her initiative and support local residents. Aliaha has been widely recognised for her contributions to the community and was even awarded a G15 community impact award for her efforts.

Our three community hubs - Limelight, Lewington, and Seddon - continue to provide a safe space for all local people, particularly those suffering from hardship and loneliness. Every week, we run a warm hub for residents, with hot drinks, food, and an opportunity to speak directly with colleagues to learn more about the services we offer.



Photo: Volunteers at the Foodbank



Photo: Warm hubs in action for local residents in need

04

Governance

Governance

How L&Q operates



At L&Q we take our regulatory, statutory and legislative responsibilities seriously. Good governance is a key driver to delivering our mission, aims and values. It is essential for us to achieve our objectives and drive improvement, as well as maintaining legal and ethical standing in the eyes of our stakeholders, regulators and the wider community.



Our ESG framework focusses on specific aspects of governance. These are:

- Representative governance
- Employee wellbeing
- How we manage our supply chain.

Below are key performance figures and progress made in these areas over the last year.

L&Q is a not-for profit organisation and a registered Community Benefit Society. We are registered with the Regulator of Social Housing, who confirmed in August 2025 that we remain compliant across its governance and financial viability requirements, and meet the new consumer standard. Following a planned inspection, we have been awarded a first consumer grade of C2, an unchanged financial viability grade of V2, and a governance rating of G2.

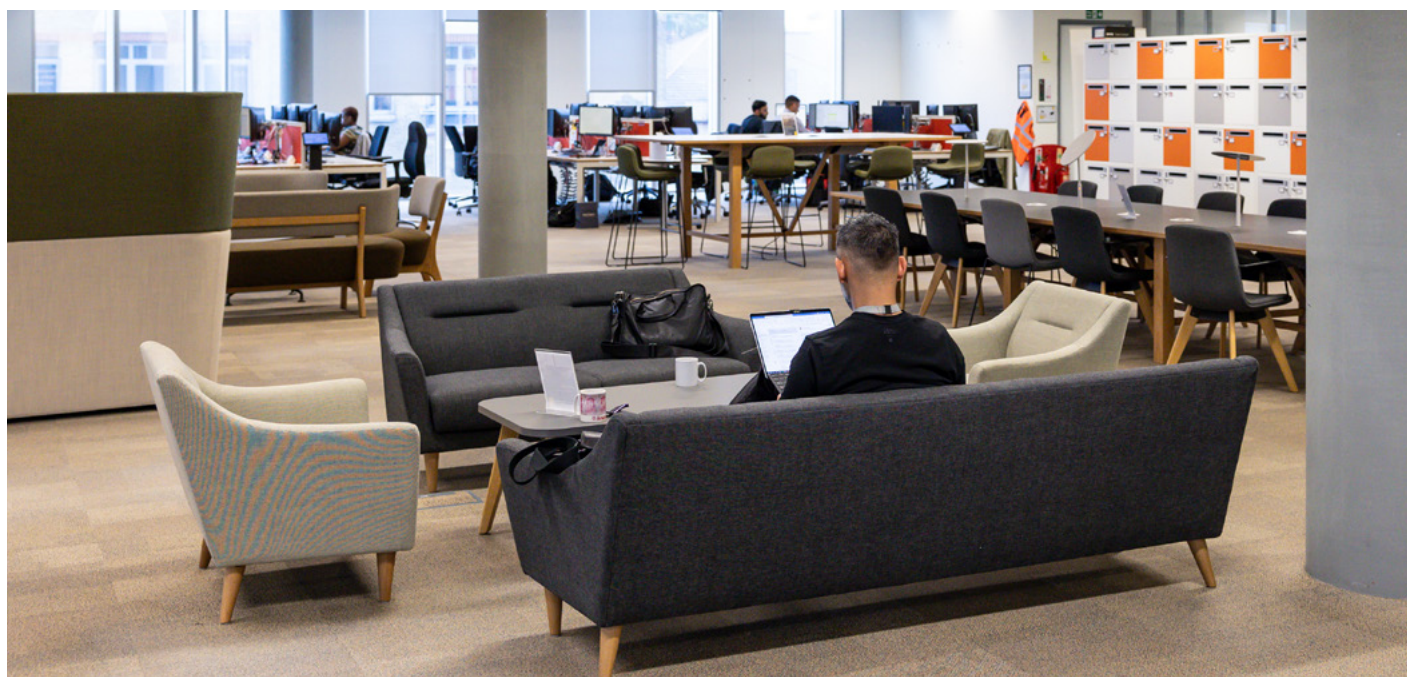
In its governance feedback, the Regulator was assured that our Group Board is appropriately skilled and experienced that our governance arrangements are effective in delivering our strategic objectives and social purpose, and that we make best use of our resources. The Regulator also noted that we demonstrate strategic decision-making in line with our risk appetites and legal and regulatory obligations.

We are required to conduct a governance review every three years under the National Housing Federation's Code of Governance, which we adopted in 2021. However, prior to our regulatory judgement, we had already committed to bring forward the next iteration of this by a year so that any changes can align with our next corporate strategy period starting from April 2026.

The review will look at our full board and committee level governance structure. We are now progressing this work as a priority, aiming to complete the review and implement any recommendations – including measures that specifically address the areas for improvement highlighted by the Regulator – within the next 12 months.

[Click here](#)

For further details and to view L&Q's Governance Report.



The delivery and oversight of all matters that contribute to ESG outcomes are overseen by our Group Board, supported by our Committee structure and our Officer Led Governance Groups. Specific activities to develop and deliver net-zero and climate change, social and governance outcomes are embedded into departmental business plans, with quarterly reviews of progress fed up to the relevant governance groups.

The most significant change in governance this year is that Environment and Climate Change has moved into the Terms of Reference of the Development Committee and Investment Property Group (IPG), to more closely align with investment decisions.

An overview of all climate- related initiatives is pulled into an Environment and Climate Change Thematic View. Scorecards pull together sustainability-related performance indicators, which are scrutinised by the Officer Led Governance Groups. From 2025, only Environment & Climate Change indicators are included in the sustainability scorecard overseen by IPG, while social and governance indicators are included in reporting to the relevant governance groups.

Environment and Climate Change is one of our nine strategic risks, and as such receives additional scrutiny through inclusion in the Internal Controls and Assurance Framework (ICAF) quarterly status report which is shared with our Senior Leadership Group, Executive Group and Audit and Risk Committee. Senior Leadership Group (SLG)

plays a key role in reviewing and approving the Sustainability report and is responsible for ensuring reporting relating to sustainable financing obligations meets requirements. The report is then scrutinised by Exec Group and Development Committee, and recommended for approval by Group Board.

Last year, we said we'd set annual Sustainability targets, update the Sustainability Finance Framework and engage with investors to agree on new ESG metrics for future financing for sustainability. The Framework was updated in August 2024 and within this we set updated ESG metrics for the remainder of the corporate strategy, to 2026. SLG retains the role of ESG Financing Panel, overseeing our Sustainability Finance Framework.

For a more in-depth understanding of how our board manages climate related risks and opportunities, please refer to our TCFD report included in section 6.3.

There were no regulatory breaches this financial year.

Residents' input is embedded in our governance structure through the Resident Services Board (RSB), which is formal committee of our Group Board that is almost entirely comprised of our residents.

The RSB look at a wide range of metrics for our services such as complaints and service feedback to provide ongoing challenge. They also draw on feedback from the wider resident involvement network and our online resident panel L&Q & You. Their purpose is not to address individual issues, but to make sure residents voices and experiences are considered in decisions that affect them.

L&Q aims to attract, recruit and develop a diverse group of employees who share our values and reflect the diversity of the communities we serve.

We take diversity and inclusion very seriously and track the diversity of our workforce. We have made a commitment to addressing gender and ethnicity first. As such, we are committed to offering an interview to a least one person from an ethnic minority background and one female candidate for all tier 2 and above senior leadership positions if they fulfil the role criteria

In line with our social purpose, we successfully met our goal of gaining accreditation from the Living Wage Foundation in 2024/25, achieving this by March 2025. This accreditation ensures that our supply chain partners are required to pay the Living Wage. We also maintain a list of current suppliers who have not yet adopted the Living Wage, with plans to transition them over the next 2 to 3 years by incorporating the necessary clauses into new contracts.

We have launched a Recruitment Advocate scheme for roles at grade 12 and above. As part of this initiative, a Recruitment Advocate participates

Key statistics



100%
of staff paid the
Real Living Wage



6.3%
median gender pay gap



9.97:1
CEO: median worker pay ratio

in interviews to provide an impartial perspective throughout the selection process. Over the coming year, we plan to extend this scheme to include grades 10 and 11, and we will closely monitor its impact on our diversity metrics at these levels.

We have mandatory online training on Equity, Diversity and Inclusion for all staff and four colleague diversity networks to support staff on EDI issues and raise awareness through regular events. The networks are Ability (disability and long-term health conditions), Inspire (gender equality), Kaleidoscope (cultural diversity), and Spectrum (LGBT+). We have committed to the Rooney Plus Rule in the recruitment of senior management.

L&Q's Board has been chaired by Liam Coleman since May 2024 and includes resident representation, with Fayann Simpson OBE joining the Board in 2018.

Our Board has overall responsibility for risk management and for reviewing its effectiveness. L&Q's Audit and Risk Committee is responsible for the Board for monitoring risk and reporting on how effectively it is managed. We have three Board members on the Audit Committee with recent and relevant financial experience.

The maximum tenure for board members is generally two terms of three years, which can then be extended annually up to a maximum of nine years in total. We have a recruitment and succession plan in place, which is considered annually in November.

More information on our internal control and risk management is available in our Financial Statements, which are audited by KPMG. KPMG remain our appointed auditors and were re-appointed at the Group Board meeting in July 2024. After the last open procurement exercise their contract runs until 31 March 2028.

Our regulatory framework requires us to conduct an external review of governance every three years, the last two reviews were undertaken in 2020 and 2023 and we intend to commission our next external review in 2025/26.

Conflicts of interest at the Board are governed by our Code of Conduct (based in the NHF Code) captured through a register of interests that is published on the L&Q website.

L&Q Board demographics



11%
Residents



55%
Female



56
years old
average age



22%
Ethnic
diversity



45%
Have a
disability

Key Board statistics



78%
that are non-exec
directors



4.5
years average
tenure length



21.05%
turnover over
last 2 years



12.5%
turnover of exec team
over last 2 years

Mental and physical health

We prioritise and value the health of our employees, in addition to professional growth. Throughout 24/25, our achievements include:

- **Holistic wellbeing focus:** 1st year of the Wellbeing Plan (2024-26) and iMatter programme, prioritising mental, physical, and financial health
- **High engagement:** Over 85 events/initiatives, achieving a 4.7/5 satisfaction rating
- **Mental health priority:** 98%+ manager mental health awareness training completion; proactive suicide prevention campaign on construction sites, reaching 350+ colleagues from maintenance via Toolbox talks, review of learning catalogue, Stress and Wellbeing survey and review of the organisational stress risk assessment
- **Strong support systems:** Active staff networks, peer support: Mental Health Champions, Men's Buddies and Menopause Champions
- **Financial and physical health:** Octopus Money Coach support, 150+ NHS health checks, and blood donation drives, cancer awareness initiatives.

Recognition:

- Shortlisted Awards
- Great Places To Work improved employee support and psychological safety and,
- 85% score in the British Safety Council Wellbeing Best Practice Audit 2025.
- **Collaboration and community:** Sector-wide G15 Wellbeing conference; social events fostering
- **Significant policy advancement:** Launched Menopause Policy (we've worked with HR, D&I to launch a Menopause Policy to ensure inclusive support).



Staff wellbeing initiatives



90

iMatter health and wellbeing events



94%

attendee satisfaction rate



2,367

staff attended

Development

Our people are at the heart of everything we do, and we’re committed to nurturing their growth, both professionally and personally. Beyond our essential training, we offer a range of professional development pathway programmes: from Early Talent and Aspiring Managers to Emerging Leaders, Coaching and Mentoring and technical upskilling programmes. We empower colleagues with access to our learning

resources “DevelopMe,” toolkit and initiatives like Learning at Work Week. L&Q last year was recognised with the prestigious Learning at Work Impact award.

The L&D Academy provide programmes in line with legal and regulatory requirements and which follow best practice. This includes online compulsory training, corporate induction and management essentials training.

Staff development



99.6%

Completed online compulsory training



99.8%

staff performance reviews completed



98.6%

Completed Management Essentials training

“
Our people are
at the heart of
everything we do
”

We are committed to maximising the added value we can create collaboratively with our supply chain partners. Our procurement activities are conducted in line with the Procurement Act 2023. This strengthens the role of Social value in procurement decisions, not only at the evaluation stage but across the entire contract lifecycle.

Sustainable procurement

We are continually working to put sustainability at the heart of our procurement approach. Our minimum standards for sustainable materials procurement and environmental management of contractors cover this area which helps us to reduce the embodied carbon of our supply chain through the procurement of sustainable materials. We consider all aspects of sustainability across our tendering process to ensure our supply chain is aligned with our sustainability ambitions. We include questions in our procurement pre-assessments and embed sustainability clauses in our contracts. This helps us to identify opportunities for carbon reduction across the supply chain, from materials sourcing to fleet decarbonisation, energy efficiency initiatives and packaging reduction.

We aim to encourage our development sites to where possible use Community Wood Recycling services to provide reuse opportunities for waste materials. The wood is collected from L&Q development sites to stock the nationwide network of reclaimed timber stores.

By the last quarter of 24/25, we received 100% Construction Line Gold Standard compliance for Development contractors with orders over the PA23 Threshold. Meeting Construction Line Gold ensures that our contractors meet industry standards, such as the Common Assessment Standard.

Social value

L&Q creates meaningful social value by direct delivery, working closely with individuals through the L&Q Foundation and focusing on improving their wellbeing in practical ways such as supporting them to return to work, improving their confidence, helping them manage their finances, and encouraging more active lifestyles. The impact of this work is measured using the Housing Associations Charitable Trust's (HACT) Wellbeing Valuation Approach to measure social value at an individual level, which places a monetary figure on social activities that are traditionally more difficult to quantify.

Additionally, social value is embedded into L&Q's procurement processes, collaborating with supply chain partners to develop tailored social value plans. Within our MWIP, social value commitments are included in all contracts, supported by a new standardised approach designed to maximise the positive impact on communities where L&Q operates, particularly our core neighbourhoods identified in our area-based community development approach. The impact of this work is measured using the National Themes, Outcomes, and Measures (TOMs) to measure social value at a societal level. Social value is calculated as direct savings to the public purse, for example the savings to welfare through someone moving to employment.

In 2024/25, using the principles of these methodologies, we have created:

- £22m social value (using HACT's Wellbeing Valuation Approach methodology)
- £37m social value (using the National TOMs methodology)
- £59m in combined social value.

As a result of collaborating with our MWIP partners, 164 jobs have been created, 279 weeks of training opportunities have been delivered, and £170k has been invested into local community projects. We also facilitated 279 weeks of training opportunities and 1,200 hours of business advice to the community.

One supply chain partner, Durkan, worked closely with the eco-conscious community group, the Lower Regents Coalition, to help rebuild their programme after a theft left their work impossible to continue.

Another partner, Axis, organised a celebration for International Women's Day at the Lewisham Park Towers site. The event brought together the community in celebration of the lives, experiences, and accomplishments of women, with guest speakers, massages, henna painting, games and riddles.



Photo: Lower Regents Canal Coalition planting greenery

Key statistics



100%
of new construction contracts awarded with prequalification meeting the Common Assessment Standard.



£37m
social value delivered by our MWIP supply chain



£59m
of social value delivered through community investment activities and supply chain partnerships



Photo: Lower Regents Canal Coalition, litterpicking along the canal

Lewisham Park Towers

At Lewisham Park Towers, a multi-phase refurbishment project is transforming homes with a strong community focus.

Works so far include window replacement, structural repairs to the outside of the building, roof replacement, extractor fan upgrades in kitchens and bathrooms, and external wall insulation.

The project has also placed a strong focus on social value, with our MWIP delivery partners enabling the creation of a community hub, activity programmes, and dedicated resident liaison officers to support the needs of the diverse resident population.

From the start, the project team prioritised resident engagement. Recognising the unavoidable disruption, they worked closely with residents to minimise inconvenience wherever possible.

A Senior Resident Liaison Officer (RLO) was assigned to each block, providing consistent communication and support throughout. Early in the programme, RLOs visited every home to help the team understand each household's needs. This insight informed how works were scheduled and delivered, to ensure sensitivity and flexibility.

As part of this process residents suggested a simple but effective change. To make contractors easier to identify, workers wore colour coded high visibility vests with large numbers on the back. This change made it easier for residents to recognise who was on site without relying on ID badges.



05

Looking forward

Looking forward

L&Q's new five year corporate strategy will be published in 2026 and will set out our primary objectives to 2030/31. This year we will be working on finalising our key deliverables, while continuing to deliver essential improvements to our services for residents.

We understand the increasing threat that climate change poses, and the importance of decarbonising our homes and operations, and will be developing a Transition Plan which sets out our roadmap for moving towards building resilience and achieving our Net Zero target. This plan will allow us to set out our priorities for the next five years, and how we will measure our performance against them within our future reports. We will work with our governance teams to further embed net zero and climate change considerations into investment decisions.

We recognise the need to reduce fuel poverty and the risk of mould and damp in our homes. We will continue our programme of investing in the energy efficiency of our homes, through the Warm Homes: Social Housing Fund, and in March 2025 we were awarded £15.6 million to bring around a further 1,500 homes up to EPC C by 2028. We will also develop a longer-term Decarbonisation Plan which charts our route to EPC C by 2030 and Net Zero by 2050 across the homes we manage. The plan will be developed in the context of the scale of the challenge and funding gap we are facing.

Within our development pipeline, we will carry out baselining of the embodied carbon involved in building new homes, to help us assess opportunities we can take to reduce the impact of materials and construction in our operations and supply chain. With the Future Homes Standard expected to be announced in 2025, we are preparing to align our operations with this new legislation. We'll also be adopting the Future Home Hub metrics where possible to support broader benchmarking, laying the groundwork for further work in this area.

Our Biodiversity and Green Spaces action plan is continuing to evolve, alongside the identification of

any potential improvements to standard grounds maintenance practices. We are also finalising our Flood Risk Impact Report, which will inform planning and enhance understanding of future interventions that may be required.

Through our Foundation's area-based approach to community investment, our teams will work in partnership with stakeholders to improve people's quality of life in our residents' communities. We will continue to provide our grants programme to grow and fund local organisations to deliver activities, which align with our strategic objectives in the communities that need our support most. We will also continue to grow our work with our supply chain partners to deliver on their social value commitments. We will begin distributing new grants through the social value fund, which is made up of donations from supply chain partners. The fund will be an open application grant scheme, which will allow organisations to deliver activities with social value impact, on behalf of the supply chain that are unable to deliver directly. This fund will complement our community fund and the external funding we attract. Among other initiatives, we are hoping to kick-start some biodiversity projects using this fund.

From June 2025, L&Q Assemblies began to take place three times a year and are open to all interested residents. These assemblies bring together residents, Board and leadership for interactive discussions, information sharing, and deliberation focused on accountability, transparency and partnership. Timed to align with our decision-making cycles and governance arrangements, the Assemblies help our leadership stay connected to the resident experience and the impact of our improvement plans.

Additional information (Annexes)

6.1

L&Q Sustainability Finance Framework

In August 2024, L&Q published its updated Sustainability Finance Framework. In this document we set interim KPIs for the years 2024-25 and 2025-26, covering the remaining period of the Future Shape Strategy. Our three metrics are the energy efficiency of our homes, affordability of our homes, and investment in financial inclusion. This update demonstrated our ongoing commitment to key sustainability outcomes and ensured that our sustainability targets aligned with other core strategic objectives. The targets that we set up to March 2026 can be viewed in our 2024 Sustainability Finance Framework.

As part of this framework, we committed to publishing an annual Sustainability Report to evidence performance against measures that can be used in any sustainability-linked investments.

The majority of our term and revolving credit facilities are linked to one or more of our Sustainability-linked KPIs. Where a structural incentive results in L&Q achieving an interest saving, that saving will be directly attributed to the L&Q Foundation.

We continue to engage an independent assurance provider, DNV Business Assurance Services UK Limited (DNV), to carry out assurance of two of the Sustainability Performance Targets within our Sustainability Finance Framework – Average SAP score and Funding invested in financial support services for residents. Their Independent Assurance Statement Assurance provides more information. Assurance relating to new homes we have built is provided through KPMG's audit of our Financial Statements.

[Click here](#)

To view L&Q's Sustainability Finance Framework.

[Click here](#)

To view L&Q's Financial Statements.



[Click here](#)

Independent Limited Assurance Statement.



[Click here](#)

To view L&Q's Key Performance Indicator (KPI) Definition Document.



Our performance against our Sustainability Finance Framework key performance indicators

Material SDG Alignment	<div>7 Affordable and clean energy </div> <div>13 Climate action </div>
Measure	Average energy rating for properties where L&Q has operational control, measured by the average of standard assessment procedures (SAP) ratings provided on EPCs.
2022/23 baseline performance	Average calculated SAP score of 72.08 at 31 March 2023*
2023/24 performance	Average calculated SAP score of 72.37 at 31 March 2024*
2024/25 performance	Average calculated SAP score of 73.21 at 31 March 2025*
2026 Sustainability Performance Target	Average calculated SAP score of 72.8 by 2026 (corresponds to low EPC band C rating)

* Assured by DNV

Material SDG Alignment	<div>1 No poverty </div> <div>11 Sustainable cities and communities </div>
Measure	Number of new homes built or acquired, with at least 50% of these provided as affordable” housing (as defined by Housing & Regeneration Act)
2022/23 baseline performance	4,047 homes built in 2022/23, of which 71% were for affordable housing
2023/24 performance	2,955 homes built, of which 2,017 (68%) were affordable
2024/25 performance	2,316 homes built, of which 1,875 (81%) were affordable
2026 Sustainability Performance Target	Cumulative 3,898 New Homes built, of which 50% are affordable housing

* Assured by DNV

Material SDG Alignment	<div>2 Good health and wellbeing </div> <div>11 Sustainable cities and communities </div>
Measure	Funding invested in financial support services for residents (£)
2022/23 baseline performance	£998k invested in 2022/23
2023/24 performance	£1,000k invested in 2023/24
2024/25 performance	£907k invested in 2024/25*
2026 Sustainability Performance Target	Cumulative £800k investment in financial support services

* Assured by DNV

6.2

Streamlined Energy Carbon Reporting (SECR)

L&Q's energy consumption and associated carbon emissions are reported below in line with the UK government's streamlined energy and carbon reporting (SECR) regulations. These figures represent the carbon emissions associated with the Group's consumption of natural gas, electricity and transport fuel.

Specifically, they include:

- Gas and electricity used in our offices
- Gas and electricity procured for use in our residential portfolio, eg for communal heating
- Temporary gas and electricity supplies to empty homes units in our residential portfolio
- Mains gas and electricity used on our construction sites
- Fuel used by our transport fleet, and
- Fuel used for business purposes by all employees within the L&Q Group.

Energy use and carbon emissions for 2023/25

Energy use and Carbon Emissions	2023/24	2024/25	Unit	% change
Total energy consumption (used to calculate) emissions):	180.7	164.9	GWh	-9%
Gas	128,848	122,024	MWh	-5%
Electricity	40,304	32,481	MWh	-19%
Transport fuel	11,569	10,484	MWh	-9%
Emissions from combustion of gas (Scope 1)	23,569.97	22,688.47	tCO2e	-4%
Emissions from purchased electricity (Scope 2, location-based)	8,345.94	6,724.84	tCO2e	-19%
Emissions from combustion of fuel for transport purposes (Scope 1)	1,895.05	2,116.22	tCO2e	+12%
Emissions from business travel in rental or employee-owned vehicles where L&Q is responsible for purchasing the fuel (Scope 3)	508.18	388.88	tCO2e	-23%
Total carbon emissions (excluding renewable energy)	34,319.13	31,918.41	tCO2e	-7%
Total renewable electric	0	0	tCO2e	-
Total renewable electric procured	0.00	2,224	MWh	-
Total remaining brown electricity	40,304	30,257	MWh	-25%
Total net carbon emissions (including renewable energy)	33,810.95	31,529.53	tCO2e	-7%
Carbon emissions intensity ratio	0.26	0.27	tCO2e / unit	-0.01%

2023/24 Performance

L&Q's total carbon emissions across scopes 1, 2 and 3 decreased by 7% in comparison to last year. Our carbon emissions intensity ratio increased to 0.27 tCO₂e per unit, likely because of a reduction in the number of homes managed. With the exception of our fleet, data indicates reductions across all categories.

While no single activity can be clearly identified as the main driver of the reduction, several factors have contributed to the trends, including the impacts of completed energy efficiency works and changes to our portfolio, alongside estimated annual consumption (EAC) adjustments.

Key points:

- Gas and Electricity data provided by our broker was adjusted to resolve data gaps and discrepancies following transition to a new provider. Specifically, last year's high EACs were likely driven by the previous energy market crisis and suppliers hedging their positions on expected consumption for sites without hard data. This year's reduced figures in EAC represents a more accurate understanding of our portfolio usage.
- The portfolio size has reduced slightly, from 6,118 supply points (5,733 electricity and 385 gas) to 6,034 supply points (5,661 electricity and 373 gas).
- There are early indications that investment works on our heat networks over the last few years have resulted in reduced gas consumption. We will continue to monitor and verify the data and trends for future reports to draw more firm conclusions.
- We resumed purchasing renewable electricity for our offices after a temporary pause due to high Renewable Energy Guarantees of Origin (REGOs) prices. Our priority was to prevent costs from being passed on to residents. However, we are now able to fulfil our commitment to renewable energy in a manner that is proportionate to our strategic objectives.

Scope 1 – Gas

Emissions from our Scope 1 Gas used in leasehold offices, development sites, residential properties including heat networks, and construction decreased by 5% from 128,848 MWh last year to 122,024 MWh. Across both gas and electricity, there was an overall 14% reduction in consumption from void properties. However, it should be noted that we were unable to obtain complete consumption data for this financial year, and therefore this is an estimated figure.

In positive news, we are starting to see indications that there is reduced gas consumption for sites which have received upgrades to heat network infrastructure. While we continue to work on the reliability of data across the portfolio, there continue to be a number of sites reporting zero or very low consumption though for fewer sites than last year.

Scope 2 – Electricity

Overall, our electricity consumption has reduced by 19% from 40,304 MWh to 32,481 MWh. While the move to purchase renewable electricity for our offices will have had a positive influence on carbon emissions associated with our reported Scope 2 emissions, this does not account for the full reduction.

It is noted that there are data gaps in the electricity consumption data from our supplier, including sites without a meter reading and others with no data and zero consumption. The total number of zero consumption sites has reduced from 644 last year to 594 this year, signalling progress on correcting erroneous data. However, there remains 1,127 sites which have not been read in 12 months, and these will be billing under EAC estimates.

Scope 1 – Transport Fuel

By far the largest contributor to our fleet emissions is our Direct Maintenance Fleet. We increased the number of vehicles in operation this year, along with an increase in the size of some caretaking vehicles, resulting in an increase in overall fuel consumption. Our emission from Facilities fleet, however, has decreased.

Construction fuel usage has reduced by 45%. We continue to work with our stakeholders to raise the minimum standards and improve design guidelines to keep driving reductions.

While there appears to be a discrepancy between the 9% reduction in the consumption of 'Transport Fuel' and the 12% increase in associated emissions, we have thoroughly reviewed the underlying data and can confirm its accuracy. At this stage, the cause of the variance is not entirely clear, though we will continue to investigate the possible drivers behind the trend.

Scope 3 – Employee mileage

We saw a significant reduction in this category (21%) after implementing a new way of reporting to ensure consistency. Other contributing factors were the restructure of some business units, as well as a reduction in patch sizes for Neighbourhood Housing Leads, limiting the distances they need to travel between homes managed.

Energy Efficiency Measures

After securing funding from the Social Housing Decarbonisation Fund (SHDF) Wave 2.1, we set out with an ambition to improve over 3,000 homes across the two-and-a-half-year delivery programme. By the end of year two, we had completed energy efficiency upgrades in 675 homes, and we expect this to rise to around 750 homes by the end of the programme in September 2025.

Like many in the sector, we've faced a number of challenges that have affected delivery timelines. A combination of budget constraints and a nationwide shortage of skills and capacity in this specialist area meant we had to adapt our plans. In addition, many of the homes we initially identified for improvement turned out to be performing better than expected, making them ineligible for funding. As a result, we had to spend time identifying alternative homes to carry out the works. We also encountered a higher-than-expected level of resident refusals, which also slowed down progress. Despite these challenges, the work delivered so far has laid strong foundations, and we continue to learn, adapt and collaborate with partners to build capacity and drive future progress.

In total, we have installed 6,865 energy efficiency measures in 2024-25 across SHDF and MWIP. We are proactively improving the way we report the measures and how we record them to enhance accuracy.

Seven out of eight sites that have undergone communal energy efficiency works are showing signs of reductions in consumption. Some are due to pipeline works being completed and subsequent improvements to heat networks as well as users being vacated with current works, making the consumption zero. We will continue to monitor our efficiency works in 2025/26.

While data shows a notable drop in consumption across electricity and gas, caution should be exercised in interpreting these figures due to known data quality issues. Improving the data quality for the portfolio will be a continued priority to minimise the impact on our annual reporting commitments.

6.3 TCFD Report

In 2023, we published our first climate risk disclosure in line with the TCFD (Taskforce for Climate-related Financial Disclosures). This can be found [here](#). While reporting in line with TCFD (now under IFRS) is not mandated for the housing sector, L&Q have found the process invaluable in identifying, assessing and communicating our most material climate-related physical and transition risks.

While the assessment remains relevant, some elements of our approach may change. In each annual report we aim to include an update on any progress or changes we have made in the previous year against the recommendations relating to governance, strategy, risk management and metrics and targets.

Governance

Oversight of Environment & Climate Change, while still owned by Group Board, is now formally managed by our Development Committee, with oversight of delivery of our sustainability strategy, and ensuring that investment decisions are consistent with our Net Zero and Climate Change approach. Reflecting this, at our officer-led governance group level, Investment Property Group (IPG) is responsible for the delivery of the strategy and investment decisions. Oversight of our Sustainability Finance Framework remains with Senior Leadership Group (SLG), who act as ESG Financing Panel.

A governance review planned for 2025/26 may lead to further consideration of governance roles, and will be reported in the next financial year.

Strategy

L&Q's new five-year corporate strategy, to be published in the 2025/26 period will set out our primary objectives to 2030/31. Work to develop our plans and outcomes that underpin this area will be clarified over the coming months.

In the meantime, we continue to monitor our progress, including our sustainability priorities delivery of energy efficiency measures through the SHDF programme, ramping up for our EV Fleet pilot, improving the performance of Solar PV and Heat Networks and minimising construction impacts. We have kicked off work on updating our Decarbonisation Plan for existing homes, and assessing and planning for reductions in Embodied Carbon of new developments. We have worked to better model flood risk of our estates within GIS, and have completed work to understand and communicate the need to consider biodiversity and green spaces in our strategy. Looking forward, following our 2024 net zero pathways modelling, we will also be considering how we use tools to track our carbon footprint and future projections to understand materiality and provide insights and strategic advice to the business.

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Risk management

One of our nine Group strategic risks is Environment and Climate Change. The risk is described as: Failure to plan for and meet L&Q's net zero carbon emissions targets by 2050, and failure to plan for and take reasonable precautions to protect residents and assets from the effects of climate change, resulting in financial losses and increased costs, regulatory non-compliance, stranded assets, and disruption and negative outcomes for residents. Underpinning this, within our risk registers we have two risks owned within the Governance & Transformation Executive Portfolio, which have been updated this year:

- An absence of a clear and agreed plan results in an inability to meet Net Zero carbon targets
- Unable to manage or adapt to the consequences of climate change
- Under these sit planned activity across the Group as well as the embedding of our Groupwide approach.

Metrics and targets

Progress against priority KPIs continue to be tracked via our Sustainability Scorecard, which is presented to Investment Property Group (IPG) on a quarterly basis.

Environment and Climate-Related Metrics included for 2024-25 were:

- Energy efficiency of new homes – EPC B or Above
- Number of homes improved to EPC C through SHDF Programme
- Average energy rating
- % PCR contracts with PAS91
- CO2 emissions from energy use per £100k of project spend
- Water use per £100k of project spend
- Construction waste per £100k of project spend
- Percentage of waste diverted from landfill.

In addition, we include % of waste diverted from landfill on our MWIP KPI scorecard.



For more information

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