



Independent Limited Assurance Report

to the London and Quadrant Housing Trust

London & Quadrant Housing Trust ("L&Q") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in the L&Q Sustainability Report 2022/2023 (the "Report") for the period ended 31 March 2023.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Our observations and areas for improvement will be raised in a separate report to L&Q Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

- We restate our recommendations from last year that L&Q and its third-party data provider develop a unique property reference number. This will ensure the completeness and accuracy of the group property site list used for energy consumption aggregation, reducing the risk of over- or underreporting energy data. We also recommend automating the energy data collection procedures to reduce the risk of manual errors. A secondary check would improve the robustness of data and help capture material discrepancies.
- Responding to our previous finding, L&Q now have dedicated additional resources to support the underlying data for the SAP score metric, by way of a data owner analyst. We also noted that L&Q are moving from quarterly towards monthly internal reporting for the metric, which allows L&Q to monitor progress towards their 2030 target and strengthens the governance around the reported data.
- We observed limited documentation and guidance for the collection and aggregation of Scope 1 and Scope 2 GHG emissions for the Trafford Housing Trust. There were inconsistencies in the way data was collected and calculated, which were corrected during the assurance process. We recommend that L&Q align the documentation behind reported indicators to improve the internal data quality and assurance process.

Selected information

The scope and boundary of our work is restricted to the indicators listed below included within the Report for the 2022/2023 reporting year (the "Selected Information"), listed below:

For 2022/2023

- Scope 1 GHG Emissions from combustion of Gas & fuel for transport purposes (tCO₂e) (page 56)
- Scope 2 GHG Emissions (tCO₂e) (page 56)
- Scope 1 and 2 GHG Emissions (tCO₂e) (page 53)
- Emissions Intensity ratio (tCO₂e/unit) (page 53)
- Average energy rating (SAP Score) for properties where L&Q has operational control (page 53)
- Community Investment (£m) (page 54)

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used the L&Q's Sustainability KPI Definition Document 2023 (the "Criteria"), which can be found [here](#).

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on the L&Q website for the current reporting period or for previous periods.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Standard and level of assurance

- We performed a limited data-only assurance engagement using DNV's assurance methodology VeriSustain™, which is based on our professional experience, the 'Greenhouse Protocol – A Corporate Accounting and Reporting Standard' (revised 2015) and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised) issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance. The engagement was carried out from 07/2023 to 09/2023.
- DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
- The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with L&Q management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by L&Q for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

DNV Business Assurance Services UK Limited

London, UK
29.09.23

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by L&Q have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Directors of L&Q and DNV

The Directors of L&Q have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to L&Q in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV Business Assurance

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