



ESG REPORT

2024 – 2025

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Pictured front cover: Bloomin' Marvellous Gardening Competition Entry from Evelyn MacRae, at Broomlee Court, West Linton (featuring Brodie the Dog)

Introduction

Welcome to Hanover's second Environmental, Social and Governance (ESG) report, covering the period 2024-2025. As a national, specialist housing association, Hanover continues to deliver vital services to older people across Scotland, guided by our mission to support independent living through high-quality, affordable housing.

This report reflects our evolving commitment to transparency, accountability, and continuous improvement in how we serve our communities and steward our resources. We have adopted the Sustainability Reporting Standard for social housing and this latest report builds on the foundations laid in our first report.

Hanover's services remain focused on meeting the needs of older people, with 90% of our homes designed specifically for this demographic and the remaining 10% supporting families through general needs housing. We work in close partnership with health and social care organisations to ensure our tenants and their families receive the support they need to thrive - both within their homes and as active participants in their communities.

As a charity with a clear social purpose, we are committed to addressing the current and future housing needs of Scotland's ageing population. Our Sustainability Plan continues to guide our strategic decisions, embedding environmental responsibility and ethical governance into every aspect of our operations

Key objectives achieved in year two included:

- ✓ Establishing 2024/25 as our baseline year for resource measurement
- ✓ Reporting our first Scope 1, 2 greenhouse gas emissions, and working towards scope 3
- ✓ Improving energy efficiency in homes with EPC ratings of D or below
- ✓ Continuing efforts to mitigate flood risks
- ✓ Preventing damp and mould across our housing stock

This report outlines how Hanover integrates sustainable and ethical practices across the Environmental, Social and Governance pillars. We remain ambitious in our goals and determined to make meaningful progress in the years ahead.

Environmental

Climate Change

Hanover Scotland remains firmly committed to achieving net-zero carbon emissions by 2040 – five years ahead of the Scottish Government’s national target. Over the past year, we’ve made meaningful progress in implementing our Sustainability Plan, which outlines the strategic steps we’re taking to reach this goal.

2027

We can demonstrate a reduction in our carbon footprint

2030

Our corporate operations are net zero

2040

We are a net zero business

In 2024/25, we’ve begun the calculation of our carbon footprint across both our corporate offices and, where feasible, our housing developments have held a planning workshop and work is underway to collect scope 3 data, with a view to reporting on this in early 2026. This marks our baseline year for emissions data, providing a critical foundation for setting future reduction targets. These targets will be aligned with the Science Based Targets (SBT) framework, ensuring our pathway to Net-Zero by 2040 is both credible and grounded in evidence-based methodology.

In accordance with the GHG Protocol, we report Scope 1 emissions based on direct fuel consumption across our operations. **These emissions totalled 35.49 tCO₂e in 2024/25.** We considered sourcing renewable natural gas, current GHG Protocol guidance does not allow market-based adjustments for Scope 1. We support ongoing efforts to evolve the framework to recognize low-carbon fuels. In alignment with the GHG Protocol’s Scope 2 guidance, we report emissions using both location-based and market-based methods. This dual approach ensures transparency in our operational footprint and highlights our commitment to sourcing renewable energy. Our 2024/25 Scope 2 emissions were 52.85 tCO₂e using the location-based method, reflecting the regional grid mix. However, under the market-based method, emissions were 0.00 tCO₂e, due to our procurement of 100% renewable electricity through



certified green tariffs. This demonstrates our commitment to decarbonising our energy footprint.

Our updated Stock Condition Survey has provided valuable insights, enabling us to make informed and sustainable provisions within our Business Plan. With the appointment of a dedicated Sustainability Coordinator, we’ve strengthened our capacity to drive forward our environmental commitments. This year marks a pivotal step as we collect baseline data and prepare to publish our first Scope 1, 2 and 3 greenhouse gas (GHG) emissions, laying the groundwork for more targeted and impactful carbon reduction strategies.

OUR EXISTING HOMES

With the Energy Efficiency Standard for Social Housing (ESSH2) now formally paused, Hanover continues to align its energy performance goals with the emerging Scottish Housing Net-Zero Strategy (SHNZS). We remain committed to reforming our EPC targets in line with the anticipated requirements of the new standard, which is expected to introduce a Fabric Efficiency Rating (FER) and updated guidance on clean heating systems and ventilation. More detail on our performance against Scottish Housing Quality Standard (SHQS) is provided in the Social section of this report. As we move forward, Hanover will maintain its fabric first approach, focusing on improving the energy efficiency of our homes to ensure they remain warm, affordable, and sustainable for our tenants.

The table sets out our current EPC ratings, which will serve as a baseline for future improvement under the SHNZS framework.



EPC Ratings 2024/25	
% of Homes rated A	0.78%
% of Homes rated B	17.23%
% of Homes rated C	62.19%
% of Homes rated D	14.73%
% of Homes rated E or worse	5.07%
% of Homes without an EPC rating	0%
Average SAP rating of existing homes	73.38%

In 2024/25, Hanover utilised £8.3 million of capital as part of our ongoing investment programme with the aim of reducing the energy required for tenants to comfortably and affordably occupy their homes. Hanover continues to adopt a fabric first approach, prioritising improvements to the building envelope such as insulation, windows, and ventilation - before considering mechanical systems. This strategy ensures long-term energy efficiency and supports our commitment to reaching net zero by 2040.

Hanover Scotland Activities 2024/25

Component	Number of properties	Value	Benefits
Window and door replacement and refurbishments	339	£1,539,000	Investment in replacing poor performing and old windows on our developments as part of Hanover's Fabric First approach to investment in line with PAS 2035 (1). Major refurbishment was carried out at developments where full replacement was not required.
Heating replacement	36	£437,000	Replacement of heating systems.
Roof replacement and increased loft insulation	28	£1,641,000	Roof replacement and insulation replacement. Targeted in relation to fabric first approach to investment in line
Retrofit project	35	£2,100,000	Roof replacement with the inclusion of solar, CWI and new heating system on development. Delivering an EPC uplift from D to B.
TOTAL	438	£5,717,000	

1 PAS 2035 is the UK's standard for domestic energy retrofits, requiring a whole-house approach and mandatory compliance for government-funded projects. It sets clear rules for assessment, design, installation, and monitoring.

Feasibility studies have also been undertaken on poor performing stock to inform future activities to maximise energy efficiency. Our investment planning is continually refreshed through updates to our stock condition data, allowing us to target resources where they will have the greatest impact. In 2024/25, this included upgrades to properties with EPC ratings of D or below, with the goal of improving energy performance and reducing carbon emissions.

Looking ahead, Hanover plans to invest over £8m in 2025/26, continuing our commitment to sustainable retrofit and energy-efficient housing across our portfolio.

In 2024/25, Hanover joined six other Scottish Registered Social Landlords (RSLs) in a strategic partnership with Pineapple Partnerships, supported by RBS and Scottish Gas, as part of a national Discovery programme. The initiative explored how to deliver retrofit at scale and more affordably across a combined portfolio of 44,000 homes. Modelling revealed that new funding and delivery models could reduce retrofit costs by up to 68%, with Hanover's own analysis indicating potential savings of up to 79%—equating to over £54 million in capital cost reductions. A pilot business case focused on older people's housing with communal heating was identified, with Hanover positioned to benefit from 100 homes in the pilot and achieve over £1 million in capital savings.

KELVIN COURT (KIRKINTILLOCH) RETROFIT PROJECT

In 2024/25, Hanover undertook a landmark deep retrofit project at Kelvin Court, Kirkintilloch, upgrading 35 sheltered housing flats to significantly improve energy efficiency and resident wellbeing. Supported by £538k from the Scottish Government's Social Housing Net Zero Heat Fund (SHNZHF), the project included a full roof upgrade, enhancing insulation and thermal performance, the installation of external wall insulation (EWI), solar PV panels with Allume Solshare technology, battery storage, triple glazed windows, and high heat retention storage heaters.

These upgrades have elevated the EPC rating of the flats from D to B, reduced carbon emissions by over 65 tonnes annually, and are projected to cut tenant energy costs by up to 60%. The retrofit also included a refurbishment of the shared garden space, delivered through Community Benefits, featuring new seating, raised flower beds, and improved accessibility, enhancing both the environmental and social value of the development.

Kelvin Court has been widely recognised for its impact, including receiving the Large-Scale Project Award at the Scottish Energy Efficiency Awards 2025.



MITIGATING CLIMATE RISK

Hanover continues to take a proactive and strategic approach to mitigating climate-related risks, particularly those associated with flooding and adverse weather events. As part of our commitment to environmental sustainability and resilience, we have undertaken a comprehensive flood risk mapping exercise using data from the Scottish Environment Protection Agency (SEPA) and insights provided by our insurer. This has enabled us to identify properties located in high-risk zones and prioritise investment and maintenance efforts based on severity and vulnerability.

Building on the introduction of Previsico's flood and surface water alert software in 2023/24, we have now embedded this forecasting tool into our Business Continuity management and out of hours on-call arrangements. Key team members receive automated alerts when a district or asset warning is triggered at any of our developments, allowing us to act swiftly and decisively to protect residents and properties.

To further strengthen our flood resilience, we have implemented the following measures:

- **Hydrosnakes** are now available at all high-risk developments, with clear procedures in place for their deployment to mitigate water ingress.
- **Protective covers** have been procured for low-level laundry ducts and are stored on-site for rapid installation during adverse weather.
- **Flood gates** have been acquired for our highest-risk property, with local contractors committed to supporting their installation and ensuring the safety of our vulnerable client group.
- **At our Bridge of Dee development**, designated contractors in the North area are integrated into our Business Continuity Procedure and are responsible for water extraction in the event of flooding. We have recently replaced the lift at this development, and additional work was undertaken to ensure that the new lift remains in service in the event of a flood.

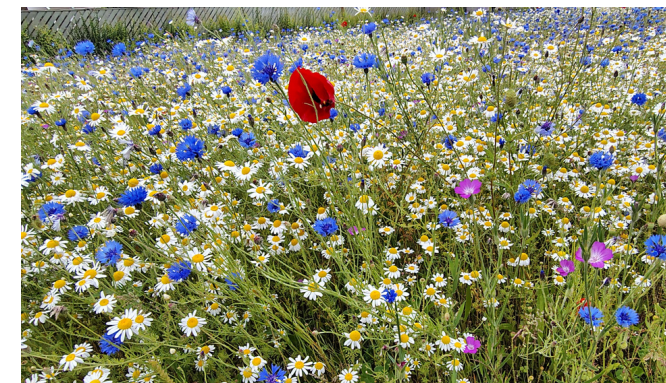


Ecology

GREEN SPACES

Hanover's housing developments continue to benefit from generous landscaped garden areas, which play a vital role in supporting resident wellbeing and fostering biodiversity. Many of our tenants actively engage with these spaces — growing vegetables, cultivating flowers, and creating habitats that attract wildlife and encourage outdoor activity.

In 2024/25, our internal sustainability group, SustainaForce, began working directly with residents to transform these gardens into vibrant biodiversity hotspots. Initiatives include the installation of bird feeders, wildflower meadows and planters, hedgehog shelters with accessible fencing routes, tree planting where feasible, and expanded vegetable gardening opportunities.



We continue to collaborate closely with local authority emergency response and flood prevention teams to support community-wide flood defence initiatives. This includes co-designed evacuation plans and coordinated responses in areas such as Aberdeen, Aberdeenshire, and Edinburgh, where flood risk is more prevalent.

Recognising that climate change also brings **increased risk from heatwaves and sustained high temperatures**, we are expanding our resilience measures beyond flood mitigation. Many of our residents are older or have health conditions that make them particularly vulnerable to heat stress.

To address this, we are:

- **Reviewing our design guide and retrofit plans** to incorporate better ventilation, solar shading, and reflective materials.
- **Updating our Business Continuity and emergency response procedures** to include heatwave alerts and resident welfare checks during prolonged hot weather.
- **Providing guidance and information to residents and employees on managing heat risks**, including hydration, cooling strategies, and recognising signs of heat-related illness.

This year also marked a significant milestone in our use of Community Benefits. For the first time, we successfully leveraged these clauses to deliver tangible improvements to our outdoor spaces. Through collaboration with our contractors, we installed:

- **Two gazebos** with concrete slabbing to ensure easy access for tenants with mobility challenges
- **Two wildflower gardens** to enhance biodiversity and visual appeal
- **Raised planters** to empower residents to participate in gardening activities comfortably and independently

As part of our large-scale retrofit project at Kelvin Court in Kirkintilloch, we also utilised Community Benefits to redesign the garden space. This included the addition of outdoor seating, vibrant flower beds, and shrubbery, creating a welcoming and accessible environment for residents to relax and connect with nature.

Following the completion in 2023 of our award-winning Passivhaus development in Drymen, Hanover carried out a Post Occupancy Evaluation to assess building performance and resident experience. The review confirmed excellent thermal efficiency and comfort, while identifying areas for improvement in heating controls, ventilation, and storage. Tenant feedback and sensor data informed practical recommendations to enhance future developments and reinforce our commitment to sustainable, user-focused design.

We continue to explore corporate social responsibility schemes with our service providers to further enhance our green spaces and promote inclusive, sustainable outdoor environments. More detail on our Community Benefits strategy is available in the Governance section of this report.

Hanover's new Design Guide is due to be published in 2025/26. The new design guide incorporates the National Planning Framework 4 (NPF4) Policy 3,

ensuring that all developments include proportionate and significant biodiversity enhancements, make use of existing natural features, and apply NatureScot's 'Developing With Nature' guidance to conserve, restore, and strengthen biodiversity and nature networks from the outset of the design process.



Resource Management

POLLUTANTS

Hanover remains committed to the safe and responsible management of pollutants across our operations. We continue to use only licensed contractors for the removal of asbestos, supported by a robust Asbestos Management Plan that ensures compliance and protects both residents and employees.

Our framework for addressing damp and mould remains strong and responsive, with further detail provided in the *Building Safety and Quality* section of this report. We take a proactive approach to identifying and resolving cases, prioritising tenant health and property integrity.

In relation to chemical handling, all relevant Hanover employees are trained in accordance with the Control of Substances Hazardous to Health (COSHH) Regulations 2002, ensuring safe practices and regulatory compliance across our sites.

Looking ahead, we remain committed to developing a comprehensive pollutant management strategy that brings together all relevant areas, creating a unified approach to environmental safety and risk mitigation.

PROCUREMENT

Hanover remains committed to embedding sustainability into every stage of our procurement process. Our strategy prioritises the use of responsibly sourced materials across all building and repair works, and we continue to track and measure progress by requesting detailed information from contractors and suppliers. This requirement is embedded within all procurement documentation and forms a key criterion in our tender evaluations.

All suppliers are required to demonstrate how their organisation supports sustainable practices within their supply chain, including:

- **A clear environmental management policy**, outlining processes and procedures to manage environmental impacts in line with legal requirements
- **A waste management strategy**, where relevant to the contract
- **Participation in joint initiatives** with Hanover and other service providers to improve environmental performance and sustainability

In 2024/25, we strengthened our approach by requiring suppliers to list the materials they intend to use and disclose their sources. This transparency allows us to assess the environmental integrity of their supply chains and make informed decisions about whether to proceed with a partnership. We have also introduced provisions to ensure that materials are reused where possible and overall resource use is minimised, reinforcing our commitment to circular economy principles.

To further support sustainable procurement, Hanover's new Design Guide, due for publication in 2025/26, includes dedicated sections on material selection and methods of construction. These guidelines ensure that all design and build decisions are aligned with our sustainability policy and net zero goals, embedding environmental responsibility from the earliest stages of development.

Through these measures, Hanover continues to drive responsible procurement practices that align with our broader sustainability goals and support long-term environmental stewardship.

WATER MANAGEMENT

Hanover continues to monitor and manage water usage across its operations with a focus on efficiency and sustainability. Water meters remain in place at our corporate offices, enabling us to track consumption and identify opportunities for reduction. At our office in Edinburgh, the installed Remote Meter Reader (RMR) ensures consistent and accurate readings, supporting our efforts to monitor trends and manage usage effectively.

While individual water meters are not present in our housing developments – and water charges are incorporated into Council Tax – we remain committed to reducing water consumption where possible. As part of our ongoing maintenance and refurbishment programmes, we continue to install water-efficient fixtures and fittings when replacing kitchens and bathrooms, helping to lower overall usage and promote environmental responsibility.

In 2024/25, water usage was formally integrated into our carbon footprint calculations as part of our baseline year of emissions data. This marks an important step in understanding the environmental impact of our water consumption. With this baseline now established, we will begin setting reduction targets and implementing measures to lower water use across our corporate operations.

Looking ahead, we are preparing to develop comprehensive water management plans in the 2025/26 financial year. This will focus on reducing corporate water consumption and will also include initiatives to encourage and support tenants in adopting water-saving behaviours within their homes.



Social

Affordability and Security

At Hanover, our mission remains to provide excellent services that meet the housing needs of Scotland's older people and support our customers to live as independently as possible. Reflecting this, 90% of our properties are designated for older people, with the remaining 10% allocated as general needs housing for families. All properties are offered at social rent, and tenants benefit from a Scottish Secure Tenancy (SST), ensuring full security of tenure.

In 2023/24, we began a programme to dispose of properties that limited our ability to meet the Scottish Housing Quality Standard (SHQS) and the new Scottish Housing Net Zero Standard (SHNZS). Building on this, in 2024/25 we initiated a collaborative project with other national social housing landlords to review our Asset Stock Profile Matrix. This work aligns with the Scottish Housing Regulator's new Integrated Asset Management Guidance and will support more strategic decision-making around stock options and long-term planning.

Units of Housing Stock – April 2024		
Existing Homes	Number	%
General needs	455	10%
Housing for older people:		
Sheltered	2675	56%
Amenity	924	20%
Very Sheltered	376	8%
Housing with care	273	6%



Our rent levels continue to be broadly comparable to sector peers. We use the SFHA's Rent Affordability Tool annually to assess affordability, and this analysis is reported to our Board and considered as part of the rent-setting process. In 2024/25, a 6.7% rent increase was applied to most properties, reflecting ongoing inflationary pressures affecting service delivery costs. This percentage increase was in line with peers.

As of 2024/25, Hanover's average rent is 60% of the median private rental sector (PRS) rent across the relevant Local Authority, and 76% of the Local Housing Allowance (LHA), maintaining our commitment to affordability.

HIGH ENERGY COSTS

As of 2025, 34% of households in Scotland are living in fuel poverty, with 19.4% in extreme fuel poverty, a rise of 3% from the previous year. The Scottish Government's target remains that no more than 5% of households should be in fuel poverty. Hanover is committed to supporting this national goal by ensuring our homes are warm, affordable, and energy efficient, while actively reducing the financial burden of energy costs on our tenants.

To mitigate the impact of high energy costs, Hanover has continued and expanded the following initiatives:

- **Hardship grants** are provided through the **Hanover Welfare Fund** to support customers with low EPC ratings, higher energy costs due to disability, or financial hardship. The fund is monitored monthly, with KPIs tracked under the Welfare Rights Plan. Welfare rights cases and Changeworks support statistics are reported regularly to ensure impact and accountability.
- We offer the **Tenant Energy Service (TES)** and **Energy Confident New Tenant (ECNT)** programme in partnership with Changeworks. These services provide tailored advice, advocacy, and practical support to help tenants manage energy use, reduce consumption, and access the most cost-effective tariffs. They are especially valuable for new tenants and those facing financial pressures due to rising energy costs.

- **Welfare and benefits guidance** shared via our website, newsletters, in-person events, and direct communications, including updates on schemes like the Warm Home Discount.
- **Use of service equalisation fund balances** to offset energy-related costs where appropriate.
- **Ongoing retrofit strategy**, including fabric-first upgrades to improve EPC ratings and reduce energy demand across our housing stock.
- **Participation in the Pineapple Partnerships Discovery programme**, exploring scalable retrofit models that could reduce capital costs by up to 79% for Hanover and deliver significant savings for tenants.
- **Completion of the Kelvin Court retrofit project**, which improved EPC ratings from D to B and is projected to reduce tenant energy costs by up to 60% annually.

Through these combined efforts, Hanover continues to place resident affordability and energy efficiency at the heart of its sustainability strategy, ensuring that our homes not only meet environmental standards but also support the financial wellbeing of those who live in them.



Building Safety and Quality

Hanover continues to prioritise the health and safety of our homes, ensuring that all customers live in environments that are safe, secure, and well-maintained. We maintain rigorous oversight of our compliance performance across the six key areas of customer safety, with regular reporting to both our Board sub-committee (Audit Performance and Risk) and the Scottish Housing Regulator (SHR). Performance data for 2024/25 is detailed in the table below, reflecting our ongoing commitment to high standards in building safety and regulatory compliance.

Customer Safety Compliance Data (% homes)	
% of homes for which all required gas safety checks have been carried out	99.6%
% of homes for which all required fire risk assessments have been carried out	100%
% of homes for which all required electrical safety checks have been carried out	99.98%
% of homes asbestos management surveys or re-inspections have been carried out where required	100%
% of homes for which all required legionella risk assessments have been carried out	100%
% of homes for which all required communal passenger lift safety checks have been carried out	100%

Note: Our Fire Risk Assessments and Asbestos Management Surveys are carried out to the common areas of our Developments, and not to all individual homes. Individual homes are only surveyed for asbestos if works are taking place, in this scenario we conduct Refurbishment/Demolition Surveys.



SCOTTISH HOUSING QUALITY STANDARD (SHQS)

Hanover remains committed to meeting the Scottish Housing Quality Standard (SHQS) across our housing portfolio. Where possible, we continue to work toward eliminating all identified fails, with a particular focus on energy efficiency, which aligns closely with our ongoing fabric-first retrofit programme. All remaining non-energy-related fails have been reviewed and are now programmed for resolution over the next financial year, ensuring a structured and accountable approach to compliance. The tables provide a breakdown of our 2024/25 SHQS performance.

Total Number of Properties	Properties Failing SHQS 2024/25	% of Properties Meeting SHQS
4475	720	83.9%

Properties failing SHQS 24/25 increased on the previous year largely due to a comprehensive review of latest SAP records to revalidate EESSH results. Communal pathways were also identified as requiring repair works and remediating actions are being progressed. Set out in the table below is a summary of the number of properties failing an individual SHQS element noting it is possible for a property to fail on more than one element.

SHQS fail reason	Number of properties	Proposed works
Damp & Mould	3	Remedial works completed.
EICR / Safe Electrical Systems	19	Programme to obtain up to date certificates / complete remedial works progressed.
Principle Roof Covering	4	Surveys to be conducted to confirm repair works required.
Individual Dwelling Balconies & Verandas	1	Survey to be conducted to confirm repair works required.
Energy Efficiency	561	Conducting feasibility assessments on properties with low energy performance to design targeted improvement packages.
Bathroom Condition	3	Surveys to be conducted to confirm repair works required.
Kitchen: Safe Working Conditions	7	Surveys to be conducted to confirm repair works required.
Kitchen: Adequate Electrical Sockets	30	Surveys to be conducted for recommendations on rewiring works and the introduction of additional sockets.
Kitchen: Adequate Food Storage	58	Surveys to be conducted to identify opportunities to improve storage space.
Safe Gas / Oil Systems	4	Re-inspected and confirmed safe. Now passing SHQS.
Safe Individual Dwelling, Common Paths, Paved Areas	63	Survey to be conducted to confirm repair works required.

DAMP AND MOULD

Hanover remains committed to ensuring all homes are safe, warm, and free from damp and mould. In 2024/25, we introduced a new Dampness and Mould Policy, supported by an updated Procedure, to strengthen our approach to prevention, management, and resolution.

The policy sets out a zero-tolerance stance on damp and mould and aims to:

- **Maintain properties to a high standard** through effective repairs
- **Protect the building fabric** from deterioration
- **Provide clear reporting routes and responsibilities**
- **Improve data, reporting, and identification of issues**
- **Offer guidance and support** to affected customers
- **Ensure compliance** with legal and regulatory standards

To deliver on these aims, Hanover has implemented:

- **Uniform procedures and service standards** across all teams
- **Targeted employee training** to build expertise
- **Resource planning** to meet seasonal demand
- **Clear communication** with customers throughout the process

In 2024/25, 242 cases of damp and mould were recorded across our portfolio, representing 5.41% of our housing stock. All cases continue to be managed in line with Scottish Housing Quality Standards (SHQS) and guidance from the Scottish Housing Regulator (SHR). This enhanced framework reflects our commitment to customer wellbeing and the long-term sustainability of our homes.



Customer Voice

Hanover continues to prioritise meaningful tenant engagement and this is set out in our Customer engagement Plan which defines how Hanover will consult, and engage with customers. This strategically links to the *Happy Customer Strategy*, which is a wide-ranging strategy encompassing the issues and preferences identified by our customers. Customers expressed a strong preference for Hanover to support their level of engagement and participation at a local level to enhance their experience of living in a Hanover development. Developments were provided with a small budget to use for social activities and building relationships with their neighbours, to be decided as a collective and supported by their Development Manager. With ongoing support and encouragement, there are now established, ongoing groups or committees in around half of our sheltered developments in addition to the activities established through the budget provision.

Interested customers also met with us to collaborate on our refreshed approach to more formal participatory activities; ensuring that we involve tenants in the decision-making that matters to them, in a way that suits. Our co-designed approach enables tenants' opinions and thoughts to be a meaningful part of our business, and the level of engagement has increased



over the last financial year. The tenants' voice has been represented in significant pieces of work, including our Design Guide, to ensure that our homes meet the needs of our customers. Tenants have also been a part of the specification for our next Open Space Maintenance contract and were able to recommend some changes that will positively impact their service charge and contribute to how we ensure value for money.

Tenants were involved in reviewing the rent consultation, and both the method and the content of the consultation has developed. We are continuing to review this to move towards an ongoing dialogue on rent-setting to encourage a wider range of tenants to become actively involved in sharing their views.

We have reviewed and changed how we conduct our Tenant Satisfaction Survey, moving away from doing this once every three years (the Scottish Housing Regulator's minimum requirement) to an ongoing 'pulse' survey to be able to respond more quickly to customer dissatisfaction and have a better understanding of current satisfaction levels. The pulse survey results from July 2025 overpage show improvements across all metrics.



We conduct annual Development Meetings, which are in-person and held by the Housing Officer, where tenants can submit agenda items. These meetings are well-attended and a key part of these are discussions on financial statements and service charges. Additionally, tenants can attend the biannual Hanover Forum to discuss Hanover business matters, for example, the Annual Report, current Housing Management issues and our spending on Repairs and Maintenance. The minute from the Forum is disseminated across Hanover using a variety of methods to ensure that the wider tenant base can see the content and actions arising from these meetings. Attendance at these meetings has steadily increased, with tenants who were previously not involved becoming regular attendees.

In 2024/25, the Scottish Public Services Ombudsman (SPSO) received 7 complaints relating to Hanover, but none were upheld or found to involve maladministration. We report quarterly on satisfaction and complaints to our Audit, Performance and Risk Committee, ensuring transparency and continuous improvement.

Satisfaction Indicator	2023	2025	Change
Overall satisfaction	76.7%	82%	+5
Being kept informed	77.7%	84.3%	+6
Opportunities to participate	51.8%	72.3%	+20
Quality of home	70.6%	85.7%	+15
Repairs service	77.6%	79.3%	+2
Management of neighbourhood	63%	83%	+20
Rent - Value for money	62%	71.3%	+9

Customer Support

Hanover continues to support customers to live independently through a wide range of services tailored to meet evolving needs. Our care and support services remain central to this offer, particularly for older tenants, enabling them to remain at home and reducing reliance on health and social care services. In 2024/25, we improved our support model to ensure all tenants benefit from accessible, person-centred assistance. Our suite of support is as follows:

- All tenants have a **dedicated Housing Officer** who provides advice and practical help
- Tenants (excluding general needs) have access to **Telecare services** for emergency support, such as falls
- Tenants (excluding general needs and amenity) benefit from **on-site employees**, ranging from Development Managers to care and support teams, with some developments offering **meals services** and **help with daily living activities**



	INDEPENDENT	General needs	Amenity	Sheltered	Very Sheltered	Housing with Care	HIGH DEPENDENCY
Repairs & Improvements	Repairs	✓	✓	✓	✓	✓	
	Secure door entry		✓	✓	✓	✓	
	Window cleaning		✓	✓	✓	✓	
	Laundry			✓	✓	✓	
Community Services	Guest rooms			✓	✓	✓	
	Communal lounges			✓	✓	✓	
	Communal garden		✓	✓	✓	✓	
	Site-based staff			✓	✓	✓	
Supported Living	Emergency alarm		✓	✓	✓	✓	
	Meal provision				✓	✓	
	24hr support				✓	✓	
	Personal care					✓	

- All tenants can access our **volunteer service**, with over **60 active volunteers** offering befriending, gardening, and social activity support helping to reduce isolation and promote independence
- We deliver **digital skills support** through partnerships with third-sector organisations, helping tenants stay connected and confident online
- Our **Welfare Rights Service** provides direct support with benefit advice, applications, and appeals, including **on-site advice surgeries** and **1:1 support**
- Tenants can apply to our **Hardship Fund**, which offers financial assistance to those in debt
- Through our partnership with **Changeworks**, tenants receive **energy advice**, including help with managing bills and accessing **debt write-off support**

Despite the growing demand and proven value of these services, funding remains at risk due to ongoing public sector pressures. Hanover continues to work with partners across Scotland to raise awareness of the cost benefits of sustaining housing support and care services, advocating for continued investment in models that keep people safe, supported, and independent.

The diagram left outlines the range of services available across our different support models.

TELECARE

Telecare remains one of Hanover's most valued services, offering tenants a vital link to emergency support when needed. In 2024/25, all tenants living in sheltered housing models continued to receive Telecare as part of their tenancy, providing reassurance and rapid response in the event of incidents such as falls, health emergencies, or safety concerns. The service plays a key role in supporting independent living, reducing reliance on emergency services, and enhancing overall wellbeing for our residents.

We introduced new Alarm Receiving Software Platform – Appello's Carenet Evo – and have been progressing with a replacement programme for the existing analogue warden call hardware systems in our homes. The new solutions provide customers with a Living Hub digital display unit through which there is video/voice calling capability to the Development Manager, video/voice remote door entry access and video/voice calling property to property within the development. Multiple calls can be placed across a development simultaneously with increased emergency call connection. Each customer will also have a pendant to press in the case of an emergency. The new telecare kit in our homes provide the foundation for the expansion of this service to embrace a more proactive and preventative approach to our service.



VOLUNTEERING SERVICE

Established in 2016, Hanover's Volunteering Service has grown into a vital part of our support offer, enriching the lives of tenants and strengthening community connections.



Our Volunteering Service provision has also increased substantially – an 80% increase from the last financial year. Volunteers fall into two categories: 1:1 befriending, or support with activities on developments.

In 2024/25, we proudly supported over 60 active volunteers who contribute across our developments in a variety of meaningful ways. Volunteers lead social activities such as bingo, coffee mornings, and digital skills sessions in communal lounges, fostering a sense of belonging and helping tenants stay engaged and connected. These activities not only build community within our developments but also strengthen ties with the wider local area.

In addition, many volunteers take on befriending roles, spending one-on-one time with tenants who may be experiencing frailty, disability, or social anxiety. This personalised support helps reduce loneliness and isolation, enabling tenants to participate more fully in their communities and maintain independence for longer.

Hanover's Volunteering Service continues to be a cornerstone of our commitment to wellbeing, inclusion, and community-led support.

WELFARE RIGHTS SERVICE

Hanover’s Welfare Rights Service, launched in 2020, continues to support customers through the cost-of-living crisis. In 2024/25, it helped secure £457,011 in benefits, grants, goods, and vouchers, up from £273,500 the previous year. The service directly supported 292 customers with applications and funding.

Financial support	Amount	Number of applications
Hanover Welfare Fund	£59,346.62	192
Disability Benefits	£81,179.20	26
Housing Benefits	£316,485.26	74

ENERGY ADVOCACY SERVICE

In October 2024, we partnered with Changeworks to deliver the Tenant Energy Service, supporting tenants impacted by rising energy costs.

The service offers three levels of support: general energy information, targeted advice through referrals, and advocacy for those with fuel debt. New tenants are also referred to the Energy Confident New Tenant (ECNT) service, which provides practical guidance via text or email on setting up energy accounts, using heating systems efficiently, and managing bills. Between October 2024 and March 2025, 64 referrals were made, resulting in financial and carbon savings of £8,621. We will continue offering this service in 2025–26.



Placemaking

As a housing provider, Hanover is committed to creating sustainable, inclusive, and resilient communities goes far beyond the provision of housing. Placemaking is central to our vision — shaping environments that not only meet the needs of older people today but also foster connection, wellbeing, and a sense of belonging for generations to come.

By prioritising accessibility, safety, and community integration, we aim to create places where residents feel at home and empowered to thrive. Our passive house model in Drymen remains a leading example of sustainable design. In Moray, our Housing with Care developments are shaped through partnerships with the Local Authority, Health & Social Care Partnership, and NHS, improving access to integrated care and healthcare services.

We recognise that the built environment can significantly influence health and quality of life. That's why Hanover developments are designed to encourage social interaction, physical activity, and access to nature. Shared gardens, communal lounges, walking routes, and activity spaces are integrated into many of our sites, creating opportunities for residents to come together, build

relationships, and combat social isolation, 41 volunteers supported social activities such as bingo, coffee mornings, and digital skills sessions, while 32 provided one-to-one befriending support. In 2024/25, we continued our remodelling programme in Giffnock, improving energy efficiency and space standards in collaboration with tenants. We also completed a 14-week lift installation in Aberdeen, using temporary measures to minimise disruption and ensure tenant wellbeing.

Our placemaking ethos also extends beyond our properties. We actively support initiatives that connect residents with the wider community — from

intergenerational programmes and local volunteering projects to partnerships with cultural, educational, and healthcare organisations.

We continue to build on insights from our commissioned research into community connections, which highlights the benefits of our placemaking model and informs the design of homes that are functional, sustainable, and deeply rooted in local communities.



Governance

Structure and Governance

Hanover Scotland is a charitable, not-for-profit organisation, registered with the Scottish Housing Regulator (SHR). We remain fully compliant with the SHR's Regulatory Framework and Standards of Governance and Financial Management.

Our Good Governance Framework includes key documents such as our Scheme of Delegation, Rules, and Committee Terms of Reference, supported by our Financial Control and Anti-Fraud Frameworks.

Our Assurance Framework, overseen by the Assurance Framework Management Team, ensures we evidence compliance with SHR requirements. We submitted our 2024/25 Annual Assurance Statement, confirming compliance, and following our April 2025 SHR assurance visit, Hanover confirmed to be compliant, with several areas of sector-leading practice noted for inclusion in the SHR's inspection report.

All Board, Committee, and Executive Team papers link directly to our Delivery Plan, relevant regulatory standards, and risk mitigation measures, ensuring alignment with our Strategic Risk Register.

ESG RISK MANAGEMENT

Hanover operates under a comprehensive Risk Management Framework (RMF), which defines how risks are identified, assessed, and managed across the organisation. Each team maintains an Operational Risk Register, developed in collaboration between the Risk Governance and Assurance Manager and relevant Heads of Service. These registers are reviewed regularly and feed into our overarching Strategic Risk Register (SRR), which aligns with our strategic goals and risk appetite.

The SRR is reviewed quarterly by the Executive Leadership Team (ELT), presented at every Audit, Performance & Risk Committee, and receives final approval annually by the Board, alongside the Annual Budget and Business Plan.

We actively manage risks across a wide range of areas, including:

- Regulatory and legislative compliance
- Adverse weather, business continuity, and pandemic preparedness
- Compliance with Scottish Tolerable Standards
- Health and safety, supported by robust training across the organisation
- Fair pay and Fair Work First compliance
- Strategic risks such as stock investment, sustainability, and employee recruitment and retention

As part of our Annual Assurance Statement to the Scottish Housing Regulator, we confirm and evidence compliance with all relevant customer safety requirements, including Gas Safety, Electrical Safety, Water Safety, Fire Safety, Asbestos, Damp & Mould, and Lift Safety.

This structured approach ensures Hanover maintains high standards of governance, accountability, and resilience across all areas of operation.

Board and Trustees

OUR BOARD & SUCCESSION PLAN

Hanover's Board is made up entirely of non-executive directors, in line with our Rules which prohibit employees from serving as Board members. As of 2025, 47% are women, 7% are from ethnic minority backgrounds, 7% are tenants, and none currently identify as having a disability. The average age is 57, with an average tenure of 4 years, and 42% of members have turned over in the last two years.

We have one Board member on our Audit, Performance & Risk (APR) Committee with recent and relevant financial experience. This individual is a chartered surveyor and banker, recently retired from a major financial institution, with expertise in finance, housing investment, and pensions. Other APR Committee members also bring financial insight from their professional backgrounds.

In 2025, the Board undertook a succession planning review to ensure the right mix of skills and experience. A recruitment exercise has been completed, with 4 members to be fully appointed at the AGM in September. Two current Board members are stepping down, with the Chair being one, and a Chair Elect confirmed to take over. A new succession planning project for the Executive Leadership Team is in development as part of our People & Engagement Strategy, led by the CEO and Head of People. This will be and later expanded to the wider management teams, in particular to address roles with single points of failure.

2024/25 was the last year of our external audit contract that has been in place with our auditors, **AAB** in place for the past five years. The process of re-tendering has recent been completed and **AAB** will again be our External Auditor from 2025/26 for the next three years with the opportunity to extend for a further two years. The Board agreed a plan in 2024-25 to commission an **independent board effectiveness review** and a procurement exercise was completed in May 2025 to secure a recognised governance expert in the RSL sector to carry this out. North Star Consulting have been appointed to carry out this review, and will consider the input from both the outgoing chair as well as the Chair Elect and current board members. A finalised report will be received in Q4 of 2025-26, with the plan to implement any recommended improvements in 2026-27.

BOARDS CONFLICTS OF INTEREST

Hanover has a robust Entitlements, Payments and Benefits Policy and Procedure covering conflicts of interest for both Board members and employees, based on the Scottish Federation of Housing Associations' model policy. Board members complete an annual Declaration of Interest, with any conflicts recorded in our DOI register. Every Board and Committee meeting includes a standing item for declarations of interest. Where potential conflicts are identified in advance, we agree with the Chair how to manage them—whether the member leaves the meeting, observes, or does not participate in the discussion. All decisions are recorded in the meeting minutes, which are formally approved and signed off by the Chair, ensuring transparency and accountability in our governance processes.



Employees and Wellbeing

PAY REPORTING

Hanover became an accredited Scottish Living Wage Employer in October 2024, reinforcing our commitment to fair pay. Our workforce is 84% female, with 70% aged 45 and over, and our CEO-to-median worker pay ratio is 5.34:1.

In 2024/25, we achieved a 0% median gender pay gap, marking a significant improvement and reflecting the impact of our updated pay frameworks.

EMPLOYEE WELLBEING

Hanover continues to prioritise employee wellbeing, with a post-Covid approach shaped by the Investors in People and Investors in Wellbeing frameworks—earning us IIP Wellbeing Gold accreditation in April 2024. Our next IIP Assessment is scheduled for Q2 of 2025-26. In 2023/24, we introduced a Health Cash Plan, counselling service, and a new

INVESTORS IN PEOPLE® We invest in wellbeing Gold

Occupational Health provider offering pre-employment checks, preventative support, and absence care. We have further developed the employee wellbeing offering by establishing and training dedicated Mental Health First Aiders, and our Wellbeing Group runs regular activities such as “Time to Talk” sessions and newsletter articles.

Employees benefit from high street discounts, including gym memberships, and have access to an EAP and 24-hour GP support. Our EDI Champions promote inclusion across the organisation, supported by our EDI Policy and commitment to Fair Work First, with recruitment focused on skills and values. Our new Performance Management Framework supports meaningful 1:1s and wellbeing-focused conversations.

In 2024, our excellent Wellbeing offering gained us a Gold Investors in Wellbeing accreditation.

EQUALITY, DIVERSITY & INCLUSION (EDI)

Hanover is committed to embedding Equality, Diversity & Inclusion (EDI) across all aspects of our organisation. Our EDI Policy guides this work, supported by an active Working Group and Champions Group that meet monthly to improve data collection and promote awareness through campaigns aligned with protected characteristics. We continue to collaborate with sector peers to share and adopt best practice.

Board recruitment is designed to attract candidates from diverse backgrounds. Our last two campaigns were supported by a recruitment agent with a brief to encourage applications from ethnic minority groups and individuals with lived experience of disability. We’ve also embedded Equality Impact Assessments into policy changes and Board and Committee papers and continue to encourage tenant representation on our Board in line with our Succession Policy.

Customer Engagement remains central to our approach. Our Customer Engagement Plan drives tenant participation and has directly shaped key strategies, including our Happy Customer Strategy. We regularly carry out satisfaction surveys, with the latest pulse survey completed in July 2025. Feedback is actively used in management and Board reporting to inform service improvements.

Median Pay Gap Comparison							
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Median Pay Gap %	25.6	15.6	15.6	15.6	15.36	7.63	0

EMPLOYEE PROFESSIONAL DEVELOPMENT

Hanover continues to invest in employee growth. 51.8% of our Care employees and 12.7% Corporate Employees hold a qualification, and all must complete regular mandatory training. We also launched the second round of our Leadership Excellence Programme to strengthen management capability.

All employees receive regular success and development reviews, supported by a six-weekly 1:1 framework. Each department has a learning needs analysis, and our training offer includes a calendar of sessions, e-learning, and targeted leadership development.

Supply Chain

SOCIAL VALUE: HANOVER'S COMMUNITY BENEFITS FRAMEWORK

Hanover Scotland is committed to maximising social value through all contracts for works, goods, and services. Our approach aims to enhance the economic, social, and environmental wellbeing of the communities we serve, with suppliers expected to support Hanover's wider regeneration objectives.

Social value is a core part of our procurement process, evaluated alongside cost and quality with a defined weighting in tender assessments. Our Community Benefits Agreement Framework, introduced in 2023/24, requires suppliers to contribute to local and national initiatives throughout the life of their contracts. These commitments are embedded in tender specifications and contract conditions, making social value a contractual obligation.

Suppliers must meet a minimum number of community benefit points, based on contract value, and can choose from a range of outcomes. Contributions may exceed expectations, and delivery is ensured through robust monitoring and contract management. In 2024/25, we used Community Benefits to directly support our tenants, as highlighted in the Ecology section of this report. With the framework now fully operational, we are beginning to measure its impact based on delivered outcomes.

PROCUREMENT

Sustainability is embedded throughout Hanover's procurement processes to ensure purchasing decisions minimise environmental impact while delivering long-term value. It is treated as a core selection criterion, alongside quality and cost, with defined weightings in tender assessments. We set clear sustainability standards for suppliers, including the use of renewable materials, waste reduction, and adherence to Fair Work First principles. Preference is given to suppliers with recognised certifications such as ISO 14001 for environmental management.

Suppliers are expected to demonstrate how they will contribute to Hanover's sustainability objectives, which may include:

- Reducing carbon emissions and supporting net zero targets
- Promoting circular economy practices
- Improving energy efficiency and reducing reliance on non-renewables
- Ethical sourcing and fair-trade labour standards
- Protecting biodiversity and natural environments

To monitor delivery, we conduct regular Supplier Assessments, including audits, certification checks, and performance reviews. We promote continuous improvement through collaboration and feedback and require transparent reporting on sustainability progress. These commitments are embedded in tender specifications and contract terms, ensuring sustainability is a contractual obligation—not an aspiration.

What's Next

We hope our 2024/25 ESG report has provided a clear and accessible view of our progress and ongoing commitment to improving environmental, social, and governance performance.

Our focus remains on delivering the targets set out in our Sustainability Plan, with several new actions identified during the development of this report now incorporated into the wider Sustainability Action Plan. Future reports will include updates on progress and impact, ensuring continued transparency and accountability as we move forward.

If you are a stakeholder and have any questions or feedback at all, please get in touch with us at **hello@hanover.scot** or contact Zoe Lindsay, Sustainability Co-ordinator on **zlindsay@hanover.scot**.

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