



BROMFORD FLAGSHIP'S SUSTAINABLE FINANCE FRAMEWORK 2025



Document title: Second Party Opinion on Bromford Flagship's Sustainable Finance Framework 2025

Prepared by: DNV Business Assurance Services UK Limited

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, 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. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

BROMFORD FLAGSHIP'S SUSTAINABLE FINANCE FRAMEWORK ASSESSMENT 2025

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

Formed in 2025 through the merger of Bromford and Flagship housing groups, Bromford Flagship (hereafter “Bromford Flagship” or “the Company”) now owns and manages over 80,000 homes across east, central, and southwest England, supporting nearly 190,000 residents. As one of the UK’s largest housing associations, Bromford Flagship aims to deliver safe, affordable homes and support diverse communities facing socio-economic challenges.

The housing group merger benefits from an enhanced financial position, unlocking approximately £1.9billion in additional investment capacity. This increased scale supports and enables more efficient capital deployment, expanded development activity, and improved service delivery across its operating regions. A fully integrated corporate strategy is in development for 2026, building on existing strategies and links, and will be structured around four core pillars: Growth, Place, Opportunity and Innovation.

To support its environmental commitments, Bromford Flagship strives to deliver new build homes with an EPC rating of B or higher, and aims for all existing homes to achieve a minimum EPC C rating by 2030. Carbon performance is tracked using intensity metrics, with Scope 1, 2, and 3 emissions monitored per square metre. Strategies to realise these goals include retrofit investments, low-carbon heating, LED upgrades, renewable energy integration, and Modern Methods of Construction (“MMC”). Fleet and office decarbonisation efforts are also ongoing, with ambitions to reach 100% electric or hybrid company cars by 2028 and expanded solar generation across office sites.

To deliver on its social commitments, Bromford Flagship is committed to addressing the UK’s affordable housing shortage by delivering over 25,000 new homes by 2040, with a strategic focus on social rent—for 50% of new homes to be for social rent from 2030’s onwards. This aligns with its leadership in social rent completions, as evidenced by the Company ranking first nationally for social rent completions in 2023/24¹. To further support on its social ambitions, Bromford Flagship looks to investing in regeneration, modernising older housing stock to meet quality standards and unlock long-term asset value, fostering community wellbeing and social resilience.

Additionally, Bromford Flagship supports community resilience through neighbourhood coaching, co-created services, and engagement with customers via its Influencer Networks. Its homelessness charity, Hopestead, offers critical early-tenancy support and stability initiatives. Additionally, over 5% of the Company’s internal workforce are apprentices, graduates, or sponsored students, with plans to launch a development academy expanding training opportunities for both colleagues and customers.

Bromford Flagship established the Framework to align its financing activities with its strategic objectives and to facilitate effective collaboration with lenders and investors in driving long-term sustainable impact. DNV Business Assurance Services UK Limited (“DNV”) has been commissioned by Bromford Flagship to provide an eligibility assessment of their Sustainable Finance Framework (the “Framework”) according to the criteria established within the ICMA Green Bond Principles 2021 (with 2022 Appendix) (“GBP”), Social Bond Principles 2023 (“SBP”) and Sustainability Bond Guidelines

¹ According to Inside Housing’s Biggest Builders survey.

2021 ("SBG"), and the LMA Green Loan Principles 2025 ("GLP") and Social Loan Principles 2025 ("SLP"). Our methodology to achieve this is described under 'Work Undertaken' below.

DNV was not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of bonds or loans issued under the Company's Framework, the value of any investments, or the long-term environmental and/or societal benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Bromford Flagship and DNV

The management of Bromford Flagship has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Bromford Flagship's management and other interested stakeholders in the Framework, as to whether the established criteria have been met based on the information provided to us. In our work, we have relied on the information and the facts presented to us by Bromford Flagship. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Bromford Flagship's management and used as a basis for this assessment, were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol which incorporates the requirements of the GBPs, SBPs, SBGs, GLPs and SLPs to create a Bromford Flagship-specific Sustainable Finance Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that the Sustainable Finance Instruments must use the funds raised to finance eligible activities, that should produce clear environmental and/or social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection. Evaluation criteria are guided by the requirements that an Issuer of a Sustainable Finance Instrument should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the Sustainable Finance Instruments should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting should be provided on the use of proceeds until all have been allocated, and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information based on the understanding that this information was provided to us by Bromford Flagship in good faith. We have not performed an audit or any other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of an Bromford Flagship-specific Protocol, adapted to the purpose of the Framework, as described above, and in [Schedules 1](#) and [2](#) of this Assessment.
- Assessment of documentary evidence provided by Bromford Flagship on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with Bromford Flagship's management, as well as a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria, as detailed in [Schedule 2](#) of this document.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's summary findings are listed below, split by type of instrument:

1. Principle One: Use of Proceeds.

Bromford Flagship intends to use an amount equivalent to the proceeds from green, social or sustainable financial instruments, such as listed bonds, private placements and term drawn loans as issued under the Framework to (re-)finance in part or in full, Eligible Green and Social Projects (the "Eligible Projects") that fall under the following Eligible Green and Social Categories, in line with the relevant GBPs, SBPs, SBGs, GLPs and SLPs guidelines:

Eligible Green Categories:

- Green Buildings
- Energy Efficiency
- Clean Transportation

Eligible Social Categories:

- Affordable Housing
- Employment generation alleviating unemployment
- Socioeconomic advancements and empowerment

Loan refinancing will be assessed on a case-by-case basis and considered eligible where the sustainability outcomes can be clearly demonstrated and aligned with the Framework; in such cases, no maximum lookback period will apply.

DNV can confirm that the target populations identified by Bromford Flagship for each of the Eligible Social Categories align with the ICMA and LMA principles.

For each Eligible Green or Social Project category, the Framework outlines the investment methodologies, such as asset values, capital expenditures (Capex), and/or operating expenditures (Opex). Bromford Flagship has also mapped each Eligible Category to the Sustainability Reporting Standard for Social Housing (SRS) criteria, specifically: T1 (Climate Change), T2 (Ecology), T3 (Resource Management), T4 (Affordability and Security), T7 (Resident Support), T8 (Placemaking), T11 (Staff Wellbeing). As well as the UN Sustainable Development Goals (UN SDGs), specifically: SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reducing Inequality within and among Countries), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 16 (Peace, Justice and Strong Institutions).

Bromford Flagship has specified suitable eligibility criteria for both Eligible Green and Social Project categories. To make the Projects' benefits quantifiable, Bromford Flagship's Framework also outlines a series of potential metrics for each Eligible Project Category. For more information, please see [Schedule 2](#).

DNV can conclude that the Green and Social Eligible Projects as described within the Framework fall into the defined categories of the GBPs, SBPs, SBGs, GLPs and SLPs and will deliver clear environmental and social benefits.

2. Process for Project Evaluation and Selection:

Accountability for the Framework lies with Bromford Flagship's Sustainability Group, which includes senior executives such as the Chief Operating Officer, Chief Finance Officer, Director of Treasury, Strategic Asset Director and Head of Sustainability. This Group is also supported by a cross-functional operational task force.

The Group convenes on a monthly basis, aiming to deliver upon its key responsibilities which include:

- Ensuring the implementation of the Framework in respect of Eligible Projects.
- The selection, reselection and approval of Eligible Projects in accordance with the Framework criteria
- Monitoring the compliance of Eligible Projects with the Framework's requirements.
- Managing any social and environmental and social risks related to Eligible Projects.
- The development of mitigation strategies, in the event that identified significant risks associated with the selected Eligible Projects materialise.

Approval for the sustainable financing raised through the Framework is based on the size of the expenditure. In ascending order, approval would be given by either Regional Development Boards, the Capital Committee at Bromford Flagship, the Executive Committee, or the Board.

In all instances, Bromford Flagship's Treasury Committee and Board will be notified of the selected Eligible Projects.

DNV concludes that the activities to be financed by future issuances will be appropriately evaluated, selected, managed, and reported on as outlined within Bromford Flagship's Framework, and that they meet the requirements under the GBPs, SBPs, SBGs, GLPs and of the SLPs.

3. Management of Proceeds:

Bromford Flagship's Treasury Team is responsible for managing the allocation of an amount equivalent to the net proceeds of Green and Social financing instruments, as well as tracking the allocation of proceeds.

To support this process, Bromford Flagship has put in place appropriate accounting and financial management systems. To support this, the internal monitoring system and related financial controls will be assessed by external auditors on an annual basis.

Eligible Projects will be selected, reselected, tracked, and monitored at least once a year by the Company. In the event that proceeds from a funding transaction remain unallocated, tracking will instead be conducted quarterly to maintain oversight.

Pending full allocation, unallocated net proceeds will be temporarily held in cash or invested in short-term liquidity instruments in line with Bromford Flagship's Treasury Management Policy. Where appropriate, unallocated proceeds may also be used for temporary repayment of debt, while ensuring sufficient liquidity is maintained to finance eligible green and social projects as opportunities arise.

In the event that a Project must be replaced, substitution will be pursued as soon as reasonably practicable by the Sustainability Group.

DNV concludes that there is a clear process in place for the management of proceeds as outlined within the Framework, and that this meets the requirements of the GBP, SBP, SBG, GLP and the SLP.

4. Reporting:

Bromford Flagship will publish an annual Allocation Report within twelve months of the end of the financial year in which proceeds from a green, social, or sustainable financing instrument are received. Reporting will continue annually until full allocation of net proceeds. The Report will include:

- Total proceeds raised;
- Total allocation by eligible project category and financial reference;
- Allocation split between green and social projects;
- Project-level financing/refinancing detail;
- Annual investment/disbursement figures; allocation split between new and existing projects; and the balance of unallocated proceeds.

For multi-tranche loan facilities, each eligible tranche will be identified and tracked.

Bromford Flagship will also publish an annual Impact Report alongside the allocation report. It will include relevant impact metrics, methodologies, assumptions, and example case studies.

Bromford Flagship has also outlined in the Framework a range of potential KPIs, as detailed in Schedules [1](#) and [2](#) of this Opinion. The most recent version of the Impact Report will be made publicly available via Bromford Flagship's website.

DNV concludes that Bromford Flagship has committed to producing appropriate and transparent reporting on the environmental and/or social impacts of future issuances within the Framework that meet the requirements of the relevant GBPs, SBPs, SBGs, GLPs and SLPs.

On the basis of the information provided by Bromford Flagship and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the GBPs, SBPs, SBGs, GLPs and SLPs.

for DNV Business Assurance Services UK Limited

London, 05 June 2025

A handwritten signature in blue ink, appearing to read "Zohrah Yaqub".

Zohrah Yaqub
Lead Verifier
DNV – Business Assurance Services

A handwritten signature in blue ink, appearing to read "George Oakman".

George Oakman
Quality Reviewer
DNV – Business Assurance Services

About DNV



Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.



With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 15,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK




Bromford Flagship has listed its Eligible Green and Social Project Categories, with descriptions of the respective activities to be (re)-financed. The Company has also mapped out the alignment to the UN SDGs that the below Eligible Green and Social Project categories will contribute towards, as indicated below:

Eligible Green Project Categories:





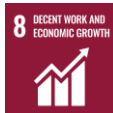




ICMA & LMA Eligible Green Project Category	Project description and eligibility criteria	SRS Criteria	Alignment with UN SDGs
Green buildings	<p>Financing the development, acquisition or construction of new green homes.</p> <p><u>Qualification:</u></p> <ul style="list-style-type: none"> Buildings with or expected to achieve an EPC rating A or B. <p><u>Financial reference:</u></p> <p>Capex and/or Opex and/or Asset Value.</p>	<p>T1 – Climate change</p> <p>T2 – Ecology</p> <p>T3 – Resource Management</p>	
Clean transport	<p>Financing the development of clean transport for Bromford Flagship's customers and colleagues.</p> <p><u>Qualification:</u></p> <ul style="list-style-type: none"> All newly acquired or leased vehicles with an emissions factor of 50gCO₂/km or less. Installation of infrastructure for charging electric vehicles at key business hubs. <p><u>Financial reference:</u></p>	<p>T1 – Climate change</p>	

	Capex and/or Opex and/or Asset Value.		
Energy efficiency	<p>Financing the renovation, retrofit, modernisation or improvement of existing buildings.</p> <p><u>Qualification:</u></p> <ul style="list-style-type: none"> Retrofitting existing homes by at least one EPC band to a minimum EPC C. <p><u>Financial reference:</u></p> <p>Capex and/or Opex and/or Asset Value.</p>	T1 – Climate change	 

Eligible Social Project Categories:

ICMA & LMA eligible social project category	Project description and eligibility criteria	SRS Criteria	Alignment with UN SDGs	Target population
Affordable housing²	<p>Financing to support the:</p> <ul style="list-style-type: none"> Development or construction of new affordable homes. [Capex] Acquisition of affordable homes. [Capex] Modernisation or renovation of affordable homes. [Capex] Refinancing of existing affordable homes. [Asset value] 	<p>T4 – Affordability and security</p> <p>T7 – Residential Support</p> <p>T8 – Placemaking</p>	  	<p>Low income or homeless households who are unable to own or rent locally on the open market, elderly persons, people with disabilities, unemployed individuals.</p>

² Based on the definitions of “low cost rental accommodation” and “low cost home ownership accommodation” in the Housing and Regeneration Act 2008.

			 	
Employment generation alleviating unemployment³	Financing to support customer focused initiatives and the delivery of programmes designed to prevent and alleviate unemployment. [Capex and/or Opex]	T8 - Placemaking	   	Underemployed, underserved, undereducated, marginalised population and vulnerable youth.
Socioeconomic Advancement and Empowerment	Financing to eliminate inequalities, further Bromford Flagship's awareness of delivering for customer / colleagues and enable digitalisation in our communities. [Opex]	T7 – Resident Support T8 – Placemaking T11 – Staff Wellbeing	  	Underemployment, underserved, undereducated, marginalised population and vulnerable youth.

³ People and education facilities for inclusive and effective learning environments.

SCHEDULE 2: BROMFORD FLAGSHIP'S SUSTAINABLE FINANCE FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	The Sustainable Finance Framework should make clear what financial instruments are to be defined as eligible for green, social and sustainable financing.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>Bromford Flagship intends to use this Framework to issue Sustainable Financing Instruments, such as green, social and sustainability-linked bonds, private placements and term drawn loans to (re)-finance in whole or part, new or existing Eligible Green and Social Projects. In instances where a term-loan is multi-tranche, Bromford Flagship will earmark which tranches will be financing Eligible Projects.</p> <p>For each Eligible Green or Social Project category the Framework also outlines how investments in each Eligible Project will be measured through asset values, capital expenditures (Capex) and/or operating expenditures (Opex) methodologies.</p> <p>Bromford Flagship intends to allocate 100% of the net proceeds raised by the Sustainable Financing Instruments to Eligible Projects within 36 months following the settlement date of the relevant Instrument.</p> <p>Loan refinancing will be evaluated individually and deemed eligible only when the sustainability outcomes of the refinanced loan are demonstratable and clear, i.e. evidencable and aligned to the green and social categories outlined in Schedule 1. If the loan aligns with the Framework and Bromford Flagship can substantiate its sustainability credentials, no maximum lookback period will be applicable.</p> <p>Loans with a longer lookback period will be assessed on an individual basis.</p> <p>DNV can confirm that the instruments outlined in the Framework align with the GBP, SBP, SBG, GLP and the SLP.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1b	Green and Social Project Categories	The cornerstone of a Green/ Social/ Sustainability Bond/ Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>Bromford Flagship confirms that the net proceeds of finance debt instruments will be used to (re-)finance in full or in part Eligible Green or Social Projects that meet the eligibility criteria of the Project categories defined in <u>Schedule 1</u> of this Opinion.</p> <p>Eligible Green Categories:</p> <ul style="list-style-type: none"> Green Buildings Energy Efficiency Clean Transportation <p>Eligible Social Categories:</p> <ul style="list-style-type: none"> Affordable Housing Employment Generation Alleviating unemployment Socioeconomic Advancements and Empowerment <p>DNV can confirm that the Eligible Green and Social Categories and Projects as stated in the Framework are consistent with the GBP, SBP, SBG, GLP and the SLP.</p> <p>DNV can also conclude that the Framework appropriately describes the proposed utilisation of proceeds. The specificities of each issuance will need to be further assessed on an individual basis.</p>
1c	Green & Social benefits	All designated Green / Social / Eligible Project categories should provide clear environmental, and/or social benefits, which - where feasible - will be quantified or assessed by the Issuer.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>Bromford Flagship has provided an indicative description of the types of Eligible Green and/or Social Projects that it intends to (re-)finance under the Framework, as well as their expected social and environmental benefits.</p> <p>To demonstrate this, the Company has aligned all Eligible Categories to the Sustainability Reporting Standard (SRS) for Social Housing , a standard designed to help the housing sector measure, report and enhance its ESG performance.</p> <p>In particular, Bromford Flagship has aligned its activities in the Framework to the following SRS themes:</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> T1: Climate Change T2: Ecology T3: Resource Management T4: Affordability and Security T7: Resident Support T8: Placemaking T11: Staff Wellbeing <p>The Company has also mapped each Eligible Category to the UN Sustainable Development Goals (UN SDGs) it advances:</p> <ul style="list-style-type: none"> SDG 1: No poverty SDG 4: Quality education SDG 7: Affordable and clean energy SDG 8: Decent work and economic growth SDG 10: Reducing inequalities SDG 11: Sustainable cities and communities SDG 12: Responsible consumption and production. SDG 13: Climate action. SDG 15: Life on land. SDG 16: Peace, justice and strong institutions. <p>To make the Projects' benefits quantifiable, Bromford Flagship's Framework outlines a series of potential ICMA/LMA aligned metrics for each Eligible Project Category, as well as additional KPIs the Company will be monitoring. These metrics are described in more detail in Schedule 1 of this Opinion.</p> <p>The evidence reviewed gives DNV the opinion that future issuances under the Framework will deliver clear environmental and social benefits, in line with the GBP, SBP, SBG, GLP and the SLP.</p>
1d	Target Population	All designated social projects should provide the social benefits outlined in 1c to specific target populations.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p>	<p>Bromford Flagship has confirmed that all expenditures from any issuance in this Framework which are dedicated to activities associated with the Eligible Social Categories as outlined in Schedule 1 will target eligible beneficiaries.</p> <p>These include underserved populations, such as low income or homeless households who are unable to own or rent locally on the open</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>market, elderly persons, people with disabilities, unemployed individuals. Eligible beneficiaries also include those who are underemployed, underserved, undereducated, marginalised and the vulnerable youth.</p> <p>DNV confirms that the target population is consistent with the those outlined in the SBPs, SBGs, and the SLPs.</p>

2. Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The Issuer of a Green / Social / Sustainable Finance Framework should outline the decision-making process it follows to determine the eligibility of projects using Bond / Loan proceeds.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>On a monthly basis, Bromford Flagship Sustainability Group convenes. This Group comprises of senior executives, including the Chief Operating Officer, Chief Finance Officer, Strategic Asset Director, and Head of Sustainability. The Group is also supported by a cross-functional operational task force across the Company.</p> <p>The Sustainability Group is responsible for the oversight of the Framework. Key responsibilities include:</p> <ul style="list-style-type: none"> Implementation of the Framework in respect of Eligible Projects. The selection, reselection and approval of Eligible Projects in accordance with the Framework criteria. Monitoring the compliance of EligiblePprojects with the Framework's requirements. Managing any environmental and social risks related to Eligible Projects. The development of mitigation strategies, in the event that identified significant risks associated with the selected Eligible Projects come to materialise.

				<p>Approval on the sustainable financing raised through the Framework is based on the size of the expenditure. In ascending order, approval would be made by either the Regional Development Boards, the Capital Committee at Bromford Flagship, the Executive Committee, or the Board. In all instances, Bromford Flagship's Treasury Committee and Board will be notified of the selected Eligible Projects,</p> <p>DNV concludes that the activities financed by future issuances will be appropriately evaluated, selected, managed, and reported in line with the GBP, SBP, SBG, GLP and the SLP.</p>
2b	Issuer's environmental, social and governance framework	In addition to the information disclosed by an Issuer on its Green / Social / Sustainability Bond / Loan process, criteria and assurances, investors may also take into consideration the quality of the Issuer's overall framework and performance regarding environmental sustainability.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <ul style="list-style-type: none"> ▪ Bromford Flagship Sustainable Finance Framework 2025. ▪ Bromford Flagship Trading update 2025 (Link). ▪ Flagship Group Sustainability report 2024 (Link). ▪ Bromford Impact report 2024 (Link). 	<p>DNV has reviewed the evidence showing that the Framework falls within the wider environmental and social approach of Bromford Flagship.</p> <p>In addition to selecting potential Eligible Green and Social Projects, the Group also aims to ensure continued compliance of Eligible Projects against the Framework, internal policies and procedures and the Company's wider Sustainability approach, whilst excluding Projects that are no longer compliant.</p> <p>The evidence reviewed gives DNV the opinion that the Eligible Green and Social Projects and Categories as outlined in the Framework are in line with Bromford Flagship's wider approach to driving environmental and social sustainability in its communities and beyond.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Sustainable Financing Instruments' issuances should be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p>	<p>Bromford Flagship's Treasury Team will be responsible for managing and tracking the allocation of Sustainable Financing Instruments' net proceeds to Eligible Green and Social Projects.</p> <p>To support the tracking process, Bromford Flagship has put in place appropriate accounting and financial management systems. To support</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		be linked to the Issuer's lending and investment operations for Eligible Green and Social Projects.	<ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>this, the internal monitoring system and related financial controls will be assessed by external auditors on an annual basis.</p> <p>Information tracked by Bromford Flagship includes:</p> <ul style="list-style-type: none"> Details of funding instrument Eligible category Eligible project Eligibility criteria Purpose Amount of allocation. <p>Eligible Projects will be selected, reselected, tracked, and monitored at least once a year by the Company. In the event that proceeds from a funding transaction remain unallocated, tracking will instead be conducted quarterly to maintain oversight.</p> <p>DNV concludes that the Company has made the appropriate plans to track the use of proceeds and can confirm that this is attested to by an appropriate and formal internal process.</p>
3b	Tracking procedure	So long as the Green / Social / Sustainability Bonds / Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green / Social / Sustainable investments or loan disbursements made during that period.	<p>In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	<p>Bromford Flagship will ensure that the total value of Eligible Projects financed under the Framework will, at all times, exceed the net proceeds raised through the associated funding instruments, until their maturity.</p> <p>In the event that a project becomes ineligible or must be replaced, Bromford Flagship's Sustainability Group intends to reallocate the funds to a new Eligible Project as soon as reasonably practicable.</p> <p>DNV concludes that there is a clear process in place for the tracking of the balance of the proceeds which accounts for disbursements.</p>
3c	Temporary holdings	Pending such investments or disbursements to Eligible Green and Social Projects, the Issuer should make known to investors the intended types of temporary	In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship.	Pending full allocation, unallocated net proceeds will be managed in accordance with Bromford Flagship's Treasury Management Policy. This includes holding funds in cash or short-term liquidity instruments.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		investment instruments for the balance of unallocated proceeds.	Evidence reviewed: <ul style="list-style-type: none"> Bromford Flagship Treasury Management Policy [Internal Only]. Bromford Flagship Sustainable Finance Framework 2025. 	Additionally, and on a temporary basis, unallocated proceeds may be used to repay existing debt, provided that Bromford Flagship maintains sufficient liquidity to ensure the timely financing of Eligible Green and Social Projects as they arise. DNV concludes that the Company has appropriately disclosed how it will manage any unallocated proceeds.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Bond, and where appropriate Loan proceeds, have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally and socially sustainable impact.	In addition to reviewing the evidence below, we have had several discussions with Bromford Flagship. Evidence reviewed: <ul style="list-style-type: none"> Bromford Flagship Sustainable Finance Framework 2025. 	Bromford Flagship intends to produce an annual Allocation Report detailing the use of proceeds from Green, Social, or Sustainable Financing Instruments. This Report will be published within twelve months following the end of the financial year in which the proceeds are received and will continue annually until full allocation of the net proceeds. Any changes to the portfolio of allocated Eligible Projects will be disclosed promptly. For loan facilities with multiple tranches, each eligible tranche will be clearly identified, and proceeds tracked and recorded accordingly. The Allocation Report will include: <ul style="list-style-type: none"> Total amount of proceeds from issuance. Total amount allocated to eligible projects – detailing the underlying category and financial reference. Split between social and green allocation. On a project-by-project basis, a breakdown of proceeds used for financing and/or refinancing. The yearly investment and/or disbursement. The amount and/or % split of allocation to new versus existing projects. The balance of unallocated proceeds.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>An initial allocation report, alongside a third-party assurance opinion on the allocation until full allocation, will be made publicly available on the Company's website. Bromford Flagship also intends to provide an annual impact report on the Company's website at all times.</p> <p>This report will also include information on Eligible Projects, their respective impact metrics, calculation methodologies, assumptions, and case studies as examples.</p> <p>Impact metrics (KPIs), split by eligible project category can be seen below:</p> <p><u>Eligible Social Categories:</u></p> <p>Affordable Housing</p> <ul style="list-style-type: none"> ▪ Number of new affordable homes acquired and delivered. ▪ Number of existing affordable homes benefiting from renovation. ▪ Number of customers positively impacted by the delivery of new homes or regeneration. ▪ Rent charged versus private sector rents and / or the local housing allowance. <p>Employment generation alleviating unemployment</p> <ul style="list-style-type: none"> ▪ Number of customers supported into employment. ▪ Number of apprenticeships offered. ▪ Colleague retention measures. <p>Socioeconomic advancements and empowerment</p> <ul style="list-style-type: none"> ▪ Colleague engagement and gender pay gap measures. ▪ Volume of customer digital transactions. ▪ Customer advocacy / satisfaction score (including Tenant Satisfaction Measure outcomes). ▪ Volume of complaints and repairs outstanding.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p><u>Eligible Green Categories:</u></p> <p>Green buildings</p> <ul style="list-style-type: none"> ▪ Number of new buildings financed achieving EPC A or B ▪ Avoided CO2 emissions (kgCO2/m2) <p>Clean transport</p> <ul style="list-style-type: none"> ▪ Number of eligible vehicles (ie. those with an emissions factor of 50gCO2/km or less) as a percentage of total fleet. ▪ Number of EV charging points installed. ▪ Installation of cycle paths and supporting infrastructure such as cycles racks / sheds. <p>Energy Efficiency</p> <ul style="list-style-type: none"> ▪ Number of new buildings financed achieving EPC A or B. ▪ Number or percentage of existing homes improved by at least one EPC band to a minimum EPC C. ▪ Annual energy savings (kWh or kWh/m2). ▪ Total CO2 emissions avoided (kgCO2/m2). <p>DNV can confirm that Bromford Flagship has committed to allocation and impact reporting on an annual basis, and that it is aligned with the guidance within the GBP, SBP, SBG, GLP and the SLP.</p>