



Square Roots Registered Provider Limited

Sustainability Report

1st January – 31st December 2024

(Prepared October 2025)



Square Roots Registered Provider Limited ("Square Roots") is a London based affordable housing provider, incorporated in 2020 as the affordable housing division of London Square Group.

During 2024, Square Roots became an adopter of the Sustainability for Housing Standard for Social Housing. The Sustainability Reporting Standard ("SRS") is an environmental, social and governance standard that is designed to help the housing sector measure, report and enhance its Environmental, Social and Governance ("ESG") performance in a transparent, consistent, and comparable way.

The first submission for the period January-December 2023, was relative to the first three months of having homes under management. There were several criteria where no comparative data was available, or where operational data did not yet exist.

During 2024, we took handover of a further 385 homes, taking the total number of homes under management to 437, across three London boroughs. All our homes are new build properties. A further 1,090 homes are either committed or under construction.

Whilst rapidly expanding our portfolio of homes under management, we have maintained high standards in energy efficiency, compliant with the latest requirements, offering safe and genuinely affordable homes for our customers. The 2024 SRS submission reflects a maturing organisation with robust systems for governance, sustainability, measurement of social value, resident engagement, and staff wellbeing.

Looking ahead to 2025 and beyond, we will work towards capturing and reporting scope 1, 2 & 3 data. Building on our strong customer satisfaction scores, we will expand opportunities for customer engagement and explore opportunities for building relationships with third parties that can offer additional support services to our customers. We conducted our first board effectiveness questionnaire in 2025.



Environmental



T1 – Climate Change

- **Energy Performance Certificate (EPC) Ratings** - 100% of new and existing homes are EPC B, indicating homes with high energy efficiency that will have lower energy bills when compared to less efficient homes with a rating of C-G.
- **Net Zero** – All Square Roots homes are built by London Square. London Square Group have a strategy that will enable delivery of net carbon zero homes by 2030 and be a net carbon zero Company by 2050 across scopes 1, 2 and 3.
- **Retrofit** – No retrofit activities are required; all homes are new and within the 2-year defect liability period
- **Scope 1, 2 & 3 emissions** – Although the London Square Group is collecting and reporting on this data, we could not separate that which specifically relates to Square Roots projects. This is a target that we are working towards for future reporting periods.
 - Square Roots as an individual entity do not meet the criteria to qualify for Streamlined Energy and Carbon reporting (SECR), which is a mandatory UK government framework for large companies to report their energy use and carbon emissions annually.

What are scope 1, 2 and 3 emissions?

Scope 1, 2 and 3 emissions are ways to categorise where our emissions are coming from. While scope 1 relates to direct emissions from sources owned or controlled by us, Scope 2 and 3 are indirect emissions that come about because of what we do and are not controlled or owned by the Company.

Scope 1 examples: Company owned vehicles and equipment

Scope 2 examples: Purchased electricity and heating

Scope 3 examples: Purchased good and services, transportation of those goods, waste generated in operations and employee commuting.

- **Climate risk** – The risks are assessed by undertaking flood risk assessments and overheating studies at build stage and are mitigated by sizing the drainage system and mechanical plant accordingly.

T2 – Ecology

- **Biodiversity Net Gain (BNG)** – is a method for development that requires developers to leave the natural habitat in a **measurably better state** than it was before the project began. Gains can be made on-site or off-site by enhancing or creating habitats. All Square Roots homes are built by London Square, who as well as having a Biodiversity Net Gain Strategy, have an ecological consultant on board throughout each project. **Our BNG target for new homes is 20%.**

The Hyde, Hendon – 319% total gain
Axion House, Lewisham – 100% total gain



- **Identification, management, and measurement of pollutants** – to target and measure performance, the following measures are in place:
 - ✓ Environmental Aspects and Evaluation Procedure
 - ✓ Environmental Aspects and Impacts Register
 - ✓ Storage of chemicals, diesels or oils must not take place within 5m of protected zones
 - ✓ Waste management plan
 - ✓ SMART Waste enables data collection and performance measurement

T3 – Resource Management

- **Responsibly sourced materials** – buyers track and report on all sustainable products used in the build to enable improvements to be targeted year on year. This currently excludes materials sourced by the supply chain. 100% of timber used by the Company is Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest (PEFC) certified sustainable, including that used by subcontractors. These certifications demonstrate that the wood used in construction come from sustainably managed forests.
- **Waste management** – during construction, sites are recording emissions, waste, water, and energy data. This enables the identification of areas for improvement. A sustainable procurement strategy is in place which sets out the approach to reducing packaging waste and increasing recycled, biodegradable, and recyclable content. A minimum of 95% of construction, demolition, piling, packaging, and groundworks waste is diverted from landfill each year.
- **Water management** – In addition to the collection of data, all homes that were handed over in the year were compliant with the Greater London Authority 2016-21 Environmental Standards, with maximum water usage designed to be less than 105L per day.



Social



T4 – Affordability and Security

- **Affordability**

| | 2023 | 2024 |
|---------------------|------|------|
| Rent vs Median PRS* | 60% | 44% |
| Rent vs LHA | 71% | 61% |

**Private rental sector*

- **Homes under management**

| | At 31/12/2023 | At 31/12/2024 |
|------------------------|---------------|---------------|
| London Affordable Rent | 11 | 44 |
| Shared Ownership | 41 | 393 |

- **Energy costs** – Square Roots are reducing the effect of high energy costs on its customers by:
 - Building all homes to meet EPC B
 - Installing the latest heat and water products at build stage
 - Carbon and water usage strategies are in place
 - Air source heat pumps and solar panels installed at all sites to date
- **Security of tenure** – Following completion of 1-year probationary tenancy, customers living in rented homes are offered a 5-year fixed tenancy that is automatically renewable where there are no breaches in conditions. Customers living in shared ownership homes have a 990-year lease.

T5 – Building Safety and Quality

- No gas on any of the Square Roots sites
- 100% compliance for fire, electrical, legionella and lift safety checks
- 100% of homes meet the national housing quality standard
- **Damp and mould** - cases reduced from 7.7% (4 cases) in 2023 to 0.46% (2 cases) in 2024. To manage and mitigate the risk of damp and mould for customers, the following measures are in place:
 - ✓ Damp, Mould, and Condensation policy
 - ✓ Root cause analysis and effective remedial solutions
 - ✓ Guidance is shared with customers
 - ✓ Well trained staff

T6 – Resident Voice

- **Tenant satisfaction** – 95% of residents are satisfied with our services, with a further tenant satisfaction survey planned for 2026.
- **Accountability** – Customer community committees are in place. Complaints procedure is accessible and transparent.
- No complaints were escalated to the Housing Ombudsman during 2024.



T7 – Resident Support

- Customers are signposted to a local authority or charity which can offer suitable services if customers require support for services outside of our landlord obligations.

T8 – Placemaking

- Projects to date have delivered 100% affordable homes
- All homes have access to private balconies or terraces, as well as shared outdoor space
- All projects are located within easy reach of public transportation
- EV charging, landscaping and play space builds a positive environment for communities
- All 52 homes at our Kingston project have an allocated parking space
- Good quality cycle storage is in place on all projects, encouraging bicycle use
- Zip car and oyster card vouchers are available at our Hendon project
- Our Lewisham project includes a community workspace which will be available for use by our customers



Governance



T9 – Structure and Governance

The Company is a wholly owned subsidiary of London Square Limited, which has 100% voting rights. Square Roots has adopted the National Housing Federation Code of Governance 2020. Square Roots has adopted its internal Governance Framework with clear delegation of authority, which is reviewed by the Board at regular intervals.

Square Roots is registered with the Regulator of Social Housing as a “for-profit” provider of affordable homes. The way in which our business is structured requires us to be a “for-profit” provider as being part of a for-profit group, rather than a “not-for-profit” provider, however there is a dividend policy in place that states that any surplus funds will be reinvested into supporting future affordable homes and will not be paid out as dividends to our shareholder.

As a small provider (less than 1,000 homes), we have not yet been issued regulatory judgements against the Economic and Consumer Standards. We have not been subject to any adverse regulatory findings.

Square Roots complies with its Risk Management Policy, which is reviewed and approved at regular intervals by the Board. The Board reviews the Risk Register at quarterly intervals as a minimum, or sooner if a risk item arises that requires board attention or breaches an acceptable risk rating. ESG-related risks are captured on the Risk Register.

T10 – Board and Trustees

The Square Roots team, including employees and Board members, although small is already one that embraces a range of diverse backgrounds. Naturally, this means that we can collaborate and consider a range of experiences and views when thinking about governance processes. Where necessary, we will appoint expert advisors to advise on specific matters. Being part of the London Square Group also gives us access to a much larger team of experts that can offer support when needed.

Our Diversity and Inclusion Policy outlines the actions that will be taken to incorporate EDI into recruitment and selection. We are committed to diversity and inclusion in recruitment by ensuring all vacancies are advertised in a non-discriminatory manner and assessed solely on merit using objective criteria. Square Roots are an equal opportunities employer.

Our customers have the opportunity to comment on company policies prior to Board approval. This is an area that we are looking to develop further in 2025.

Square Roots Board specific criteria assessment for 2024 is as follows:

| Metric | 2023 | 2024 |
|--|-------------|-------------|
| % of board that are women | 50% | 43% |
| % of board that are BAME | 0% | 14% |
| % of board that are residents | 0% | 0% |
| % of board that have a disability | 0% | 0% |
| Average age of board members (years) | 53 | 55 |
| Average board tenure (years) | 2.5 | 2.6 |
| | | |
| Board turnover (%) | 29% | 0% |
| Management turnover (%) | 0% | 0% |
| Audit committee members with recent financial experience | 0 | 2 |
| % of board that are non-executive directors | 50% | 57% |



In 2024, we welcomed two new non-executive directors. The existing chair completed their term, and was superseded by the Vice-Chair, who will be in post for the next 3 years. The composition of the Audit and Risk Committee and the Remuneration Committee was reviewed, and the new Chair of the Audit and Risk Committee offers a wealth of financial expertise.

Conflicts of interest are handled as per the Conflicts of Interest policy, which is reviewed at regular intervals by the Board.

Due to the size and age of the organisation, we have not yet conducted an independently run Board effectiveness review. However, a Board skills audit and individual Board appraisals are completed annually which help us to assess the effectiveness of the Board, the skills held and identify any training needs.

This is an area that we look to develop in 2025, with the introduction of a Board effectiveness questionnaire, led by an independent person.

Ernst & Young have been responsible for conducting the financial audit of Square Roots for the last 4 years.

T11 – Staff Wellbeing

- **Equality, Diversity, and Inclusion** ("EDI") – Square Roots are promoting Equality, Diversity, and Inclusion across its staff by:
 - All employees are paid above the Real Living Wage.
 - Completion of mandatory EDI training modules, updated annually
 - EDI action plan updated 6-monthly and discussed at Board level.
 - Age, ethnicity, gender, and disability metrics are compared to the London demographic
 - Diversity and Inclusion policy seeks to embed equal opportunities throughout the business
 - Equal opportunities employer – we believe that great things can be achieved through true diversity.

As a small company with under 250 employees, we are not required to publish gender pay gap data.

- **Physical and mental health** – Square Roots are committed to ensuring that the workforce is kept safe and free from harm at work, all day, every day. London Square, during the build, maintain a formal management system, which is assessed by external parties using an Occupational Health and Safety Management System (certified to ISO 45001). During the most recent ISO 45001 audit no H&S legal compliance breaches were raised.
- Square Roots recognises that a happy, healthy workforce is a productive workforce and is committed to providing support and wellbeing initiatives to our employees, helping them to lead healthy and balanced lives. The Group Wellbeing Strategy outlines the initiatives and support available to all employees. All employees have access to an Employee Assistance Programme All employees have access to discounted corporate gym memberships. There is also a gym at head office.



- **Professional development** - Square Roots continues to champion the development of our team running a diverse range of development programs for employees. In addition to HSE and mandatory training, the Company equip the team with a leadership 'toolkit' of skills to support their everyday roles and career development.

T12 – Supply Chain

The majority of goods and services procured relate to the construction phase of the project, which is arranged by London Square as the developer of our projects.

- **Social value creation** – Social value is embedded in supplier selection criteria. We require suppliers to contribute to local employment, training opportunities, and community investment through a detailed scope of works that forms part of their contractual obligations. Delivery of social value is monitored through contractual KPIs, regular reporting and review meetings. We track both planned and actual social value outputs and require corrective actions where commitments are not met. Performance is tracked through a social value platform that allows us to standardise outcomes.
- **Sustainability** - There is a Sustainable Procurement Strategy in place and buyers track and report on all sustainable products used in the build to enable improvements to be targeted year on year. (currently excludes materials sourced by the supply chain). 100% of timber used by the Company is FSC or PEFC certified sustainable, including that used by subcontractors. Circa 70% of the materials bought are BES 6001 and/or FSC certified.