



ESG Report

2025/26

Environmental | Social | Governance

hillcrest.org.uk



Hillcrest

Foreword

Welcome to Hillcrest's Fourth Annual ESG Report.

This year has been one of progress, transformation and renewed momentum for Hillcrest. Across Scotland, demand for affordable housing, support services and community investment continues to grow. As one of Scotland's largest Housing Associations, with more than 9,000 homes and over 1,100 employees, we recognise our responsibility not only to respond to these challenges, but to help shape long-term solutions.

The challenges facing our sector remain significant. Scotland's housing emergency continues to place pressure on housing providers, while many households are still experiencing the impact of the cost-of-living crisis. Against this backdrop, ESG provides a vital framework for creating sustainable homes, strengthening communities, supporting our people and maintaining strong governance.

Over the past year, we have delivered meaningful progress across all three ESG pillars. Through our Tenant Services teams, tenants and supported people achieved £4.6 million in financial gains, including more than £1 million through energy advice and support. Our Energy Advice Team delivered over 1,800 advice interventions and nearly 700 heating and solar demonstrations, helping households reduce costs, improve energy efficiency and build greater financial resilience.

This year also marked a major milestone in our environmental journey. Following the launch of our Net Zero and Climate Change Strategy, we strengthened our commitment to reducing emissions, improving energy efficiency and

embedding sustainability across the organisation. Solar photovoltaic installations at our headquarters and South Ward Road offices are already delivering environmental and financial benefits, while more than 95% of our homes now achieve EPC Band C or above.

Our efforts to improve the thermal efficiency of our housing stock received a significant boost through Hillcrest's first Green Loan, securing £15 million over the next five years to support decarbonisation projects and our transition to Net Zero.

Alongside these environmental improvements, we delivered 223 high-quality affordable homes across Dundee, Edinburgh, Aberdeenshire, Angus and Perthshire. These developments help meet growing housing demand while incorporating low-carbon technologies and high energy-efficiency standards. We were also pleased to welcome John Swinney, First Minister of Scotland to our Coupar Angus Road development in Dundee, highlighting the important role housing associations play in responding to Scotland's housing emergency.

Our social impact extends far beyond housing. The Beacon Community Wellbeing Centre in Arbroath celebrated its first anniversary after supporting hundreds of people experiencing mental health challenges. Hillcrest Futures continued to deliver high-quality support services, while our homelessness services in Edinburgh and Glasgow achieved 'Very Good' Care Inspectorate ratings, reflecting the dedication and professionalism of our teams and their commitment to supporting some of the most vulnerable people in our communities.

Community investment remains central to our mission. Through the Hillcrest Foundation, almost £300,000 was awarded to charities and community groups tackling poverty, inequality, social isolation and financial hardship. The Foundation's growing

impact was further recognised through a motion in the Scottish Parliament, highlighting its contribution to improving lives and strengthening communities across Scotland.

Strong governance continues to underpin our success. On 1 April 2026, Hillcrest Maintenance became part of Hillcrest Enterprises, creating a more streamlined structure that strengthens service delivery and value for customers.

We also launched our Digital, Data and Technology Strategy and our People and Organisational Development Strategy, reinforcing our commitment to investing in the systems, skills and culture needed to support innovation and continuous improvement. The appointment of John Alexander as Chief Executive marks the beginning of an exciting new chapter for the organisation.

We are delighted that this year's report has retained its 'Exemplary' grading through a rigorous and independent external assessment process. This demonstrates our ongoing commitment to ESG and how it reflects who we are as an organisation. By investing in people, protecting the environment and maintaining the highest standards of governance, we will continue to create lasting positive impact, strengthen communities and fulfil our mission of helping people live better lives.



Dave Boyle
Hillcrest Chairperson



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About us

Hillcrest was established in 1967 and is one of Scotland's largest Housing Associations, employing over 1,100 people across our areas of operation. We are a diverse and forward-thinking organisation, offering services in housing, care, support, training, maintenance, and employment opportunities.

The companies within Hillcrest provide different services to our communities. Together, Hillcrest represents one of Scotland's most significant social purpose organisations, delivering housing, care, support, maintenance and community investment services across multiple local authority areas.

Through our homes, services and charitable activity, we support thousands of people every year while investing significantly in the long-term sustainability and resilience of the communities we serve.

Hillcrest Homes

Over 8,000 homes across Dundee, Edinburgh, Angus, Perthshire, Fife, Aberdeen and Aberdeenshire.

Hillcrest Enterprises

Over 1,300 Mid-Market Rent (MMR) homes to suit a variety of household needs. In April 2026, Hillcrest Maintenance became part of Hillcrest Enterprises and there are currently over 200 staff who provide a comprehensive trades service across a variety of void, cyclical, planned and property maintenance works.

Hillcrest Futures

Provides a range of care and support services to around 5,000 people covering learning disabilities, young people, homelessness and drug and alcohol recovery.



The Hillcrest Foundation was established in 2020 and to date has distributed over £1.2M to help improve the lives of individuals and communities experiencing financial hardship or other disadvantages.

Our mission is to help people live better lives, and we have established five Key Pillars which build on our strengths and address areas for development and improvement.

Each pillar provides an overarching theme for our Objectives, which translate our mission into measurable targets and provide a foundation for reporting on our organisational progress.

Key pillars	Our objectives
Financial resilience	Implement robust financial planning to achieve short and long-term financial stability.
Growth	Enable sustainable growth across all companies.
Impact	Maximise our positive impact on communities through a partnership approach to achieve meaningful and lasting outcomes.
Service excellence	Deliver outstanding customer service and person-centred support through effective investment in our people and resources.

Sustainability	Transition to a net zero and climate resilient organisation.
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Our values are Inclusion, Respect, Excellence and Innovation, and these underpin our culture and all the work we do.

Inclusion

We listen to other points of view, learn from best practice and engage with our customers and communities, as we recognise we are stronger and can contribute more if we have shared goals and collective efforts.



Respect

We value our staff, tenants and people we support and empower them in a positive way to participate, adapt and be inspired to take ownership and make positive change.



Excellence

We are ambitious for what our organisation and customers can achieve and strive to deliver the highest quality and value possible.



Innovation

We look for new ways of solving problems, strive for continuous reflection and improvement and promote others to do the same.



Our ESG reporting approach

Our ESG report demonstrates our commitment to sustainability and is a comprehensive approach for identifying and assessing how we manage our impact on the environment (Environmental), the communities we serve (Social), and how we operate (Governance).

Sustainability Reporting Standard for Social Housing

To measure our ESG performance, we adopted the Sustainability Reporting Standard for Social Housing (SRS). Developed by Sustainability for Housing and The Good Economy, the SRS provides a wide range of quantitative and qualitative criteria across eight ESG themes which we report against on an annual basis.

This approach enables us to provide an overview of our sustainability performance over the past year and benchmark our performance against peer organisations to identify opportunities for improvement. The SRS was released in 2020, and our 2026 SRS return aligns to the newest version 2.1.

Our latest SRS performance return can be found at the end of this report.

For the past two years, our ESG reporting has been externally assessed by European consultancy Ritterwald, with last year's report achieving an Exemplary grading. We are delighted to have retained the Exemplary status on this year's report, and the full details of the assessment can be found on page 38.

We are proud to be recognised as one of Scotland's ESG frontrunners, reflecting our sector-leading approach and commitment to responsible, sustainable business practices.

United Nations Sustainable Development Goals

Our ESG activity continues to be guided by the United Nations Sustainable Development Goals (SDGs) a set of seventeen goals aimed at driving change at government, business, and societal level to end poverty, fight inequality and protect the planet. Our work here at Hillcrest has a direct impact and contribution to achieving many of these goals and through use of icons we have linked our ESG progress in this report to the relevant SDGs.

SUSTAINABLE DEVELOPMENT GOALS



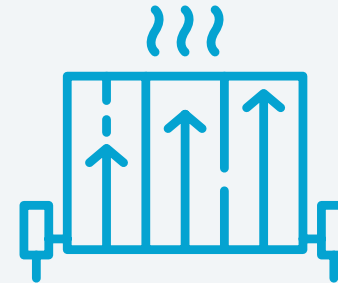
Our 2025/26 ESG at a glance



223

**energy efficient
new homes built**

Down from 298



57

**quantum heater
upgrades**

Up from 28

53.9%

**rent compared
to private sector**

Down from 56.9%



£4.6M

**financial gains achieved
by Tenant Services**

Down from £4.7M



£293,304

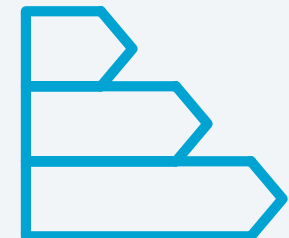
**funding awarded by
Hillcrest Foundation**

Up from £225,348

95.3%

**homes at EPC
Band C or above**

Up from 94.1%



Environmental

Climate

Our Journey Towards Net Zero

Scotland's climate is changing faster than predicted, and the country is already experiencing the significant effects of this, from extreme weather to biodiversity loss. As a major provider of social housing and care services, Hillcrest is committed to supporting Scotland's transition to a low carbon future, as we recognise that the homes we build, the services we deliver and the way we operate all contribute to Scotland's carbon footprint.

In November 2025, we published our Net Zero and Climate Change Strategy 2025-30, which will support national goals for emissions reduction, nature restoration and sustainable transport. The Strategy is guided by the principle of a Just Transition, ensuring the shift to Net Zero is fair and inclusive for everyone.

UN SDG:



The Strategy, which was publicly endorsed last December by John Swinney, First Minister of Scotland, outlines clear actions to cut energy use, embrace renewable technologies, and promote greener practices across our homes, offices and communities.

Key actions include:

- > Upgrading existing homes to meet modern energy efficiency standards.
- > Designing new homes with a 'Fabric First' approach, prioritising insulation and energy performance.
- > Exploring low-carbon heating alternatives to reduce reliance on fossil fuels.

Our goal is to become a Net Zero organisation by 2045 at the latest. To support this, we will make these changes by 2030.



We will develop a retrofit standard that prioritises tenants' needs and meets Scottish Government efficiency standards.



We will switch our utilities to green energy tariffs.



All our new-build developments will be nature positive.



All staff will have access to sustainability training.



We will set targets for emissions reduction on our highest emitting contracts.



All our non-domestic buildings will have an EPC Improvement Plan.



We will create a fleet decarbonisation roadmap.



We will develop a Sustainability Impact Assessment process to be completed alongside all major decisions.

Hillcrest Pathway to Net Zero 2045

Now Planning

- > New Hillcrest Net Zero and Climate Change Strategy 2025-30 and 5-year Action Plan.
- > ESG Framework and annual Sustainability Reporting Standard data return.
- > First major retrofit projects.
- > Scope 1 and 2 carbon emissions calculated.
- > Tackling Poverty Together Strategy and Property Strategy to support tenants in fuel poverty.

By 2030 Transformation

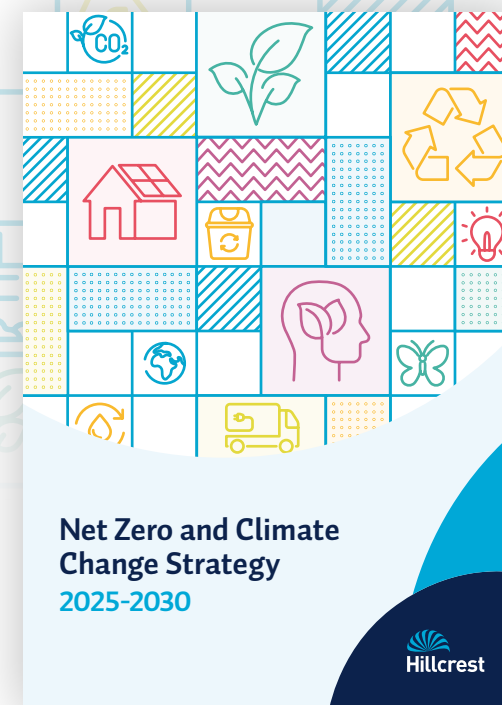
- > Retrofit plan is complete and delivery is underway.
- > Electric vehicle chargers much more widely available across our estates.
- > Complete carbon emissions picture established, and initial reductions targets met.
- > Extreme weather events mitigated for.
- > Certified Sustainability Housing Label achieved.

2030

By 2045 Full Delivery

- > Carbon emissions reduced to 10% of 2024 baseline.
- > Remaining carbon emissions offset.
- > All buildings meet net zero energy efficiency requirements.
- > Assets and operations are nature positive and resilient to extreme weather events.

2045



Embedding Sustainable Activity Across Hillcrest

Following the launch of our Net Zero and Climate Change Strategy, we are working towards embedding sustainability in everything we do as a priority across the organisation. The Strategy is an organisation-wide initiative, and will be translated into practical activity across Homes, Futures and Enterprises.

We have also published a dedicated section on our external website to showcase our sustainability efforts, alongside a SharePoint site for staff that provides detailed information on the activities supporting the delivery of our sustainability and net zero targets, and how they can get involved. Our Strategy and journey to net zero have been visualised in this [short video](#).

Reducing our Carbon Emissions

By measuring our carbon emissions, we can identify the main sources of our environmental impact and take appropriate steps to reduce our carbon footprint.

Our carbon footprint has been calculated for 2025/26, with priority on Scope 1 and 2 emissions as these are directly under our control. At present, our Scope 3 emissions reporting accounts for water supply and treatment, business travel, electricity sales from electric vehicle (EV) chargers, and Well-to-Tank and Transport & Distribution additions.

Calculating our carbon emissions helps us refine our data, identify pinch points and plan strategically for reduction in line with our targets.

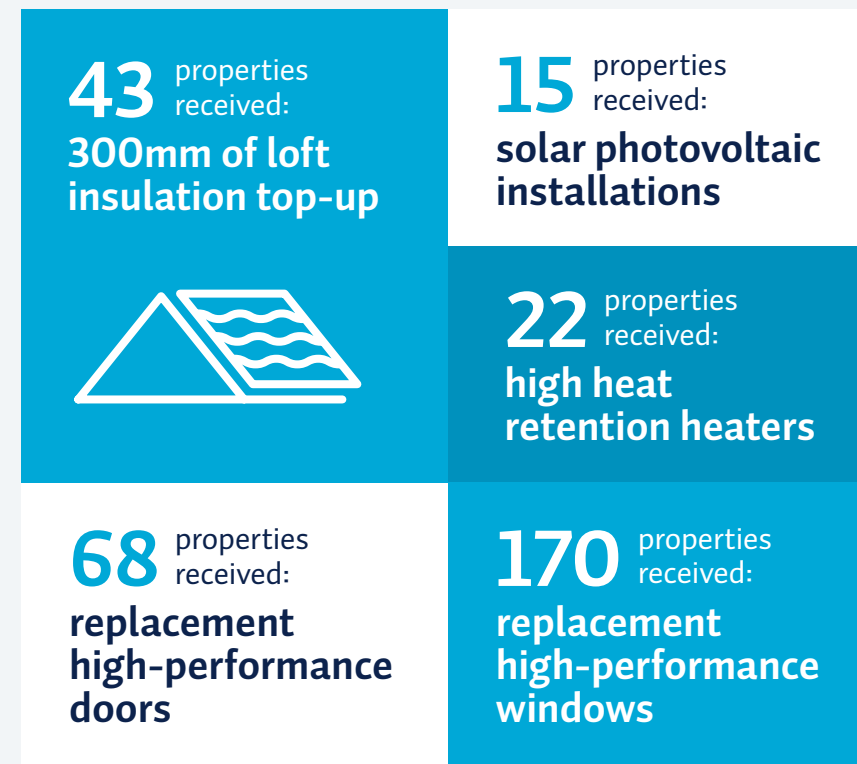


Property EPC Ratings

Band	Existing Homes	New Homes*	Overall
A	0.8%	3.2%	0.9%
B	41.3%	89.6%	42.6%
C	53.0%	7.3%	51.8%
D	4.8%	0.0%	4.6%
E or worse	0.1%	0.0%	0.1%

* Within 2025/26 reporting period. Includes new builds, redevelopments and acquisitions

Property Retrofit Highlights



Over the past 12 months, our trades teams have achieved full accreditation to install and maintain solar PV systems and battery storage technology. They are now working towards the same for air source heat pumps, strengthening our ability to deliver low-carbon improvements using our own skilled workforce. Our trades teams have also successfully completed the specialist training and competency assessments required to replace more than 350 heat meters across our Edinburgh sites, allowing many issues to be diagnosed and resolved during the first visit.

By bringing these services in-house, we are creating a more responsive, reliable and tenant-focused service. Reducing our reliance on external contractors delivers better value for money, helping us reinvest savings into improving homes and services for our customers.

Cairnie Retrofit

Last year, 22 homes at our Cairnie estate in Arbroath underwent full energy-efficiency retrofits. Since the work was completed, the Hillcrest Energy Advice Team (HEAT) has spoken with tenants who shared positive feedback about the difference the improvements have made, particularly in reducing their energy costs.

Each property was upgraded with external wall insulation, an air source heat pump, triple-glazed windows, new Nordan doors, environmental sensors and solar PV panels. The improvements have enhanced the energy performance of the homes, helping residents stay warmer while reducing their reliance on traditional energy sources.

In several properties, the solar PV systems are generating more electricity than is required for heating, allowing tenants to power household appliances using stored energy from their solar battery systems. This has resulted in substantial savings on energy bills.

Data collected from the retrofitted homes shows:



An average reduction in energy costs of around **£60 per month**

These results demonstrate the real and lasting benefits that energy-efficiency improvements can deliver for our tenants.

What our Cairnie residents say:

“The continuous hot water is amazing – when it was heated by gas it used to shut off frequently.”

“I’m really pleased because it shows that Hillcrest have made the effort to make improvements and my quality of life is so much better.”

“It’s been really good and we would recommend Hillcrest to a lot of people.”

“Hillcrest’s customer service has been very good!”

“My energy bills are two-thirds less than they used to be.”





£193,000 was invested across both installations, including £118,000 of funding through the Scottish Government Community and Renewable Energy Scheme (CARES) grant.

- > Explorer Road now has a 133kW solar array meeting on-site demand and exporting excess energy to the grid. It is expected to save £21k a year, pay back in just over three years, and cut 26 tonnes of CO₂ annually.
- > South Ward Road has a new 24kW array, expected to meet building demand and save 4.6 tonnes of CO₂ per year.

By creating a more comprehensive view of our housing stock, it enables more accurate assessment of retrofit options, the carbon benefits of different measures and more informed long-term investment planning.

Nature

Scotland is facing a dual climate and ecological emergency, with over half of the UK's wildlife species in decline due to habitat loss, urbanisation, and climate change.

In response, the Scottish Government has set out to become Nature Positive by 2030, halting and reversing nature loss, and to restore biodiversity across the country by 2045.

We recognise the vital role that greenspaces and biodiversity play in supporting our wellbeing and delivering on our environmental commitments.

UN SDG:



Enhancing Greenspaces and Supporting Biodiversity

We are committed to enhancing greenspaces and supporting biodiversity across the communities we serve, as part of our wider sustainability, placemaking, and wellbeing work.

A key strength of our approach is community-led greenspace improvement. Through our therapeutic gardening service, tenants and people we support are helped to develop and improve shared outdoor areas, with practical advice, planning support, starter resources, and ongoing guidance. These initiatives encourage planting that boosts biodiversity, supports pollinators, and creates more attractive, functional spaces.

By placing residents at the centre of this work, we promote ownership, pride, and stewardship of local environments.

This delivers wider benefits, including improved wellbeing, stronger community connections, and increased use of outdoor spaces.

Our approach is reinforced by the Hillcrest Foundation and other community initiatives, which, while not solely biodiversity-focused, help create greener, healthier places where nature can thrive.

We also support biodiversity indirectly through sustainable housing development and asset management. Our use of "Fabric First" design, site regeneration, and large-scale retrofit programmes reduces environmental impact and creates opportunities for greener neighbourhoods.



No Mow May

Each year, Hillcrest proudly supports Plantlife's No Mow May national campaign.

By allowing lawns across our office greenspaces to grow naturally, we help support biodiversity by giving grasses and wildflowers the opportunity to flourish, providing vital nectar and pollen for early-season pollinators such as bees, butterflies and other insects.

This year selected grassed areas at our headquarters on Explorer Road, office at Tom Johnston Road, and the Upper Dens residential location in Dundee were left unmown throughout the campaign. As well as creating valuable

habitats for wildlife, this approach helped reduce carbon emissions by cutting back on mowing activity, fuel consumption and vehicle journeys during the growing season.

The initiative also contributed to lower maintenance costs and reduced wear on machinery, while creating greener, more natural environments that can enhance health and wellbeing for staff, customers and visitors alike.

Although simple, these changes make a meaningful contribution to Hillcrest's wider environmental and sustainability objectives. Building on the success of this year's campaign, we look forward to expanding the initiative to additional locations in the future.



Scottish Climate Week Campaign

In September 2025, we participated in Scotland's Climate Week, running a series of activities aimed at promoting sustainability and reducing carbon emissions. A series of themed communications and engagement activities were delivered to raise awareness of climate change, sustainability, and the actions individuals can take to reduce their environmental impact. Daily communications focused on key sustainability topics and promoted practical climate-positive behaviours.

To encourage sustainable travel, our HQ office hosted a Dr Bike event in partnership with Dundee Cycle Hub, offering free bike maintenance checks to staff, tenants, and the wider community. A Sustainable Travel Story Competition also ran throughout the week, encouraging staff to walk, cycle, use public transport, or car-share and share their experiences for the chance to win Scotland Loves Local Gift Cards.

These activities helped increase engagement with sustainability, promote active travel, and reinforce Hillcrest's commitment to our Net Zero and Climate Change objectives.

Resource Management

Waste Management - Recycling

We continually look for ways to recycle unusable items. We have established strong, transparent partnerships with our waste carriers, supported by effective communication. Many of our partners provide regular data, while others offer access to online portals.

These systems allow us to track waste movements in real time, review disposal routes, and understand how each waste stream is processed. This visibility improves accountability, ensures compliance with environmental and regulatory standards, and helps us identify trends, increase recycling and recovery rates, and make informed decisions to enhance overall waste performance and sustainability.

The following case study demonstrates how items from a former office building were recycled and given a new lease of life, preventing them from ending up in landfill.

UN SDG:



Case Study

Waste Management

When one of our former office buildings was vacated, numerous items were destined for disposal. To prevent waste and make a positive impact, an online and email campaign to connect with local charities and community groups was launched, which received an overwhelming response.

Our fundraising and development teams set up onsite to coordinate the distribution of furniture, equipment and other items to those who needed them. The value of goods redistributed free of charge equated to approximately £20,000, representing a significant saving for local organisations.

By rehoming these items instead of sending them for traditional disposal methods such as landfill, recycling or incineration, we estimate a carbon saving of around 4 tonnes CO₂ equivalent.

This initiative highlights our commitment to sustainability and community support, ensuring that resources are reused and local groups benefit.



Supporting Heritage Preservation Through Sustainable Regeneration

We are proud to have contributed to a unique conservation project linking two significant elements of Dundee's industrial and maritime heritage.

As part of our Burnside regeneration project, historic timber beams salvaged from the former jute mill have been repurposed to support the restoration of Captain Scott's RRS Discovery.

Working collaboratively with partners including Dundee Historic Environment Trust, Dundee Heritage Trust and specialist contractors, 142-year-old North American pitch pine was carefully recovered and transported for reuse. The timber, valued for its durability and rarity, will be used in the ship's ongoing restoration, including repairs to its outer structure.

This initiative demonstrates our commitment to sustainable resource use, heritage conservation, and collaborative working, ensuring materials from one historic landmark continue to provide value in preserving another. It also highlights how regeneration projects can deliver environmental and cultural benefits, supporting both circular economy principles and the safeguarding of local heritage.



Social

Affordability and Security

Delivering Quality Homes

We are a proud developer of high quality affordable and sustainable homes that meet the ever-evolving needs of our tenants and people we support.

In 2025/26, £33.9M was invested in housing development, delivering 195 homes for social rent and 28 for mid-market rent. £19.1M was received from Government grants.

97.6% of our homes meet the Scottish Housing Quality Standard. For the small number of homes that fall short, we are actively engaging with tenants to address the barriers and reduce the number of non-compliant properties.

New Housing Highlights

223

New homes across 10 new developments in Dundee, Edinburgh, Aberdeenshire, Perthshire and Angus

195

homes for social rent

+ 28

for mid-market rent

Affordable New Developments

Our design brief for new developments sets clear targets for improving sustainability through a fabric-first approach, prioritising high levels of insulation and building performance to reduce energy demand.

This is supported by the specification of low-carbon technologies, with gas removed entirely from new developments and a strong emphasis on Air Source Heat Pumps (ASHPs) and Exhaust Air Heat Pumps.

To further enhance performance, our new homes are increasingly designed with Mechanical Ventilation with Heat Recovery (MVHR) systems to improve indoor air quality and reduce heating requirements.

Our developments also incorporate renewable technologies such as solar PV panels, where possible paired with battery storage, alongside electric vehicle charging infrastructure. Sustainable development is also supported through the inclusion of Sustainable Drainage Systems (SuDS), where required, to mitigate climate-related risks such as surface water flooding.

While the 223 homes completed during the year represent an important contribution to addressing housing need across Scotland, they form part of a broader programme of investment, development and regeneration activity across the communities we serve. Through continued investment in new affordable housing and existing communities, Hillcrest is helping to address housing need, support local economic activity and create sustainable, energy-efficient places for people to live.

The developments highlighted overleaf provide examples of how that investment is being delivered in practice.



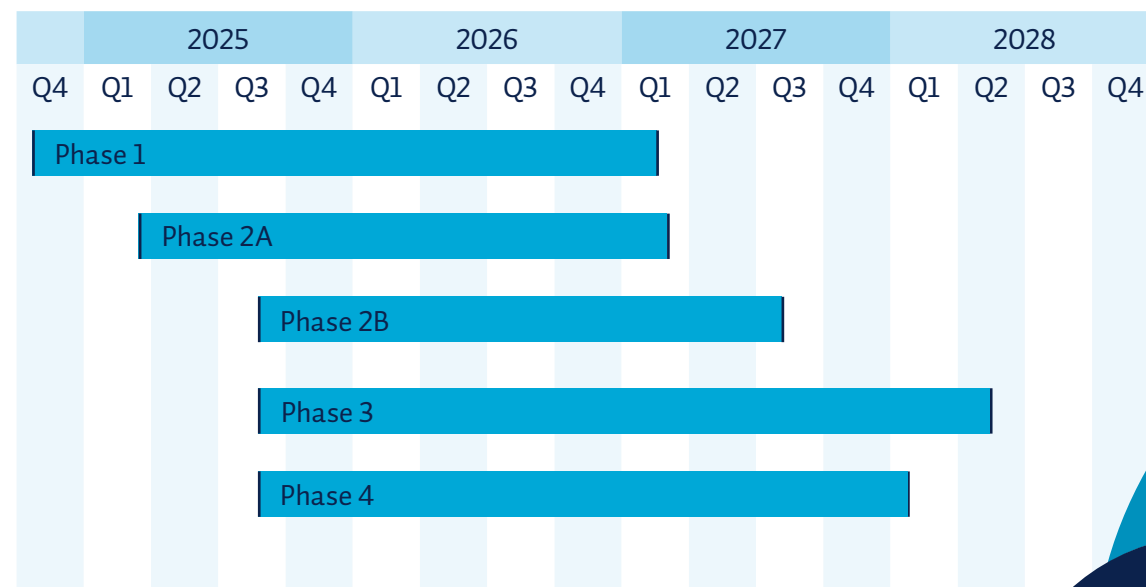
Newcraighall, Edinburgh

Newcraighall is a brownfield site which consists of 163 new build homes, comprising four-bedroom houses, two-bedroom colony flats, and apartment blocks which include one-, two-, and three-bedroom properties. The development will bring a large number of much needed family homes to the south-east of Edinburgh, providing modern homes that are equipped with Solar PV, Air Source Heat Pumps for the houses and colony flats, and Exhaust Air Source Heat Pumps for the flats. There are also communal chargers for residents with electric vehicles. The development will include a network of active travel paths, and a new playpark.

Newcraighall was once the site of a former coal mine, whose operations began winding down in the 1960s and ceased entirely

by 1980. The land had remained vacant ever since, regularly flooding during periods of rain fall, and being overgrown with harmful flora such as Giant Hogweed. To combat these issues, the site has undergone intensive remediation works to prepare it for the new homes. The old mine works were filled in, any harmful flora was cleared from the site, piling has been used for the blocks of flats, and a large SuDS is being installed to store excessive rainfall and provide efficient drainage for the site.

All these remediation works have turned the uninhabited Newcraighall land into an ideal area for the new communities that will move in and revitalise the area that had been left abandoned since the mine works ceased.



Sunnyside Phase 1B, Hillside, Montrose

Sunnyside Phase 1B forms part of the wider regeneration of the former Sunnyside Hospital estate in Montrose, combining the refurbishment of a historic hospital building with new-build affordable housing.

The development will deliver 70 homes, including a mix of one-, two-, three- and four-bedroom properties, helping to meet a range of local housing needs while bringing a significant heritage asset back into use.

Designed with sustainability at its core, the development is expected to achieve a Bronze Sustainability Rating with Silver Level Aspect 2 and EPC Band B ratings, supporting lower energy consumption and reduced fuel costs for residents. Sustainability features include solar PV panels, energy-efficient heating systems, cycle storage, and infrastructure for future electric vehicle charging points. The project also retains and enhances the site's woodland setting, including a woodland walk that promotes biodiversity, outdoor recreation and resident wellbeing.

The development demonstrates Hillcrest's commitment to sustainable regeneration through the reuse of a brownfield site, sensitive refurbishment of existing buildings, support for sustainable travel, and local economic benefits.

As part of the wider estate regeneration, the developer is also working with a local community organisation to explore opportunities for a shared community facility, helping to support the long-term social sustainability of the development and wider Hillside community.

Handover 1
8th April 2026



28
new build flats

Final handover
Anticipated November 2026



70
Total homes





Hillbank Road, Dundee

Hillbank Road is a regeneration project in Dundee that transformed former Hillcrest Futures accommodation into two new wheelchair-accessible social rent homes: a one-bedroom flat and a three-bedroom flat. By refurbishing and remodelling an existing building rather than constructing new homes, the project has brought underutilised accommodation back into productive use while helping to meet local demand for accessible housing.

The homes have been fitted with air source heat pumps, solar PV panels, battery storage systems and new heating systems, improving energy efficiency and supporting lower-carbon living. The project demonstrates how the refurbishment of existing housing stock can deliver modern, sustainable homes while maximising the use of existing resources and infrastructure.

Hillbank Road also marked the first development delivered with Hillcrest Enterprises acting as principal contractor, creating opportunities for staff development and cross-team collaboration. The successful in-house installation of renewable energy technologies has helped build valuable expertise for future projects, delivering lasting social, environmental and organisational benefits.



Scotland's First Minister Visits Hillcrest's Coupar Angus Road Development

In December 2025, John Swinney, First Minister of Scotland, visited our newly completed development on the site of the former Park Hotel in Dundee, where 18 new affordable homes have been delivered to help meet local housing needs.

With the Scottish Government's Housing to 2040 objective aiming to deliver a considerable boost of affordable homes across Scotland, the First Minister was shown round, hearing about the various energy efficient technologies included to reduce bills for tenants.

The Coupar Angus Road development forms part of Hillcrest Homes' ongoing commitment to tackling housing shortages and creating vibrant communities across Dundee and beyond.

Building Safety and Quality

The safety and security of our tenants and the people we support is paramount, and we ensure that our portfolio of homes and buildings meet the compliance and safety requirements.

A very small number of homes do not currently meet the Scottish Housing Quality Standard. This is due to:

- > Some properties within traditional tenement buildings having smaller scullery-style kitchens that do not meet the space standard. This will require a longer-term strategic approach, and we expect to resolve these issues by 2030.
- > Owner refusal to permit door entry system upgrades. We are actively engaging with owners to address these barriers and reduce the number of non-compliant properties.
- > Some properties not meeting energy standards due to tenants not providing access. Energy standard issues will be addressed when properties become void.

100% relevant premises are fire risk assessed (FRA)

We carry out FRAs in relevant premises including care facilities, supported accommodation, high-rise buildings or where there is a requirement to upgrade a fire alarm. We conduct these FRA's on an annual basis and 100% were completed in 2025/2026.

100%

of relevant homes have undergone gas safety checks

100% of required gas services were conducted during 2025/26, however two properties had their gas safety checks completed after their individual anniversary dates.

99.9%

of relevant homes have had electrical safety checks conducted

99.9% of properties were compliant with Electrical Installation Condition Report (EICR) legislative requirements. 4 are outstanding due to access issues.

92.6%

of relevant homes have had asbestos management surveys or re-inspections

12 are outstanding due to access issues and will be completed in 2026/27.

98.1%

of relevant homes have had legionella risk assessments

2 are outstanding and will be completed in 2026/27. A dedicated plumbing resource has now been established to support full compliance during 2026/27.

100%

of relevant sites have had communal passenger lift safety checks



Medical Adaptations

During 2025/26, we completed 248 medical adaptations across 210 households, investing £477k to help residents live safely, independently and with greater dignity in their own homes. Most works included level-access showers, specialist WCs, grab rails, handrails and banisters, as well as stairlifts, tracking hoists, door entry systems and kitchen adaptations.

We have secured a similar level of Scottish Government funding for 2026/27 and are establishing a dedicated adaptations team. This team will further improve service delivery, reduce waiting times and help more residents remain independent in their homes, minimising the need for more intensive health and social care interventions.

UN SDG:



Residents and Community

Tenant Participation and Satisfaction

Our Tenant Participation Strategy ensures tenants have a voice in shaping the housing services, policies, and conditions that affect them. This inclusive approach strengthens community ties and supports equitable service delivery.

We conduct annual Tenant Satisfaction Surveys and Rent Consultations, with outcomes reviewed by senior management and the board. Where feedback indicates the need for improvement, action plans are developed and progress is monitored to ensure accountability.

Last year, our overall satisfaction rate was

89.2%

up from 88.7% in 2024/25



To support ongoing engagement, we use digital tools to survey tenants and maintain a Feedback Forum, now comprising 1,165 members. Recent consultations have focused on tackling poverty, equality, diversity & inclusion and the contractor code of conduct. A digital feedback tool is also used for ongoing transactional surveys, including repairs and complaints satisfaction.

Annual tenant events further promote inclusion and wellbeing. Our most recent event at Weavers Yard, Dundee followed an estate consultation that resulted in a bespoke mural being painted by a local artist. The event featured contributions from our Therapeutic Gardener, Energy Advice Team, and Financial Wellbeing Team, encouraging community use of shared spaces and improving social cohesion.

Additionally, we aim to complete one in-depth Scrutiny Project annually. Our last project focused on damp and mould and gathered insights through online surveys, and opportunities for calls to be listened to on the handling of damp and mould enquiries. Planning is now underway for the next topic of focus.

UN SDG:



Responding to Complaints

We are continually looking for ways to improve the quality of our complaint handling and following the launch of an eLearning training course for staff, we are pleased that 89.8% of customer facing staff have completed this training. The course provides an understanding of how to handle complaints effectively, and shares tools and techniques to support staff whilst dealing with challenging situations.

We also issue customer satisfaction surveys which help us analyse how well we handle complaints, and act on any areas for concern. Over the past 12 months, we have identified key areas for improvement through our analysis of complaints received and feedback gathered from our customer complaint satisfaction surveys.

As a result, we have implemented several changes, including updates to customer information on our website and the development of guidance to support both staff and tenants. We continue to review complaints and customer feedback to guide our improvement work and help us increase overall customer satisfaction. Our Annual Complaints Report 2025/26 is available on our website.

Stage 1

91%

 responded to within target timeframes

Average response time of 2.8 working days

Stage 2

100%

 responded to within target timeframes

Average response time of 16 working days

Supporting Our Tenants Through the Cost-of-Living Crisis

We know our tenants are feeling the pressure of rising costs, and we are committed to helping people maximise their income, reduce energy bills and get the right support whenever they need it.

Our Tackling Poverty Together strategy, launched in 2022, ensures our tenants have access to the support they really need. Our Hillcrest Tenant Services specialists, including our Financial Wellbeing, Income Management, Social Wellbeing and Energy Advice teams, offer a wide range of comprehensive support - helping tenants manage their finances, reduce energy bills, and access tailored guidance for mental health and addiction challenges.

The Hillcrest Energy Advice Team (HEAT), offer a range of services designed to help our tenants lower their energy bills and deal with energy debt.

Our Financial Wellbeing Team (FWT) helps tenants access free or low-cost food provision, white goods and furniture support, discretionary funds and charitable grants while also carrying out benefit entitlement checks and assisting with benefit applications to maximise household income. This holistic approach reduces financial hardship, improves wellbeing, and helps prevent or reduce rent arrears by ensuring tenants receive all the support to which they are entitled.



In 2025/26, HEAT gave energy advice to 1,828 tenants and heating/solar demonstrations to 697 tenants, achieving £1.1M of financial gains including:

Savings through energy advice

£643.6K

Savings through heating system demonstrations

£167.1K

Energy top ups

£143.3K

Fuel debt write off

£22.8K



In 2025/2026 the FWT achieved £3.0M of financial gains for our tenants, including supporting tenants to:

Access benefits to which they are entitled

£2.4K

Savings through heating system demonstrations

£345.1K

Energy top ups

£129K

FWT also provided food parcels to

122 families in crisis

Tenant Services

Our Tenant Services Teams use a collaborative, multidisciplinary approach to deliver positive outcomes for tenants.

One recent case involved a 17-year-old tenant with multiple health conditions who had moved into their first tenancy from temporary accommodation. Lacking essential household items, struggling with energy account issues, and unaware of both the benefits and support available to them and their responsibilities as a tenant, they were becoming increasingly frustrated and considering giving up their tenancy.

Our Financial Wellbeing, Energy Advice and Social Wellbeing Teams quickly coordinated support. Initial interventions secured a community care grant, essential household items and assistance with energy supply issues. As engagement continued, further challenges emerged, including financial hardship, food insecurity and mental health concerns.

The household's financial situation improved by £20,000 over the course of the year following a comprehensive benefits review. This included successful applications for Universal Credit, Council Tax Disregard, Discretionary Housing Payment, Community Care Grant, Starter pack, Food parcel and Hardship Food Vouchers.

Staff also worked with the energy supplier to establish an account and energy debt write off, alongside coordinated input from health and social care services. As a result, the tenant has successfully sustained their tenancy, is financially more secure, has their benefits in place, and is managing their energy costs.



Tenant Services – Financial Gains - Outcomes 2025/26

Team	Financial gains achieved for tenants
All Tenant Services	£4.6M
Financial Wellbeing Team	£3.0M
Hillcrest Energy Advice Team	£1.0M
Hillcrest Enterprises (Tenant Services Officer)	£529K



Talk Money Week

In November 2025, we supported the national Talk Money Week campaign, which aims to encourage financial health through talking about money and showcasing the support available to our tenants and service users.

Our Tenant Services and Communications teams delivered a coordinated social media campaign, sharing daily advice and guidance on how to save money, reduce household bills, improve energy efficiency, and budget effectively. The campaign also signposted tenants to a range of additional support services, including National Debtline, Money Advice Scotland, and Citizens Advice.

Supply Chain - Transparency, Fairness and Compliance

We take a structured and responsible approach to supply chain management, procurement and consumption.

We recognise that our purchasing decisions and supplier relationships play a critical role in delivering value for money, supporting communities and achieving our wider sustainability objectives.

Our procurement activity is governed by the Procurement Reform (Scotland) Act 2014 and relevant European directives, ensuring that all significant contracts are subject to open and competitive processes.

Contracts above £50,000 are formally advertised through Public Contracts Scotland, while lower value procurements follow best practice through structured quotation processes. This open tendering model allows all qualified suppliers equal access to opportunities, reinforcing fairness, accountability and strong governance across the supply chain.

Our procurement processes are further strengthened by a clear framework of strategic planning and reporting. We publish a Procurement Strategy, Annual Procurement Report and Contracts Register, demonstrating our commitment to transparency and continuous improvement.



Collaborative Partnerships

We strive to ensure collaborative working with suppliers and partners as part of our procurement approach.

By working closely with contractors in areas such as housing development, maintenance and retrofit projects, we can deliver innovative large-scale improvements efficiently while promoting shared standards of quality, sustainability and compliance.

This collaborative model supports innovation within the supply chain and enhances the overall delivery of projects that benefit tenants and communities.

Our commitment to responsible consumption is also demonstrated through our focus on long-term asset management and lifecycle value. Investment decisions are guided not only by cost considerations but by durability, performance and environmental impact.

Initiatives such as retrofit programmes and energy efficiency upgrades reflect our shift towards more sustainable consumption patterns, reducing resource use over time while enhancing tenant comfort and wellbeing.

Placemaking

Enhancing Urban Spaces

Our Derby Street development was named a winner at the Dundee Civic Trust Awards in October 2025, recognising our outstanding contribution to the city's built environment and community. The development forms part of our ongoing commitment to delivering housing that enriches Scotland's architectural landscape and community wellbeing.

Delivered in partnership with Collective Architecture and Dundee City Council, this project showcases the impact of collaborative design and sustainable development in enhancing urban spaces and supporting local needs.

The award reflects what can be achieved when organisations work together to create homes that are not only sustainable and high-quality, but also deeply rooted in the needs of the community.

UN SDG:



From Jute to Joy - Reviving Heritage Through Community Art

We were delighted to partner with Caledonia Housing Association and the Stobswell Forum, in the delivery of a community-led public art project at Weaver's Yard in Upper Dens, Dundee - an area regenerated from a former jute mill site.

The initiative replaced deteriorated heritage murals with new artwork shaped through extensive tenant consultation under the theme "Past, Present and Future."

Residents were actively involved throughout, from contributing ideas to selecting the final artist, ensuring the

outcome reflected local identity and lived experience. Local artist Abi Baikie was commissioned, creating designs inspired by the site's industrial heritage and incorporating Mary Brooksbank's poem "Oh Dear Me" to honour the voices of Dundee's mill workers.

The completed artwork was unveiled in spring 2026. The project strengthened community pride, identity, and connection by placing tenants at the centre of decision-making. It also reinforced partners' commitment to maintaining high-quality places while preserving cultural heritage.





The Beacon Community Wellbeing Centre

Hillcrest Futures manages The Beacon, a Community Wellbeing Centre providing vital support to people experiencing mental health challenges across Angus. Commissioned by Angus Health and Social Care Partnership, the centre marked its first anniversary in April 2026, highlighting a year of delivering accessible and compassionate support within the local community.

The Beacon offers a safe and welcoming space for anyone aged 16 and over experiencing emotional distress. Its impact was further recognised during Men's Mental Health Awareness Month in November 2025, when Scottish Rugby players Matt and Zander Fagerson visited the centre to show their support.

The Scorpio Boutique

In January 2026, our Hillcrest Futures homelessness service 'Lauriston in Leith', in Edinburgh, opened a free clothing boutique for women in supported accommodation, made possible by an overwhelming response from the local community.

After staff appealed for donations through the 'I Love Leith' Facebook group, more than 100 people responded and over 30 donations were received. An unused space at the service was subsequently transformed into a well-stocked clothing store, named The Scorpio Boutique.

The boutique provides women moving into Lauriston with access to free, good-quality clothing, helping them rebuild their wardrobe and regain a sense of independence and dignity. There are no restrictions on visits, allowing residents to browse and choose items as needed.

Staff report that the boutique has become both a valued resource and a positive social space.

The initiative builds on the success of Hillcrest Futures' Clothesline Project at Bruntsfield House in Edinburgh, which provides free clothing to people experiencing or at risk of homelessness.

One woman using the service said:

"I was made homeless after my mum passed away and I lost my home and everything in it. I was left with nothing. Having the Scorpio Boutique means I can have things that belong to me again. It is not just essentials – being able to get accessories is also important to me."





Reducing Barriers to Participation

In early 2025, Hillcrest Futures secured funding from the Hillcrest Foundation to deliver a programme of holiday activities for young people across Angus, alongside a community-wide Family Fun Day which included a variety of events for all age ranges and ability. The primary objective of this programme was to reduce barriers to participation by offering enriching experiences that may otherwise be financially inaccessible to families.

Alongside the Family Fun Day, the programme included 6 day trips, to places such as Blair Drummond Safari Park and the Scottish Deer Centre, which catered for 25 young people aged between 11–17 years old, engaging them in meaningful and inclusive activities.

The programme successfully delivered a diverse range of activities that fostered inclusion, personal growth, and community engagement. The feedback received, both online and in person, was extremely positive, demonstrating the value and impact of these experiences.

Some of the feedback received:

“Great day, kids had loads of fun, the staff were all so friendly, well done Hillcrest.”

“Fantastic services for everyone very inclusive! Very good!”

“Fantastic day a lot to keep children busy, characters, music, races for kids. Face painting tattoos showing lots of interest. Great Day!”

“No room for improvement would love it to be more than one day.”

“Lovely day – amazing that things like facepainting are free! Kids loved the inflatables! Fab event!”



Hillcrest Futures Homelessness Services

Following an inspection by the Care Inspectorate in April 2026, our Hillcrest Futures' Edinburgh and Glasgow homelessness services were commended for their support of people experiencing homelessness. Both services received 'very good' ratings in key areas, for helping people work towards stable housing and improving wellbeing.

Inspectors found that support was consistently person-led, flexible and responsive to individual needs. This approach helps people engage with the services and achieve positive outcomes, including improved stability.

Feedback from people using the services has been incredibly positive. Individuals said staff were respectful, professional and genuinely caring, with many highlighting the importance of building trusting relationships.

High-Quality Support for Neurodivergent Young People

Our Futures' Student Support Service has been re-accredited with the National Autistic Society's Autism Specialist Award, recognising our commitment to high-quality support for autistic students.

Based in Dundee, Angus and Perth, the service works closely with students to provide tailored, person-centred support that promotes independence, wellbeing and positive educational outcomes. The re-accreditation reflects our continued focus on meeting national standards and embedding autism-informed practice.

The Autism Specialist Award recognises organisations that show strong leadership, skilled staff and a commitment to continuous improvement. This re-accreditation highlights the service's ongoing investment in staff training, partnership working and listening to autistic people to shape support.





Hillcrest Foundation Achieves Parliamentary Recognition

In November 2025, the work of our Foundation was recognised through a parliamentary motion in the Scottish Parliament by Joe Fitzpatrick MSP.

The Foundation, which was established in 2020 and supports people and communities most in need across Scotland, was commended for funding initiatives that support wider social, economic and environmental wellbeing. The motion attracted the support of numerous MSP's from across the political spectrum.

The Foundation's last round of external funding totalled £105,665 and was awarded to 26 impactful services that support people and communities experiencing significant hardship. The grants helped fund essential programmes that provide direct relief from poverty, address social isolation, and offer vital resources to those most in need.

One of last year's beneficiaries was Hopscotch Children's Charity, awarded £4,500 to help children facing poverty, neglect, trauma, or caring responsibilities enjoy a much-needed break from hardship and challenging home situations.

A Hopscotch representative said:

"We are incredibly grateful to the Hillcrest Foundation for their generous donation of £4,500, which will directly benefit children from Dundee. We provide life-changing respite breaks to around 420 children each year from across Scotland. Many of these children face significant challenges at home, and their time with us offers a rare opportunity to relax, try new experiences, and simply be children."

Award Winning Services for Young People

Our Hillcrest Futures STRIVE service was recognised at the National Drug Mission Conference 2026, where the team received the Frontline Worker Certificate of Recognition for their outstanding work supporting young people in Dundee affected by substance use and poor mental health.

Hosted by the Cora Foundation on 4 March 2026, the conference brought together organisations and professionals from across Scotland to showcase effective practice, share learning and highlight the impact of National Drug Mission grant funding.

STRIVE supports young people aged between 12-21 years in Dundee who are using substances and experiencing poor mental health. This service brings together third sector and NHS expertise to deliver proactive early intervention and prevention, while also supporting families affected by substance use. To date, STRIVE has supported more than 300 young people through both one-to-one and group work, with tailored approaches for ages 12-15 and 16-21.



Governance

Structure and Board

Our Organisational Structure

Our organisational group structure continues to be one of our greatest strengths, enabling us to combine the stability and governance of a large registered social landlord with the agility of specialist subsidiaries. This integrated model allows us to deliver a wide range of high-quality housing, care, tenancy support, commercial and maintenance services, while ensuring strong oversight, risk management and strategic alignment across all companies.

As of 1 April 2026, Hillcrest consists of three main companies: Hillcrest Homes, Hillcrest Enterprises, Hillcrest Futures. The previous fourth company, Hillcrest Maintenance, became part of Hillcrest Enterprises.

Hillcrest Homes is a registered RSL, a Scottish Charity and a Community Benefit Society. It is regulated by the Scottish Housing Regulator, Financial Conduct Authority and OSCR. Hillcrest Homes is the parent carrying ultimate responsibility for the performance of all companies. The primary purpose of Hillcrest Homes is to provide good quality, well maintained, energy efficient homes to people in housing need.

Hillcrest Enterprises is an incorporated company Limited by shares and a wholly owned and controlled subsidiary of the Registered Social Landlord parent, Hillcrest Homes. Hillcrest Enterprises provides Mid-Market Rent accommodation to individuals and families which is set at a level that people on low incomes can afford.

In 2026, Hillcrest Maintenance became part of Enterprises to provide a wider range of services, support broader corporate objectives and simplify processes and internal structures. As a component part of Enterprises, the Maintenance team will continue to provide an in-house maintenance service to tenants over a range of contracts including day to day repairs, kitchen and bathroom replacements, cyclical and planned maintenance programmes, voids and gas installation and inspections.

Hillcrest Futures is a company Limited by Guarantee, registered Scottish Charity regulated by the Care Inspectorate and works in line with guidance provided by the Scottish Social Services Council (SSSC)

for a trained and skilled workforce. Futures provides residential and community-based care and support services to people across six local authority areas, supporting vulnerable people with a diverse range of support needs including autism, physical and learning difficulties, mental health and wellbeing, homelessness, harm reduction, and specialist drug and alcohol support services.

The Hillcrest Foundation (Scottish Charitable Incorporated Organisation) supports internal and external community initiatives, distributing charitable funds generated through Gift Aid from Enterprises and Maintenance and through community benefit contributions.



UN SDG:





How We Operate

Hillcrest is governed by a voluntary Governing Body composed of individuals with a diverse range of skills and professional experience.

This body meets regularly to provide strategic oversight and direction for the organisation.

To support its work, the Governing Body has two established sub-committees with delegated authority to consider specific matters. One of these, the Audit and General Purposes Sub-Committee, is responsible for:

- > Overseeing all aspects of internal audit, compliance, and the organisation's annual reporting obligations.
- > Reviewing reports and matters relating to Hillcrest's core corporate functions.

Our operations sub-committee oversees Hillcrest's Housing, Property, and Development functions. Its remit includes:

- > Providing oversight of the Property Strategy, including the ongoing maintenance of Hillcrest's housing stock and the delivery of the organisation's development programme.
- > Approving operational policies, reviewing departmental performance, and seeking assurance in relation to the handling of tenant complaints.

We are fully compliant with the Scottish Housing Regulator's Standards of Governance and Financial Management.

Managing ESG Risk

Our Risk Register contains identified risks which are categorised under Reputation, Operational Delivery, Financial, Compliance, Data and Information Management, and Strategic/Major Change.

Each individual risk is also categorised as an Environmental, Social and/or Governance risk. Our risk appetite is set on an annual basis and any variance to the risk appetite is reported.

Risks are regularly reviewed by the Executive Team and are reported to the Governing Body through the Audit and General Purposes Sub-Committee on a quarterly basis. All subsidiary risks are monitored in terms of any impact to Hillcrest Homes and are reported to subsidiary Boards on a quarterly basis. All risks have identified control measures in place which are regularly reviewed by senior members of staff. Where required, additional actions are in place, and these are also assigned to senior members of staff with timeframes for completion.

Additionally, we carry out a risk assessment for any new business via a Risk Assessment Panel, employ Treasury Management specialists and have an internal audit programme that provides further reassurance.

Our Risk Matrix can be seen in Appendix 1.

Our Board Membership

Our organisation is currently overseen by the Hillcrest Homes Governing Body and three subsidiary boards: Hillcrest Enterprises, Hillcrest Futures and the Hillcrest Foundation Trustees.

Each year, we review board membership and conduct a recruitment exercise to address any gaps in areas such as gender balance, ethnic representation, and age.

Our Equality, Diversity and Inclusion Strategy outlines our commitment to ensuring equality within all levels of the organisation, ensuring the needs of skills, knowledge, diversity, and objectivity are all met.

We are an equal opportunities employer and have adopted a policy which aims to ensure that no job applicant or board member applicant receives less favourable treatment on grounds of race, colour, ethnic and national origins, marital status, gender, age, religion, disability, political or sexual orientations, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable.



UN SDG:



Employees

Equality, Diversity & Inclusion at Hillcrest

As a provider of housing, care and support services, we recognise that promoting equality and fostering inclusive communities is fundamental to achieving our mission of helping people live better lives. This commitment is embedded within our core organisational framework, where EDI forms a key aspect of our “Social” value pillar and is subject to ongoing measurement, benchmarking and continuous improvement.

In 2025/26, we introduced a new post of Equality, Diversity and Inclusion Officer. One key element of this role is the development of a new Equality, Diversity and Inclusion Strategy, which we aim to publish later in 2026. The EDI Officer also researches and develops new resources and provides advice and guidance for complaints and equality impact assessments.

We have also signed up to the Chartered Institute of Housing’s Equality, Diversity and Inclusion pledge, committing Hillcrest to work towards equality.

As part of Scottish Learning Disability Week, Hillcrest Futures celebrated the voices, talents and contributions of people with learning disabilities. To mark the week, Futures held a conversation café at its Activities Hub in Dundee. People supported by Futures joined staff and managers in some mindfulness exercises and discussed what inclusion means to them.

Alongside the café, Hillcrest staff and the people they support shared personal pledges which were brought together on a dedicated Pledge Wall on Hillcrest’s website.

More information on our EDI approach can be seen in Appendix 2.



EDI Governance

We have embedded equality, diversity and inclusion (EDI) across our organisation through a formal EDI Policy, dedicated governance groups, Equality Impact Assessments, and ongoing monitoring to ensure equality considerations inform decision-making, policy development and service delivery. Contractors and suppliers are also asked to provide evidence of their commitment to EDI through our tendering processes.

Through mandatory EDI and unconscious bias training, staff are equipped to act inclusively in their roles, supported by accessible resources and guidance.

Our commitment to EDI is further reflected in the services we deliver, with community engagement helping to shape inclusive and responsive support for diverse needs. This includes initiatives that tackle inequality in practice, such as financial wellbeing services that have secured significant gains for tenants and targeted support services that create safe, inclusive environments for vulnerable and marginalised groups.



Employee Wellness at Hillcrest

In the last year we have revived our Wellness@Hillcrest Working Group, which consists of staff representatives from each of the companies in the organisation.

The group is responsible for developing initiatives to support the wellbeing of all our employees, to make Hillcrest an excellent place to work and to help achieve the objectives of our health and wellbeing policy.

The broad representation on the group ensures that discussions, feedback and initiatives are being cascaded and driven at all levels within the organisation. The group creates and publishes a quarterly newsletter and has organised several initiatives for staff to participate in which boost physical, social and psychological wellbeing.

In addition to this, Hillcrest has dedicated Mental Health First Aiders and Menopause Champions, who are available to provide advice and guidance in a safe, supportive, and confidential environment.

To mark World Menopause Awareness Day in October 2025, Hillcrest's Menopause Champions hosted a special event featuring guest speaker Amanda Hughes, a specialist in wellness, nutrition, and menopause. The event received very positive feedback, highlighting the value of open conversations and accessible support for staff.

We also ensure our employees maintain a healthy work/life balance, enabling this through the promotion of flexible, family friendly policies and hybrid working arrangements.

Staff Share of Voice

We understand that employee share of voice is linked to employee wellbeing, and involvement in decision making is significantly and positively linked to job satisfaction. To encourage staff involvement in organisational change, each of Hillcrest's companies has a Staff Representative group, who meet every quarter to share employee feedback on matters important to them.

These groups facilitate open dialogue between Hillcrest's leadership team and employees, helping to improve trust and engagement. Employees are encouraged to voice their opinions and concerns around salary, benefits, training and processes, helping to drive innovation and organisational direction.

We also arrange regular employee engagement surveys to help us understand what our staff think we are doing well and where we can improve. Our full employee engagement survey in March 2025 returned a 66% response rate giving us confidence that the feedback given was a fair representation of the whole workforce. The overall employee engagement score of 75% reflects a strong level of connection and commitment among our workforce.

75%
overall employee
engagement score



Investing in our People

Staff remain a pivotal point of investment for our organisation, as our staff skills, insight and day to day experience directly influence the quality and effectiveness of our services. Engagement through staff planning sessions, surveys and internal communication channels continues to shape business priorities, highlighting the need for clearer communication, improved systems and strong organisational alignment.

We have invested in organisational development as a key enabler of culture change and leadership capability. In 2025/26, we launched a refreshed Leadership and Development programme, grounded in our values, focusing on change management, problem solving, communication and collaborative leadership.

Our organisational development priorities include:

- > Implementation of the new People & Organisational Development Strategy, aligning people, structures and processes with Hillcrest's strategic direction.
- > Embedding the Learning Management System, improving data on training completion, compliance and skill gaps.
- > Expanding leadership development programmes, building capability to support process redesign, digital transformation and culture change.
- > Supporting managers to lead cross functional teams, reflecting Hillcrest's increasing emphasis on silo busting and integrated ways of working.
- > Designing and delivering training courses to meet existing and emerging skills and training needs to ensure a fully equipped workforce.



- > Developing workforce and succession planning frameworks to ensure our levels and quality of staffing are aligned with future organisational objectives.
- > Developing evaluation frameworks to measure success and reinforce our commitment to continuous improvement.

Looking ahead, workforce sustainability remains a strategic priority. Across the organisation we are strengthening succession planning, leadership capability and skills development to ensure we have the capacity and expertise required to deliver our ambitions over the coming decade. This includes

continued investment in leadership programmes, apprenticeships, early career pathways and professional development opportunities.

We recognise that the success of our organisation and the excellent customer service we deliver is dependent on the dedication, empathy and commitment of our employees. We are proud to have been long accredited with the Investors in People Gold standard, and have recently been awarded with the Investors in Young People Gold. We will continue to prioritise and invest in the development of our people to ensure they are supported to keep Hillcrest a resilient and agile organisation.

Developing Our Young People

We recognise that investing in young people is fundamental to building a sustainable, future-ready workforce and contributes positively to the communities in which we operate.

By supporting early career development, we create meaningful employment pathways, nurture talent, and promote long-term social and economic inclusion.

As a Young Person's Guarantee employer, our approach focuses on providing accessible entry points into employment through structured programmes such as apprenticeships, graduate schemes, and work placements. These initiatives equip young people with practical skills, real-world experience, and the confidence needed to succeed. We prioritise inclusive recruitment practices to ensure opportunities are available to individuals from diverse backgrounds, including those who may face barriers to employment.

Beyond recruitment, we are committed to ongoing development and progression. Early career employees benefit from tailored training, mentorship, and professional development opportunities that support both technical capability and personal growth. Our Young Person's Voice Group helps shape all our youth-focused initiatives.

Our Young Workforce Development Partner engages with educational institutions and community partners to bridge the gap between education and employment. Through outreach activities, careers events, and skills development initiatives, we are improving the confidence and employability amongst our young people.

This year we again partnered with Career Ready to host three summer internships to school students. The internships last four weeks and take place across the summer months. Students are exposed to the different areas of the business and become involved in projects to help enhance their knowledge and experience and inform future career pathways. One of our Career Ready students was successful in securing a Modern Apprenticeship and is now progressing their career in Hillcrest's Asset Management Team.

In the past year, we are proud to have provided seven modern apprenticeship opportunities across our Customer Service, Housing, Asset Management, Enterprises, Tenant Services, Income and Engagement, and Communications and Marketing teams. Our continued partnership with Quest Scotland ensures our ability to provide our modern apprentices with the practical skills they need. We are committed to a rolling programme of seven modern apprenticeships.

Our Hillcrest Maintenance department have committed to a rolling programme of 13 apprenticeships. Last summer, four new young people commenced their trades apprenticeships, and we are pleased to have adopted a further two in the last year also, who will now complete their apprenticeships with our Maintenance department.

We are delighted to be offering a further three trades apprenticeships opportunities in the coming year.



Improving our Data and Technology

We are embarking on a structured journey to strengthen our digital, data and technology capabilities.

In 2025 we worked with a digital transformation consultancy to better understand our strengths and weaknesses in the data and technology space with a view to developing our first Digital, Data and Technology (DDaT) Strategy.

The purpose of this work is to ensure that Hillcrest’s Digital team, and the organisation more widely, are set up for success in a future where technology, data and digital solutions are central to how we work. The new Strategy was formally approved by the Governing Body on 19 May 2026 and is now in the early stages of delivery.

The strategy is fundamentally about improving the experience of customers and colleagues. By investing in modern systems, better use of data, stronger cyber security and improved digital capability, we aim to create more responsive services, better informed decision-making and greater organisational resilience.

These improvements will support service quality, operational efficiency and our ability to deliver positive outcomes for customers in the years ahead.

The strategy was developed through a process of both external and internal consultation, including an independent review by digital transformation consultants alongside engagement with the Executive Leadership Team, Senior Team and colleagues across the business to ensure it reflects organisational priorities and user needs.

We have developed a detailed action plan for 2026–2030 and have already started implementing several foundational activities, including restructuring the DDaT function, establishing governance, and progressing key programmes around data, systems and cyber security. The strategy will be rolled out progressively with reporting arrangements in place to oversee delivery and track progress.

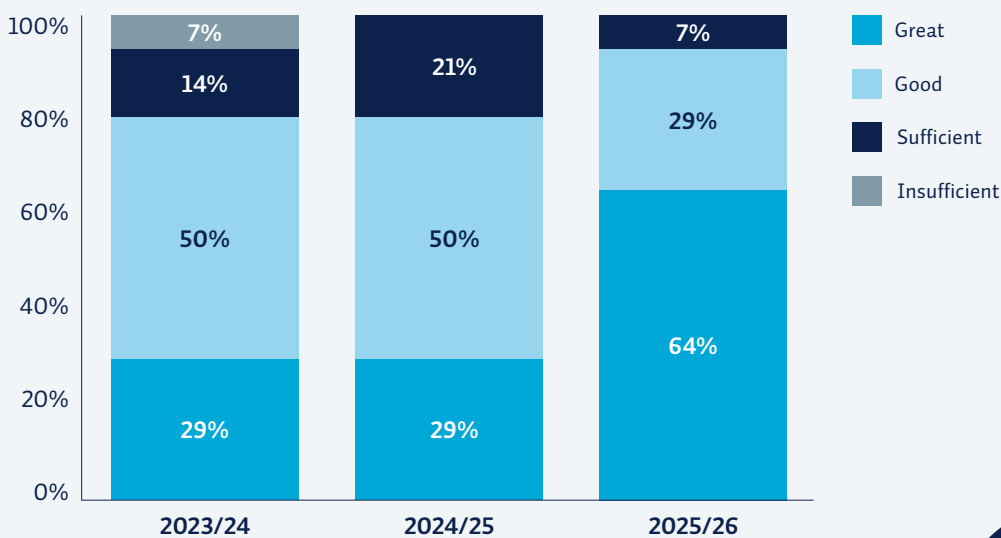
External Assessment

We commissioned RITTERWALD to perform an external assessment of this ESG Report to provide quality assurance, transparency of our disclosure and to identify areas where our reporting could be improved. The exercise assessed how detailed our responses were against 14 of the SRS criteria and attributed an evaluation level for each one, including: insufficient, sufficient, good, or great, according to the granularity level of the disclosed information. Specifically, we reached a great level in 9, a good level in 4, and a sufficient level of disclosure

in 1 criterion, with none at an insufficient level. We performed particularly well in respect to our reporting on Energy Performance, Carbon Emissions, Rent Levels, Equality, Diversity and Inclusion, and Environmental Impact. There is scope for us to improve how we report on the area of ESG Risk, and as part of our Net Zero & Climate Change Strategy 2025–30, we are currently developing our mapping, planning and reporting of climate risks such as flooding and overheating.

We are delighted our ESG report for 2025/26 has received an overall grade of Exemplary.

Year on year comparison of results



SRS Data Return 2025/26

Environmental

Theme	Criteria #	Criteria	Response
Climate	C1	Distribution of EPC ratings of existing homes (those completed before the last financial year). [% of Homes] ENHANCED Average SAP rating of existing homes (those completed before the last financial year). Energy use intensity [kWh/m²/yr] of existing homes.	A – 0.8% B – 41.3% C – 53.0% D – 4.8% E or worse – 0.1% Unknown – 0.0% ENHANCED 78.5 (high C)
Climate	C2	Distribution of EPC ratings of new homes (those completed in the last financial year). [% of Homes] ENHANCED Average SAP rating of new homes (those completed in the last financial year).	A – 3.2% B – 89.6% C – 7.3%* D – 0.0% E or worse – 0.0% Unknown – 0.0% *There were 16 EPC Band C new-build handovers during 2025/26. All of these properties formed part of one development that was particularly challenging to complete and experienced significant delays over several years, resulting in significantly delays. The Band C ratings are primarily due to the homes being assessed under the outdated SAP 2012 methodology, which significantly penalised properties using electric heating systems. Due to planning restrictions and site constraints, an electric heating system was the only viable heating solution for this development. There was one further Band C handover relating to a buy-back property. We will, where it is strategically appropriate, acquire properties within our existing developments that do not currently meet our EPC Band B standard. This supports our long-term asset management objectives, and these properties will be considered for future energy efficiency improvements through planned investment programmes. ENHANCED 85.3 (mid B)
Climate	C3	Does the housing provider have a Net Zero target and strategy? [Yes/No] If so, what is it and when does the housing provider intend to be Net Zero by? [Qualitative, date] ENHANCED Is the housing provider's Net Zero commitment in line with the Science Based Target (SBT) initiative? [Yes/No] Does the housing provider have a costed transition plan? [Yes/No]	Yes. Our Net Zero and Climate Change Strategy 2025-30 was published in Autumn 2025 and is available on our website. It details our target and set of actions to deliver net zero by achieving a 90% reduction in carbon emissions by 2045, and offsetting the remaining emissions. ENHANCED These targets will be validated with the SBT initiative in the future. Our 2026-27 30 Year Budget for retrofit is £250.2M, and our actual spend in 2025-26 was £1.9M (£1.5M on window replacements, £317K on door replacements, £85K on solar installations).

Theme	Criteria #	Criteria	Response
Climate	C4	What progress has the housing provider achieved in the last 12 months towards its Net Zero targets and strategy? [Qualitative] What retrofit activities has the housing provider undertaken in the last 12 months in relation to its housing stock? [Qualitative] ENHANCED Number of homes that have been retrofitted in the last financial year [# of homes] Homes that have been retrofitted in the last financial year as a percentage of the total homes the housing provider needs to retrofit to meet its net zero commitments [%]	Net Zero progress: > Published Net Zero and Climate Change Strategy 2025-30, which was endorsed by First Minister of Scotland John Swinney. > Installed two large solar arrays, at our headquarters and a major 24-hour support service facility in the heart of Dundee. > Contributed to the preservation of Captain Scott's RRS Discovery, moored in Dundee, by providing rare and durable North American pitch pine being removed as part of our Burnside Mill regeneration project. > Expanded Scope 3 emissions calculations to include business travel, sales of electricity from EV chargers, and WTT and T&D additions. > Created a new retrofit dashboard, combining our own data with public datasets to allow us to accurately model potential retrofit projects and identify opportunities for projects. > Supported Scottish Climate Week through a series of activities promoting sustainability and reducing carbon emissions. > Redistributed £20k-worth of office furniture to local charities and community groups as part of a clear-out of a large office pace, saving approximately 4 tonnes CO2e by diverting the furniture from other disposal routes. Retrofit activities: 170 properties received replacement high performance windows. 15 properties received solar photovoltaic installations 22 properties received quantum high heat retention heaters. 43 properties received 300mm of loft insulation top-up. 68 properties received replacement high performance doors. ENHANCED 314 properties received retrofit measures
Climate	C5	Scope 1, Scope 2 and Scope 3 Greenhouse Gas emissions [tonnes CO2e] Total emissions per home [tonnes CO2e/home] If unable to report emissions data, please state when the housing provider is expected to be able to do so. [Date] ENHANCED Does the housing provider qualify for SECR reporting? [Yes/No] SECR Intensity Ratio for Total emissions (Scope 1 & 2) [tonnes CO2e/m²]	Scope 1 - 1770.7 tonnes CO2e Scope 2 - 433.3 tonnes CO2e Scope 3 - 767.1 tonnes CO2e* Intensity (overall) - 318.7 kg CO2e / home Our greenhouse gas emissions calculations methodology is as set out in the GHG Protocol and the UK Government Conversion Factors 2025. *Our Scope 3 calculations account for water supply and treatment, business travel, electricity sales from EV chargers, and WTT and T&D additions. Other sources of Scope 3 emissions have not been included at this time. We continue to grow our Scope 3 carbon accounting practices each year. ENHANCED Hillcrest as a whole organisation is not an incorporated company. Hillcrest Enterprises is an incorporated company, but by itself does not meet the turnover and staff numbers requirements for SECR reporting.

Theme	Criteria #	Criteria	Response
Climate	C6	Has the housing provider mapped and assessed the increased flood risks to its homes caused by climate change in the last 2 years? [Yes/No] How is the housing provider mitigating these risks? [Qualitative] ENHANCED Has the housing provider mapped and assessed any other additional climate risks, such as wildfire or storms, to its homes in the last 2 years? How is the housing provider mitigating these risks? Has the housing provider assessed its climate-related transition risks? How is the housing provider mitigating these risks?	No. As part of our Net Zero and Climate Change Strategy 2025-30, we are committed to identifying our buildings that are at higher risk of climate impacts, including flooding and overheating, using national and local authority level data sources. We are also committed to then identifying mitigation measures and creating a costed plan as one of the strategy actions. With all our new properties we regularly review our design brief and development strategy to strengthen climate resilience. ENHANCED No, but as with flood, water stress and overheating, we will identify buildings at higher risk of climate impact and put in place mitigation measures.
Climate	C7	Has the housing provider mapped and assessed the increased flood risks to its homes caused by climate change in the last 2 years? [Yes/No] How is the housing provider mitigating these risks? [Qualitative] ENHANCED Has the housing provider mapped and assessed any other additional climate risks, such as wildfire or storms, to its homes in the last 2 years? How is the housing provider mitigating these risks? Has the housing provider assessed its climate-related transition risks? How is the housing provider mitigating these risks?	See C6.
Climate	C8	Has the housing provider mapped and assessed the increased flood risks to its homes caused by climate change in the last 2 years? [Yes/No] How is the housing provider mitigating these risks? [Qualitative] ENHANCED Has the housing provider mapped and assessed any other additional climate risks, such as wildfire or storms, to its homes in the last 2 years? How is the housing provider mitigating these risks? Has the housing provider assessed its climate-related transition risks? How is the housing provider mitigating these risks?	See C6.

Theme	Criteria #	Criteria	Response
Nature	C9	Does the housing provider have a strategy to enhance green space and promote biodiversity on or near homes?[Yes/No] If yes, please describe with reference to targets in this area. If no, is the housing provider planning on producing one in the next 12 months?[Qualitative] ENHANCED Average Biodiversity Net Gain (BNG) per development, of developments that have gained planning permission in the past year Does the housing provider have a Biodiversity Net Gain target for new homes? Does this exceed minimum requirements?	Yes. Our Net Zero and Climate Change Strategy 2025-30 clearly sets out our commitment to enhancing green space and promoting biodiversity across the communities we serve. The Strategy focuses on building climate resilience through improved greenspaces, sustainable land management practices, and partnership working with environmental organisations, local authorities, tenants, and supported individuals. We are currently developing a Biodiversity Action Plan, which will establish measurable targets and actions. This will be informed through collaboration with key stakeholders to identify opportunities to enhance biodiversity, improve climate resilience, and mitigate risks associated with extreme weather and flooding. A number of initiatives are already contributing to these objectives: > Therapeutic Gardening Programme: Our Therapeutic Gardening service supports tenants and the people we work with to transform communal areas into greener, more attractive spaces. This programme delivers multiple benefits, including biodiversity enhancement, improved health and wellbeing, skills development, and stronger social connections. > No Mow May Participation: For the second consecutive year, we have taken part in Plantlife's No Mow May national campaign. In 2026, we will leave three sites in Dundee (two office locations and one residential site), helping to support pollinators and encourage low-impact land management. We plan to extend this initiative to additional sites in future years. > Vacant Land Biodiversity Projects: We are actively engaging with local stakeholders to explore sustainable and community-focused uses for two areas of vacant land in Dundee. Our aim is to repurpose these sites into biodiversity-focused spaces that can be used and valued by the local community. > Green Infrastructure in New Developments: All new-build developments aim to incorporate greenspaces as a core design feature. These spaces contribute to surface water management and biodiversity enhancement, aligning with the Scottish Government's NPF4, and Housing to 2040 Strategy and our broader environmental commitments. These actions support our contribution to Scotland's Biodiversity Strategy to 2045, helping to create greener, healthier, and more resilient neighbourhoods. While many of these initiatives are at an early stage, they play an important role in raising awareness among staff and tenants and building momentum towards long-term improvements in biodiversity and climate resilience. ENHANCED Scotland does not currently have an agreed Biodiversity Net Gain metric. We are committed to supporting Scotland's transition to a nature-positive future and we will continue to align our approach with the Scottish Biodiversity Strategy, associated Delivery Plans, and any future biodiversity measurement frameworks adopted by the Scottish Government.
Nature	C10	Does the housing provider have a strategy to identify, manage, and reduce pollutants that could cause material harm? [Yes,No but planning to develop, No and no plans to develop] If so, how does the housing provider target and measure performance?[Qualitative]	Yes. Our Net Zero and Climate Change Strategy 2025-30 sets out our commitment to improving waste management and reducing environmental impact. This includes a full waste management audit currently taking place, leading to a plan to divert operational and construction waste from landfill, transition towards paper-free operations, and introduce an Environmental Impact Assessment process to ensure waste management considerations are embedded within all projects. As part of our employer's requirements, contractors are expected to operate in line with ISO 14001 environmental management standards, including the appropriate segregation and management of waste.

Theme	Criteria #	Criteria	Response
Resource Management	C11	Does the housing provider have a strategy to use or increase the use of responsibly sourced materials for all building and repairs works?[Yes,No but planning to develop, No and no plans to develop] If so, how does the housing provider target and measure performance?[Qualitative] ENHANCED % of materials from responsible sources	Yes. Our Net Zero and Climate Change Strategy 2025–30 sets out our commitment to improving use of responsibly sourced materials. Our requirements are implemented through our Design Brief, in which we have specified sustainable technology for all future developments. The Design Brief for new developments sets clear targets for improving sustainability through a fabric-first approach, prioritising high levels of insulation and building performance to reduce energy demand. This is supported by the specification of low-carbon technologies, with gas removed entirely from new developments and a strong emphasis on Air Source Heat Pumps and Exhaust Air Heat Pumps. To further enhance performance, new homes are increasingly designed with Mechanical Ventilation with Heat Recovery systems to improve indoor air quality and reduce heating requirements. Where feasible, developments also incorporate renewable technologies such as Solar Photovoltaics, where possible paired with battery storage, alongside electric vehicle charging infrastructure. Sustainable housing and construction is also supported through the inclusion of Sustainable Drainage Systems, where required, to mitigate climate-related risks such as surface water flooding. In addition, Hillcrest encourages the use of local labour and locally sourced materials to reduce transport emissions and support local economies. Performance is both targeted and measured through defined certification and compliance standards. Hillcrest requires all new homes to achieve a minimum EPC rating of B, alongside a Sustainability Label with at least a Bronze award, including Silver achievement in aspects 1 and 2, and where possible silver aspect 7. Compliance with these requirements is monitored through design reviews, contractor submissions, and Employer's Agent oversight, ensuring consistency and continuous improvement across all developments. For our developments' landscaping, we look to incorporate areas of biodiversity with the inclusion of wildflower meadows, orchards where possible and appropriately sized garden / communal garden facilities that include external drying facilities. ENHANCED We do not hold the data for this enhanced reporting option.
Resource Management	C12	Does the housing provider have a strategy for waste management incorporating building materials?[Yes,No but planning to develop, No and no plans to develop] If so, how does the housing provider target and measure performance?[Qualitative] ENHANCED % of materials that are recycled, reused, and/or diverted from landfill	Yes. Our Net Zero and Climate Change Strategy 2025–30 sets out our commitment to minimise waste, reduce water consumption, and embed sustainable procurement practices within our supply chain and operations. This includes a full waste management audit currently taking place, leading to a plan to divert operational and construction waste from landfill, transition towards paper-free operations, and introduce an Environmental Impact Assessment process to ensure waste management considerations are embedded within all projects. Our trades teams have an established strategy for waste management that incorporates the handling, reuse, and disposal of building materials. This approach ensures that materials arising from maintenance activities are managed in a controlled and environmentally responsible manner. Maintenance teams have completed a comprehensive assessment of all waste streams generated by trade teams, including house clearances, as well as smaller-scale waste arising from maintenance offices. The findings from this assessment provide a detailed overview of waste generation and management practices across these activities. These findings are being shared with the relevant teams to support improved coordination, identify opportunities for efficiency, and inform the further development of organisation-wide waste management strategies and practices. ENHANCED We do not hold the data for this enhanced reporting option, but are currently auditing our waste arrangements with a view to having more data in this area going forward.
Resource Management	C13	Does the housing provider have a strategy for water management?[Yes,No but planning to develop, No and no plans to develop] If so, how does the housing provider target and measure performance?[Qualitative] ENHANCED Average internal water efficiency of completed homes in past year [litres/person/day] Consumption of metered mains water on sites and site offices [m3/100m2]	No, but planning to develop a strategy. One of the actions in our Net Zero and Climate Change Strategy is a commitment to create a water management strategy. We employed a specialist contractor to carry out a full on-the-ground review of water infrastructure on our sites, to ensure accuracy and gather more detailed data. We will use the resulting data to create the water management strategy. ENHANCED We cannot measure the average internal water efficiency of our new properties as they do not have water meters. This is because Scottish domestic water use is billed as part of Council Tax collection. The amount a household pays is based on Council Tax bands, not actual usage.

Theme	Criteria #	Criteria	Response
Resource Management	C14	How is sustainability considered when procuring goods and services? [Qualitative] What measures are in place to monitor the sustainability of the housing provider's supply chain when procuring goods and services? [Qualitative] ENHANCED What is the relative weighting of environmental impact considerations in procurement policies? How does the housing provider monitor supply chain risks, and what initiatives has the housing provider taken to drive higher sustainability performance across its supply chain?	Sustainability is considered before the tender/opportunity is published. When drafting any specification requirements, we look at the whole life costs of the goods/services we are procuring. Where appropriate, we ask for environmentally friendly substitutes for certain products. We prefer to contract with suppliers who are concerned about their environmental performance and who can demonstrate policies and procedures to address environmental issues and work to minimise waste. Suppliers will be asked to meet minimum criteria and provide evidence to support. Procurement staff within Hillcrest work alongside the Sustainability Team who provide guidance, for example, relevant questions for suppliers as part of the procurement process. In addition, we monitor progress towards the supply chains' own sustainability targets through our contract management process. Progress and evidence related to how suppliers are working towards net zero will also be discussed and monitored at this time. We also look for the same information to be supplied for any subcontractors where any were approved. Agreed key performance indicators allow us to monitor specific areas; these differ by contract. We adopt a Fair Work First approach and encourage our suppliers to work towards this. ENHANCED The relative weighting of environmental impact considerations is 5%.

Social

Theme	Criteria #	Criteria	Response																														
Affordability	C15	For properties that are subject to the rent regulation regime, report against ONE OR BOTH of the following Affordability metrics: > Rent compared to average private rental sector (PRS) rent across the relevant Local Authority [% of rent] > Rent compared to the relevant Local Housing Allowance (LHA) [% of rent]	<table><tr><th colspan="3">Hillcrest Rent as % of PRS/LHA Rent</th></tr><tr><th>Local Authority</th><th>PRS</th><th>LHA</th></tr><tr><td>Aberdeen</td><td>60.1%</td><td>72.6%</td></tr><tr><td>Aberdeenshire</td><td>69.2%</td><td>83.6%</td></tr><tr><td>Angus</td><td>47.8%</td><td>67.5%</td></tr><tr><td>Dundee</td><td>49.9%</td><td>70.4%</td></tr><tr><td>Fife</td><td>55.9%</td><td>70.2%</td></tr><tr><td>Lothian</td><td>35.2%</td><td>45.5%</td></tr><tr><td>Perth and Kinross</td><td>59.1%</td><td>71.9%</td></tr><tr><td>Overall</td><td>53.9%</td><td>68.8%</td></tr></table>	Hillcrest Rent as % of PRS/LHA Rent			Local Authority	PRS	LHA	Aberdeen	60.1%	72.6%	Aberdeenshire	69.2%	83.6%	Angus	47.8%	67.5%	Dundee	49.9%	70.4%	Fife	55.9%	70.2%	Lothian	35.2%	45.5%	Perth and Kinross	59.1%	71.9%	Overall	53.9%	68.8%
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Affordability	C16	Share, and number, of existing homes (owned and/or managed) completed before the last financial year allocated to: > General needs (social rent) > Intermediate rent > Affordable rent > Supported Housing (excluding Housing for Older people) > Housing for older people > Low-cost home ownership > Care homes > Private Rented Sector > Private Market Sale > Other [% of homes, number of homes]	General Needs (social rent) – 7218 (79.3%) Intermediate Rent – 1275 (14.0%) Supported Housing – 260 (2.9%) Housing for Older People – 104 (1.1%) Low-cost Home Ownership – 225 (2.5%) Private Rented Sector – 18 (0.2%)																														

Theme	Criteria #	Criteria	Response
Affordability	C17	Share, and number, of new homes (owned and/or managed) that were completed in the last financial year, allocated to: > General needs (social rent) > Intermediate rent > Affordable rent > Supported Housing (excluding Housing for Older people) > Housing for Older people > Low-cost home ownership > Care homes > Private Rented Sector > Private Market Sale > Other [% of homes, number of homes] ENHANCED Number homes disposed of in the last 12 months, by tenure type Number of homes acquired in the last 12 months, by tenure type	General Needs (social rent) – 187 (83.9%) Intermediate Rent – 28 (12.6%) Supported Housing – 8 (3.6%) ENHANCED During 2025–26, eight social rented properties were disposed of. These comprised properties where Hillcrest did not hold a majority ownership interest or where the assets no longer aligned with strategic objectives. One property was acquired and will form part of our social housing sector portfolio.
Affordability	C18	How is the housing provider trying to reduce the effect of high energy costs on its residents? [Qualitative]	In addition to improving the energy performance of our buildings we have a multi-award winning energy advice team (HEAT) that delivers bespoke face-to-face advice to tenants and residents to mitigate against fuel poverty. The total financial impact in 2025/26 for tenants was £1.1M. This includes: > 1,055 energy top-ups to tenants totalling £143,312. > 1,829 tenants receiving energy advice . > 697 heating and Solar PV demonstrations. > £54,500 additional funding secured through Octopus Energy to deliver energy advice to tenants. > A project in response to the RTS switch off targeting 2,058 tenants who would be impacted - only 8% of these tenants are still not compliant.
Building Safety and Quality	C19	Describe the condition of the housing provider's portfolio, with reference to: % of homes for which all required gas safety checks have been carried out. % of homes that meet national fire safety regulations (varies by nation – see guidance). % of homes for which all required electrical safety checks have been carried out. % of homes for which all required asbestos management surveys or re-inspections have been carried out. % of homes for which all required legionella risk assessments have been carried out. % of homes for which all required communal passenger lift safety checks have been carried out. [% of Homes]	Gas safety checks – 100% Fire risk assessments – 100% Electrical safety checks – 99.9% Asbestos management surveys or re-inspections – 92.6% Legionella risk assessments – 98.1% Communal passenger lift safety checks – 100% > Gas safety – 2 properties had their gas safety checks completed after their individual anniversary dates, although both were completed during 2025/26. > Electrical safety – 4 outstanding due to access issues. These cases will require either forced access or a Housing Welfare visit. > Asbestos – 12 outstanding due to access issues. These inspections will be completed in 2026–27. > Legionella – 2 outstanding. These assessments will be completed in 2026–27. A dedicated plumbing resource has now been established to undertake these assessments, supporting full compliance during 2026–27.

Theme	Criteria #	Criteria	Response
Building Safety and Quality	C20	What % of homes meet the national housing quality standard? [% of Homes] Of those which fail, what is the housing provider doing to address these failings? [Qualitative] ENHANCED What is the target date for bringing homes that do not meet the standard into compliance?	97.6%. Abeyance is due to a small number of properties within traditional tenement buildings having smaller scullery-style kitchens that do not meet the space standard, owner refusal to permit door entry system upgrades, and some properties not meeting energy standards due to tenants not providing access. We are actively engaging with owners to address these barriers and reduce the number of non-compliant properties. Energy standard issues will be addressed when properties become void, while the kitchen space standard will require a longer-term strategic approach. ENHANCED 2030
Building Safety and Quality	C21	How do you manage and mitigate the risk of emergency hazards, including damp and mould? [Qualitative] How do you reduce the likelihood of damp and mould hazards occurring? [Qualitative] ENHANCED Average time to 'make safe' Emergency hazards Average time to 'make safe' Significant hazards	For emergency repairs we aim to 'make safe' within a four-hour timescale. Our in-house trades team deal with the majority of our emergency works. We also have service agreements with various contractors for emergency trades attendance, including our contractors for lifts, fire alarms etc. We have an out-of-hours phone line, and eight trades staff on call to deal with emergency calls, as well as a Standby Officer to offer support/advice and initial attendance in case of a major incident. Last year we had a total of 6,427 emergency works orders and our average attendance time was 2 hours 35 minutes. Hillcrest has a structured Condensation, Mould and Dampness Policy and Process designed to identify issues early, assess risk and ensure effective interventions are implemented. All reports result in an initial risk assessment to identify high-priority cases early. Our Property Officers inspect all properties reporting issues, to identify the root cause of the issue, assess any risks to occupants and determine the most appropriate course of action. Inspections are supported by specialist equipment including thermal imaging cameras, moisture meters, hygrometers and ventilation testing equipment, enabling accurate diagnosis and targeted remedial measures. Interventions may include building fabric repairs, ventilation improvements, specialist contractor involvement, tenant advice and referrals to the Hillcrest Energy Action Team (HEAT) where fuel poverty or affordability concerns may be contributing factors. All cases are subject to a post-CMD follow-up review approximately 48 days after the repair is raised, allowing sufficient time for inspections, remedial works and tenant advice and support measures to take effect before the outcome is assessed. Hillcrest monitors damp and mould performance through regular management reporting and continues to strengthen its approach in preparation for the implementation of Awaab's Law in Scotland. In the past year, Hillcrest resolved 117 damp, mould and condensation cases, comprising 116 condensation cases and one other damp-related case. The average resolution time across all resolved cases was 32.5 working days. Hillcrest seeks to reduce the likelihood of damp, mould and condensation occurring through a combination of resident education, proactive property improvements and data-led asset management. Residents are provided with information and advice on preventing damp and condensation at the start of their tenancy and throughout the tenancy via leaflets, information on our website and social media channels, staff visits, and advice during inspections. We continue to invest in physical improvements to address known causes of damp and condensation, including window replacement programmes, insulation improvements and a strategic approach to ventilation. We have adopted constant flow smart humidity-controlled ventilation systems within its specification for new properties and has undertaken a significant programme of upgrading existing ventilation systems. We have also upgraded over 2,500 fans to constant flow smart humidity-controlled units, improving airflow and helping to reduce the conditions which can contribute to condensation and mould growth. We continue to undertake ventilation upgrades on a case-by-case basis where improvements are identified as being required. Environmental sensors have been installed within selected properties where recurring or complex issues have been identified, providing valuable information on internal environmental conditions and property performance. ENHANCED These enhanced reporting options relate to legally enforceable timescales under Awaab's Law. This legislation has been introduced in England and Wales, but has not yet been introduced in Scotland or Northern Ireland. We are currently adjusting our processes and data in preparation for the introduction of Awaab's Law in Scotland.

Theme	Criteria #	Criteria	Response
Residents and Community	C22	What are the results of the housing provider's most recent tenant satisfaction survey? [% of residents satisfied] How has the housing provider acted on these results? [Qualitative]	89.2% (fieldwork took place in May and June 2025) Results are shared with tenants via the annual performance report. Internally, a comprehensive report is produced following the completion of the tenant satisfaction survey, enabling the identification of any specific areas of low satisfaction and/or recurring themes emerging from tenant feedback. After analysing the findings, an action plan is developed to address key areas for improvement. This action plan is then presented to the Operations Sub-Committee for approval, with quarterly updates provided to report on progress. Actions from the most recent satisfaction survey include technical upgrades to our tenant app, improved processes and monitoring for returning contacts from tenants, and improvements in staff visibility in neighbourhoods.
Residents and Community	C23	What arrangements are in place to enable residents to hold management to account for the provision of services? [Qualitative]	Our Tenant Participation Strategy ensures tenants have a voice in shaping the housing services, policies, and conditions that affect them. This inclusive approach strengthens community ties and supports equitable service delivery. We conduct annual Tenant Satisfaction Surveys and Rent Consultations, with outcomes reviewed by senior management and the board. Where feedback indicates the need for improvement, action plans are developed and progress is monitored to ensure accountability. To support ongoing engagement, we use digital tools to survey tenants and maintain a Feedback Forum, now comprising 1,165 members. Recent consultations have focused on tackling poverty, equality diversity & inclusion and the contractor code of conduct. A digital feedback tool is also used for ongoing transactional surveys, including repairs and complaints satisfaction. Additionally, we aim to complete one in-depth Scrutiny Project annually. Our last project focused on damp and mould and gathered insights through online surveys, and opportunities for calls to be listened to on the handling of damp and mould enquiries. Planning is now underway for the next topic of focus.
Residents and Community	C24	Report ONE OR BOTH of the following quantitative metrics: > % of Stage 1 and Stage 2 complaints responded to within target timeframes (varies by nation). > Average time in working days to respond to Stage 1 and Stage 2 complaints. [% OR average working days] How have reported complaints resulted in change of practice within the housing provider? [Qualitative] ENHANCED Ombudsman maladministration rate [%] Ombudsman severe maladministration rate [%]	Stage 1: > 91% responded to within target timeframes. > average response time of 2.8 working days (national target is 5 working days). Stage 2: > 100% responded to within target timeframes. > average response time of 16 working days (national target is 20 working days). Over the past 12 months, we have identified key areas for improvement through our analysis of complaints received and feedback gathered from our customer complaint satisfaction surveys. As a result, we have implemented several changes, including updates to customer information on our website and the development of guidance to support both staff and tenants when rehoming pets. We continue to review complaints and customer feedback to guide our improvement work and help us increase overall customer satisfaction. ENHANCED Ombudsman maladministration rate - 0 (0%) Ombudsman severe maladministration rate - 0 (0%)
Residents and Community	C25	In the last 12 months, what additional support have you provided to your tenants? Please include support across any of the following areas, as well as any other relevant services: > Employment & training > Wellbeing & mental health > Vulnerable tenants [Qualitative] ENHANCED Social Value calculations (including monetisations) of all resident support services and placemaking activities [£]	We provide a highly successful service combining both energy and financial wellbeing services for Hillcrest Enterprises tenants. In the last year the following financial gains were achieved for tenants: > Hillcrest Energy Advice Team delivered £1.1M of gains to Hillcrest Homes tenants. > The Financial Wellbeing Team delivered £3.0M of gains to Hillcrest Homes tenants. > Financial gains for Hillcrest Enterprises tenants was £529K. We also have a very successful Social Wellbeing Team who support tenants with mental health and addiction issues. A successful joint bid between Housing and Futures to the internal Hillcrest Foundation has enabled a Community Connector role to be trialled in Dundee. Our Community Connector has lived experience to help support tenants who are struggling with their tenancies for a range of reasons such as mental health, substance use and offending. ENHANCED We do not calculate social value monetisations for all resident support services and placemaking activities.

Theme	Criteria #	Criteria	Response
Residents and Community	C26	In the last 12 months, what interventions has the housing provider made or enabled to foster stronger communities and places, considering both: > Physical changes to shared spaces or public realm > Events, activities, and signposting [Qualitative]	Examples of our community-minded interventions and achievements in 2025-26 include: > A series of holiday activities for young people across Angus, alongside a community-wide Family Fun Day. > A BBQ to celebrate the cultures and cuisines of the home countries of 20 young asylum seekers, housed by Hillcrest, who have come to the UK after experiencing persecution and exploitation in their homelands. > A community-led public art project at a former jute mill site in Dundee, replacing deteriorated heritage murals with new artwork by local artist Abi Baikie, inspired by the site's industrial heritage. > An improvements programme for The Beacon, a community wellbeing centre we operate in Angus. Works were funded through a £10K grant from the Hillcrest Foundation, and made the building more welcoming and trauma informed. > A free clothing boutique for women in supported accommodation, run by our Lauriston In Leith homelessness centre and made possible by a strong response from the local community. > Our Derby Street development was named a winner at the Dundee Civic Trust Awards in October 2025, recognising our outstanding contribution to the city's built environment and community. > A commendation for our Edinburgh and Glasgow homelessness services, for helping people work towards stable housing and improving wellbeing. Inspectors found that support was consistently person-led, flexible and responsive to individual needs. > Our Student Support Service in Dundee, Angus and Perth was re-accredited with the Autism Specialist Award from the National Autistic Society, recognising our commitment to high-quality support for autistic students. > A parliamentary motion in the Scottish Parliament, recognising the work of the Hillcrest Foundation in funding initiatives that support wider social, economic and environmental wellbeing. > Our STRIVE service was recognised at the National Drug Mission Conference 2026, where the team received the Frontline Worker Certificate of Recognition for their outstanding work supporting young people in Dundee affected by substance use and poor mental health.
Residents and Community	C27	How is social value creation considered when procuring goods and services? [Qualitative] What measures are in place to monitor the delivery of this Social Value? [Qualitative] ENHANCED What is the relative weighting of Social Value considerations in procurement policies? How much Social Value has been delivered from the housing provider's supply chain in the last 12 months?	Social value is considered with all applicable procurement activities. This is done via a Community Benefits clause which details a monetary donation to be made annually to the Hillcrest Foundation, based on a % of the contractual spend. This generates significant value as these funds are distributed to internal and external local/community initiatives, which bring additional social value to the people we support. We monitor closely the frequency and donation totals of the Community Benefits payments agreed as part of the contract, and the suppliers are thanked and notified yearly of the good causes that their donations may have supported. ENHANCED The relative weighting of social impact considerations is 5%.

Governance

Theme	Criteria #	Criteria	Response
Structure and Board	C28	What is the housing provider's most recent regulatory grading/status? [Varies]	Compliant

Theme	Criteria #	Criteria	Response
Structure and Board	C29	Explain how the housing provider's board manages ESG risks. [Qualitative] Are ESG risks incorporated in the housing provider's risk register? [Yes/No] ENHANCED Is the housing provider required to report against TCFD? [Yes/No] If yes, is the housing provider doing so? [Yes/No]	Our Risk Register contains identified risks which are categorised under Reputation, Operational Delivery, Financial, Compliance, Data and Information Management, and Strategic/Major Change. Each individual risk is also categorised as an Environmental, Social and/or Governance risk. Our risk appetite is set on an annual basis and any variance to the risk appetite is reported. Risks are regularly reviewed by the Executive Team and are reported to the Governing Body through the Audit and General Purposes Sub-Committee on a quarterly basis. All subsidiary risks are monitored in terms of any impact to Hillcrest Homes and are reported to subsidiary Boards on a quarterly basis. All risks have identified control measures in place which are regularly reviewed by senior members of staff. Where required, additional actions are in place and these are also assigned to senior members of staff with timeframes for completion. Additionally, we carry out a risk assessment for any new business via a Risk Assessment Panel, employ Treasury Management specialists and have an internal audit programme that provides further reassurance. Our Risk Matrix can be seen in Appendix 1 of our ESG Report 2026. ENHANCED No, we are not required to report against TCFD.
Structure and Board	C30	Has the housing provider been subject to any adverse regulatory findings in the last 12 months (data protection breaches, bribery, money laundering, HSE breaches, etc.) that resulted in enforcement or other equivalent action? [Yes/No] ENHANCED If yes, describe.	Yes. A Notification of Contravention was received from the HSE on 5 March 2026. ENHANCED HSE carried out an investigation into an incident which occurred in a supported accommodation service. Contraventions of health and safety law were identified. Based on the recommendations received, an action plan has been developed and implemented, and shared with HSE.
Structure and Board	C31	How does the housing provider ensure it gets input from a diverse range of people into the governance processes? [Qualitative]	We have an Equality, Diversity and Inclusion Strategy in place which sets out the organisation's commitment to ensuring equality within all levels of the organisation. A new post was created last year for an EDI Officer who is reviewing the EDI Strategy. An annual review of the Governing Body membership takes place, considering areas such as skills and knowledge, gender balance, ethnic representation and age. We believe having a range of perspectives and lived experiences on our boards helps make sure decisions are fair, and that we continue to be innovative and agile. The Governing Body also adheres to the Scottish Housing Regulator's regulatory standards, including standards around diversity and objectivity. Tenants can apply for membership of our Governing Body as per our Hillcrest Homes Rules and currently there are 2 tenants on our Boards. Hillcrest's Tenant Participation Strategy sets out how tenants and other customers can take part in their landlord's decision making. This includes how tenants can influence decisions about housing services, policies and procedures, and housing conditions. This strategy complies with the requirements under the Housing (Scotland) Act 2001 and the Scottish Social Housing Charter outcomes and standards of governance and financial management for RSLs. During the last 12 months, key tenant consultations have included a tenant satisfaction survey and a rent increase consultation with results shared at board and senior management meetings for consideration. Where further action is required in response to tenant feedback, an action plan is created and progress against this is also monitored by the relevant board. Actions from the most recent satisfaction survey include technical upgrades to our tenant app, improved processes and monitoring for returning contacts from tenants, and improvements in staff visibility in neighbourhoods. A recent Scrutiny Project carried out an in-depth review of digital engagement using digital feedback software to survey tenants. A total of 361 responses were received to two surveys. Recommendations put forward by tenants for improvements to communication and content were approved by the Board, and an action plan is now being implemented. Hillcrest has a tenant 'Feedback Forum' which regularly surveys tenants and currently has 1,165 registered members. These tenants have been asked for their opinion on the Hillcrest Tackling Poverty Together Strategy and told us what action points were most important to them. We also consulted on the Annual Performance Report to ask tenants about style and presentation; this was positively received. Tenants in a number of individual developments have been asked about improvements to outside space and how better to manage estate issues. As a result, work has improved bin stores, fencing, drying areas, outside play areas and communal spaces. We use tenant feedback, complaints and experiences to identify learning outcomes that form action plans that are tracked and reported on.

Theme	Criteria #	Criteria	Response
Structure and Board	C32	Does the housing provider have policies that incorporate Equality, Diversity and Inclusion (EDI) into the recruitment and selection of board members and senior management? [Yes/No] How do they do this?[Qualitative]	Hillcrest is an equal opportunities employer and has adopted a policy which aims to ensure that no job applicant or board member applicant receives less favourable treatment on grounds of race, colour, ethnic and national origins, marital status, gender, age, religion, disability, political or sexual orientations, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. Hillcrest is a Disability Confident Employer. All companies within Hillcrest are committed to employing and, keeping and developing the abilities of all our staff and, in particular, those who have, or develop, a disability. We are committed to the criteria laid out in the Disability Confident Employer accreditation regarding recruitment, training retention, consultation and disability awareness. Hillcrest carries out an annual recruitment exercise for Board Members for all the companies. Appointment to be a board member is subject to a fair, open and transparent process. As well as skills and knowledge, board diversity is also reviewed to ensure that every attempt is made to recruit members from a variety of backgrounds. Hillcrest is committed to ensuring that its tenants have the opportunity to participate in the running of the organisation.
Structure and Board	C33	What % of the housing provider's Board have turned over in the last two years?[%] What % of the housing provider's Senior Management Team have turned over in the last two years?[%]	Board - 18.1% Senior Management - 20.0%
Structure and Board	C34	Number of board members on the housing provider's Audit Committee with recent and relevant financial experience. [Number and description of experience]	One board member on the Audit & General Purposes Sub-Committee has recent and relevant financial experience: > 35 years of experience in surveying, banking and property finance. > MA (Hons) degree in Geography and a post graduate diploma in Land Economy. > Trained and worked as a surveyor with Knight Frank in London. > Joined the Royal Bank of Scotland in 1996 to specialise in property finance. > Over a period of 19 years, fulfilled several senior property finance roles and brings extensive knowledge of property investment and development, debt finance and equity funding for both commercial and residential property. > Since 2015, they have acted as a director for several companies in the property and debt finance sectors.
Structure and Board	C35	What % of the housing provider's board are non-executive directors? [%]	100%
Structure and Board	C36	For how many years has the housing provider's current external audit firm partner been responsible for auditing the accounts? [Number of whole years]	2
Structure and Board	C37	When was the last independently-run, board-effectiveness review? [Date]	The last independently-run board-effectiveness review concluded in December 2024.
Structure and Board	C38	How does the housing provider handle conflicts of interest at the board?[Qualitative]	There is a Code of Conduct which all Governing Body Members must sign and adhere to. All Members must declare any interests and these are held and published in a Register of Interests, which Members must keep updated. During meetings, Members must declare any interest in a matter and are required to leave the meeting while the matter is discussed. Any interests declared during a meeting are recorded in the minutes.
Employees	C39	Does the housing provider pay the Real Living Wage? [Yes/No]	Yes
Employees	C40	What is the housing provider's median gender pay gap? [% gap]	12.6%
Employees	C41	What is the housing provider's CEO:median-worker pay ratio? [Ratio]	6.0:1

Theme	Criteria #	Criteria	Response
Employees	C42	How is the housing provider ensuring equality, diversity and inclusion (EDI) is promoted across its staff? [Qualitative]	See Appendix 2
Employees	C43	What activity has the housing provider undertaken over the last 12 months to support the physical and mental health of its staff? [Qualitative] What impact has this had on staff and the wider organisation? [Qualitative]	Over the last 12 months, the activities undertaken to support the Physical and Mental Wellbeing staff include: > Reviewed the Health & Wellbeing Policy and Stress Management Policy, acknowledging that both policies cannot sit separately from each other > Invested in training for an additional 19 Mental Health First Aiders increasing the number of Mental Health First Aiders in the organisation to 32 > Negotiated double the amount of benefits available to all staff through the health cash plan, resulting in double the amount of claims compared to the previous year > Participated in activities and challenges such as the Banchory Beast Challenge and the Kilt Walk. > Actively participated in Mental Health Awareness Week > Recognised and promoted National Stress Awareness month > Arranged mental health awareness training for young people in the organisation > Designed tailored mental health awareness training for line managers > Launched a wellbeing check in section within the annual appraisal process > Introduced trauma practitioners and training to support staff that may have experienced traumatic events as part of their role > Carried out a review of internal gym facilities and allocated budget to carrying out upgrades to gym equipment
Employees	C44	What activity has the housing provider undertaken over the last 12 months to support the professional development of its staff? [Qualitative] What impact has this had on staff and the wider organisation? [Qualitative] ENHANCED What % of employees have received a qualification that is relevant to their professional development within the last year?	A key development has been the introduction of a strong partnering model between services and HR / Organisational Development, which has identified role-specific development needs leading to tailored learning solutions. As a result, 37 new training courses were introduced, directly aligned to organisational priorities and staff requirements. We have also continued to work with local and online training providers to ensure we are UpToDate and offering the best and most relevant professional qualifications for our teams. Targeted development for managers and leaders has been a priority. This includes the design and delivery of tailored HR training sessions, such as recruitment and selection training, and Unconscious Bias and Emotional intelligence courses. We have continued to deliver our bespoke in-house leadership programme to further enhance leadership capabilities and understanding across the organisation. The organisation has also designed and rolled out career pathways, providing structured progression routes and supporting staff to understand and actively plan their career development. These career paths include links to where staff can further develop skills and knowledge to progress. Induction processes have been reviewed and enhanced, including updated face-to-face delivery and the introduction of virtual and local induction options, improving accessibility and consistency for new starters. A mentoring programme has been rolled out across the organisation this year, supporting peer learning, knowledge sharing, and development. The annual review process has also been updated, allowing for better alignment to our organisation behaviours framework with a focus on identifying personal development needs within these behaviours and linking these more clearly to personal development. ENHANCED 6.0% of employees have received at least one qualification relevant to their professional development within the last 12 months.

Appendices

Appendix 1 – C29 - Risk Management

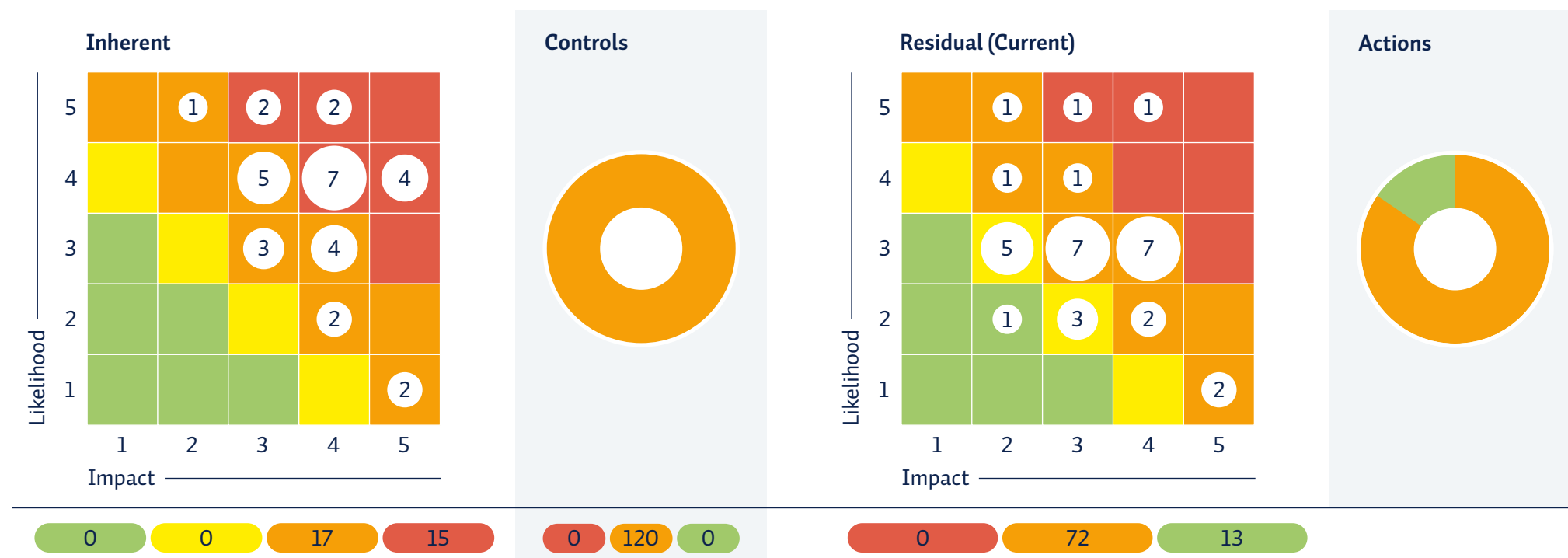
Our Risk Register contains identified risks which are categorised under Reputation, Operational Delivery, Financial, Compliance, Data and Information Management, and Strategic/Major Change. Each individual risk is also categorised as an Environmental, Social and/or Governance risk. Our risk appetite is set on an annual basis and any variance to the risk appetite is reported.

Risks are regularly reviewed by the Executive Team and are reported to the Governing Body through

the Audit and General Purposes Sub-Committee on a quarterly basis. All subsidiary risks are monitored in terms of any impact to Hillcrest Homes and are reported to subsidiary Boards on a quarterly basis. All risks have identified control measures in place which are regularly reviewed by senior members of staff. Where required, additional actions are in place and these are also assigned to senior members of staff with timeframes for completion.

Additionally, we carry out a risk assessment for any new business via a Risk Assessment Panel, employ Treasury Management specialists and have an internal audit programme that provides further reassurance.

The below Risk Matrix notes the inherent risks identified and the residual risk based on the control measures we have in place. This matrix relates to the risks under Hillcrest Homes and our subsidiaries.



The risks identified are noted in the table below. These cover the risks for Hillcrest Homes, which include overarching risks for all of Hillcrest, and the subsidiaries of Hillcrest Futures and Hillcrest Enterprises. We have not included one risk in this report as publication would create further risks.

Category	ESG Category	Risk	Residual Risk Score (1-25)
Financial	E, S, G	Impact of increasing financial pressures on costs and rent levels, reducing financial headroom for loan covenants.	20
Reputational	S, G	Reputational and financial risk arising from HSE Notice of Contravention Order.	12
Data and Information Management	S, G	Risk arising from human error, non-compliance with security protocols and susceptibility to social engineering attacks.	12
Data and Information Management	S, G	Risks arising from system failures, unpatched vulnerabilities or misconfigurations of security tools.	12
Financial	E, S	Risk of loss of key contractors.	12
Financial	E, S	Financial risk due to a delay in resolution with landowner and local authority regarding the road infrastructure of the new development at Ury Estate.	12
Financial	E, S, G	Financial risk due to delays in contract handover of new developments.	12
Financial	S	Financial loss arising from lack of demand for MMR properties in Aberdeen/shire.	10
Financial	E, S, G	Financial impact due to ongoing funding cuts to commissioned Futures services.	9
Operational Delivery	E, S	Residential accommodation for the people Hillcrest Futures support is no longer fit for purpose.	9
Operational Delivery	S, G	Lack of accurate and timely data to enable the effective and efficient delivery of services.	9
Financial	E, S	Financial risk due to material price increases and material availability. Although material prices have not risen through Q3 and Q4 the BCIS forecast that they will rise 13% over the next 5 years.	9
Operational Delivery	S, G	Inability of staff to complete mandatory and service specific training.	9
Operational Delivery	S	Inability to recruit and retain staff across Hillcrest Futures services.	9
Financial	S, G	Inability of HF to deliver services within budget.	9
Operational Delivery	E, S	Risk to tenants from damp and condensation in properties.	8
Financial	E, G	Receipt of legal writ claiming damages for unfair distribution of work.	8
Financial	S, G	Risk of not meeting the 2026/27 budget.	6
Operational Delivery	S	Risk of new development primary contractor failure.	6
Financial	S, G	Housing Bill Rent Control.	6
Compliance	S, G	Financial and reputational risks resulting from poor compliance and quality of service failings within services.	6
Financial	S, G	Financial impact due to government rent controls across mid-market housing sector.	6
Operational Delivery	S	Skilled labour shortage.	6
Operational Delivery	S	Recruitment and retention of staff within Hillcrest Homes.	6
Data and Information Management	E, S, G	Financial loss and reputational damage arising from data loss.	6
Financial	E, S, G	Risk of fire spreading due to the existence of combustible materials on external cladding of high-rise buildings.	5
Financial	S, G	Risk of cost increases above budget due to the NI increase.	4

Appendix 2 – C42 – EDI Arrangements

We have an Equality, Diversity and Inclusion (EDI) Policy which is shared with all staff. This policy notes our legal and regulatory obligations, our commitment to promoting equality of opportunity, diversity and inclusion and our expectations of staff. This includes a clear statement that we will not tolerate any form of discrimination, prejudice, harassment or victimisation. Also noted are the various measures we have in place to support our EDI Journey such as:

- > Our EDI Strategic Board, supported by an EDI Action Group made up of volunteers from across the organisation
- > Our Equality Impact Assessment (EQIA) process
- > Data Collection and Monitoring
- > Training and Development

Our EDI Action Group meets every two months with the core purposes of:

- > Developing and progressing EDI related actions
- > Raising awareness of EDI across Hillcrest
- > Recommending and proposing priorities for training

Our intranet includes a page for EDI which provides staff with access to various resources, including:

- > Key definitions such as harassment, victimisation and direct discrimination
- > Details of who is on our EDI Strategic Board and EDI Action Group and the remits of these respective groups
- > A calendar of EDI related events
- > Training videos and guides for completing EQIAs

An Equality, Diversity and Inclusion Officer is in post. This role supports:

- > The development of a new EDI Strategy
- > The researching and development of new resources to increase staff awareness and understanding
- > The handling of complaints and equality impact assessments through the provision of advice and guidance
- > The review of other key strategies and action plans to ensure inclusive design and processes are considered

We have started the rollout of further resources to increase awareness and understanding and to provide staff with further tools. The first of these was a toolkit provided by the SFHA for responding to migration concerns.

Core EDI training is mandatory for all staff. In 25/26, we completed the rollout of unconscious bias training. This training will support staff to understand unconscious bias, recognise their own bias and put in place measures to prevent this from affecting their decision-making. We are in the process of developing training on harassment.

At a Board Development Day in April 2026, an information session and workshop were delivered to the board and senior team outlining key directions for Equality, Diversity and Inclusion and Human Rights.

Hillcrest has signed up to the Chartered Institute of Housing's Equality, Diversity and Inclusion pledge. This commits the organisation to working towards Equality:

1. Diversify: Taking action to increase diversity in the workplace, including on boards and committees.
2. Upskill: Ensure that professional development for staff is person specific, reflects individual skills and talents and includes a focus on EDI and marginalised groups.
3. Engage: Commit to regular engagement with schools, colleges and other relevant groups and organisations about the value and impact of diversity in the workplace.
4. Champion: Appoint an officer at a senior level to champion and sponsor an EDI workstream.

We continue to regularly publish articles to our intranet and social media about EDI related matters and events. For example, articles about World Autism Acceptance Month, Down Syndrome Awareness Month and World Aids Day. We have also held staff events relating to menopause such as a Menopause Café and webinar, both of which included talks by menopause coaches.

Helping people live better lives

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The Hillcrest logo features a stylized blue sunburst icon above the word "Hillcrest" in a white, sans-serif font.