

Dear friends

Our 2020 Impact Report reflected on the impact of the pandemic and how it made SASC's funds even more relevant. At the time we expected, or hoped, the bad times were almost behind us. Instead, the world faces a war in Europe and a growing cost of living crisis. All of which means our investment activity is increasingly important.

Despite the wider circumstances, SASC has been busy throughout 2021 – making 14 new investments totalling just over £38m, our fastest annual rate to date. The housing market slowly returned to a more normal, pre-pandemic state, with the conveyancing backlog finally easing. SASC supported frontline organisations across the UK to buy 121 properties. This trend has continued in 2022 as our borrowers acquired 72 houses during the first six months of the year.

Through our flagship fund Social and Sustainable Housing (SASH), launched 2019, SASC has supported 20 social sector organisations to take ownership of the housing stock in which they deliver support. This transfer of ownership sees existing housing stock move into the right hands – those with a long-term social commitment to people who need extra support. Ownership means these organisations can offer high quality housing to disadvantaged individuals and families in the right location, for the right amount of time. Since its launch, our housing fund has enabled over 400 adults and children to be supported in safe, stable, and appropriate accommodation.

At a time of significant stress in our energy markets, our Community Renewables investments have continued to support their local areas. These investments, in which

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a community builds or purchases renewable assets to deliver clean energy, retain profits for their local population to support local causes and help individuals who are facing fuel poverty. With the growth in our SASH product, nearly two-thirds of our current active and approved loans by value are for property. To ensure we play our part in achieving Net Zero, we will be working with our housing borrowers to deliver energy efficiency through improved EPC ratings.

SASC grew in 2021, doubling in size to 20 staff across investment, portfolio management, finance and legal, to support the increase in our borrowers and investments. We also took time to review our processes, materials and support for the housing borrowers who make up most of our portfolio. This resulted in

improvements that reduced the time from loan approval to deployment and now deliver more effective support. This work means the SASC team stands in good stead for the launch of SASH II later in 2022.

We carried out our first Borrower Survey to understand what specific aspects of our work offer most benefit, and to what extent SASC has succeeded in helping organisations grow their capacity and resilience. Nearly all borrowers said they found the flexibility of our financing and our partnership approach most valuable – 95% said they would recommend us to others.

During 2021, SASC also ran an ESG impact review designed to assess our practices and investments through an ESG lens. The outputs helped us to

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better understand ourselves and our borrowers and to take practical action quickly, for example, we put in place a clearer screening process as part of borrower due diligence. As part of the impact review, SASC formalised its commitment to being an equitable, diverse, and inclusive organisation. We are excited that we have raised the bar for our internal and external impact development as SASC grows.

In 2022, our focus has been on cementing our progress of the last year and building SASH II, our successor housing fund. SASH II will launch this autumn and benefits from the feedback and insights of our current housing borrowers.

As the UK faces an extraordinary energy and cost of living crisis our partners' work supporting

disadvantaged and often vulnerable individuals is more important than ever. SASC's role, as a social investor, has always been about more than the money. In the coming year we are committed to supporting our borrowers in their vital role as a conduit of wellbeing in their communities. We are proud to support each of our borrowers as they work alongside their councils and public sector organisations to deliver care, support, and housing to those who need it most.

Over the coming year, we look forward to building on our current partnerships, as well as welcoming new borrowers and investors to our second housing fund.

Nat Sloane
Chair

Ben Rick
Co-founder and CEO

If you are interested in knowing more about SASH II contact info@socialandsustainable.com