

## Sustainable Environment Development Loans (SED) Policy Background

Relendex is a real estate lender specialising in the provision of development finance to small and medium-sized local house builders. Relendex recognises the environmental impact of house building and wishes to promote sustainable construction methods and the provision of environmentally friendly, energy-efficient housing stock.

Our Sustainable Environment Development loans are designed to support small and medium-sized housing developers in the transition to lower-carbon homes and promote sustainable development while minimising negative impacts on the environment.

Relendex Sustainable Environment Development (SED) loans are assessed in accordance with current Credit Policy but allow for a discounted interest rate for schemes that meet our SED loan criteria.

Relendex's SED loan Policy allows for applications to be assessed based on either demonstrable outcomes (energy efficiency) or delivery (sustainability).

The criteria used in such assessments are based on Relendex' current understanding of industry standards and practices and have been developed from information provided by external parties including, but not limited to:

- BREEAM – Housing Quality Mark
- The Passivhaus Trust
- Sustainability for Housing
- Code for Sustainable Homes
- Industry articles and press releases

- Discussions with industry stakeholders including developers, commercial finance brokers and industry bodies (such as NACFB and others).

The criteria arrived at on an outcomes basis require certification confirming the scheme has achieved one of the following:

- An EPC rating of A, or
- An industry recognised standard of construction methodology. such as Passive House, or
- An industry recognised certification. such as Housing Quality Mark (HQM)

The criteria arrived at on a delivery basis require evidence that the development utilises a minimum number of recognised environmentally friendly construction techniques and / or energy efficient technology, examples of which include the following:

- Timber frame/MMC
- Reuse / recycling of building materials
- Bioclimatic design
- Ground or Air Source heat pumps
- Wind turbines
- Photovoltaic (solar) panels
- Energy storage
- Rainwater harvesting
- Grey-water recycling
- Triple glazing

The above list is not exhaustive and other recognised techniques and technology will also be considered. Relendex also reviews its SED loan criteria regularly and makes amendments as and when new standards are agreed or new information or technology becomes available.