emh group – Strategic Risk Appetite Statement and metrics (26-27) – May 2026

In pursuit of our strategic objectives as a Registered Provider of Housing and Care, we will not knowingly take risks that will threaten our reputation or breach our regulatory and legal requirements.

	Risk	Averse Avoidance of risk and uncertainty. To opt for very safe delivery options that have a low level of risk even if this gives limited potential reward	Minimal Preference for options with as little risk as reasonably possible.	Open Preference for options which offer greater potential rewards while accepting a slight increase in potential inherent risk.	Hungry eagerness to be innovative and or choose options offering a higher potential reward despite greater risk. Challenge of conventional approaches.
G1	Failure to deliver our development programme	No new development programme.	Secure opportunities only through section 106 deals which offer less risk and where numbers of potential growth are limited, and all development parameters are met.	**We will ensure that there is sufficient financial and resource capability to pursue our growth ambitions in line with business plan objectives. We will deliver growth ambitions which include a greater number of sites that are delivered via land led deals, joint ventures, and large schemes with an element of market sale. We will seek to spread counterparty risk by having a number of development partners.**	Seek new development opportunities where deals and structures include a significant amount of market sale, land with no planning history and schemes of over 400 units.
P1	Ineffective governance	Do not take any action likely to risk full compliance with Code of Governance and Governance Standard or G1 rating. Do not undertake any diversified activities. Do not pursue any merger opportunities.	**Explain non-compliance with Code of Governance in accounts for a time limited period where this is unlikely to compromise G1 rating. No possibility of cross-subsidy of diversified activities. Consider merger opportunities where it will make the business stronger and offer to customers stronger overall**	Knowingly take strategic actions which might temporarily result in G2 rating, but with recovery plan in place for G1. Pursue merger opportunities when they arise, with some consideration of the wider business benefits and offer to customers. No possibility of cross-subsidy of diversified activities.	Take strategic decisions which might result in regulatory intervention e.g. cross subsidising diversified activities. Actively pursue merger opportunities, regardless of impact on wider business or customers. Potential for cross-subsidy of diversified activities.
P2	Unable to achieve the organisation's strategic people objectives, including an ageing workforce and future-proofing skills requirements.	Adopt market leading terms and conditions to attract and retain highly skilled staff and invest in employee retention strategies such as cultural engagement, career progression and personal development. Avoid employee conflict (collective or with individuals).	Adopt market leading terms and conditions to attract and retain skilled staff and support talent management. Avoid changes within the organisation to reduce the risk of turnover, where possible. Align recruitment and retention with culture and values. Accept some employee conflict where it supports the business needs.	**Adopt market standard terms and conditions to attract and retain skilled staff. Employ a range of experience levels including trainees, apprentices and staff from outside the sector. Make changes within the organisation to accommodate innovative approaches to business needs and support talent management. Take a proactive approach to managing**	Adopt market standard terms and conditions to attract and retain skilled staff. Encourage high staff turnover by implementing high risk initiatives and change programmes. Recruiting a wide range of experience levels, including many out of the sector. Adopt a high rewards high stakes culture for employees, supported by a commercial approach to severance/settlements.

				people out of the business where this supports commercial needs.	
H1	Assets that fail to meet future quality, performance and customer and lender expectations	Achieve new Decent Homes standard, including early adoption of tried and tested future proofing measures such as zero carbon/smart homes etc, coupled with an approved proactive disposals programme.	**Achieve new Decent Homes standard whilst learning from good practice in the sector to ensure a costed plan is in place to reach EPC level C and financial provision towards zero carbon targets supported by an approved proactive disposal programme.**	Decent Homes standard with investment in zero carbon measures weighted towards later years in the investment plan. Supported by minimum disposals.	A minimum of Government maintenance standards and wait for government subsidy and or building innovations to emerge before committing to zero carbon strategy. Minimal stock disposal strategy.
H2	Failure to provide affordable landlord and neighbourhood services that meet the diverse needs of our customers and communities	Provide high-cost proactive landlord services that are driven by the customer voice, offering maximum choice and involvement to customers and communities and go beyond pure tenancy obligations to include community engagement and tenancy sustainability that enhance life opportunities for our customers and wider community and take into consideration their diverse needs.	**Provide proactive digitally based customer services combined with personalised services to those who are digitally excluded or have specific requirements, which are shaped by the customer voice and which go beyond pure tenancy and regulatory obligations to include community engagement and tenancy sustainability that enhance life opportunities for our customers.**	Provide proactive digitally based landlord and neighbourhood services combined with personalised services to those who are digitally excluded or have specific requirements, which are shaped by the customer voice	Provide low-cost digital by default landlord services with minimum required resident and community engagement.
C1	Inability to provide effective, compliant and viable care & support services, whilst seeking opportunities to grow the business	Whilst ensuring our care and support services remain viable, ensure that our care and support services are compliant with Care Quality Commission requirements and charitable vires and only deliver services able to make a surplus and exit any services that are not compliant or delivering a surplus.	Whilst ensuring our care and support services remain viable, ensure that our care and support services are compliant with Care Quality Commission requirements and charitable vires and deliver existing services. Active Asset Review and Recovery Plan for those services that are not viable	**Whilst ensuring our care and support services remain viable, ensure that our care and support services are compliant with Care Quality Commission requirements and charitable vires. Explore changing and/or diversifying our existing services and new services.**	Whilst ensuring our care and support services remain viable, ensure that our care and support services are compliant with Care Quality Commission requirements. Develop schemes and services outside of current expertise and explore growth through take-overs.
B1	Insufficient liquidity and unstable financial viability	We will not take financial risk that are likely to breach our borrowing covenants or adversely affect our Credit or Regulatory Rating. Investments only with AAA and AA counterparties. Minimal borrowing using traditional loan facilities. Maximum covenant headroom. Pension liabilities kept under continuous review with third party assurance V1	**Invest for some reward whilst minimising the possibility of financial loss by managing the risks to an acceptable level. Minimal speculative investments that carry risk of loss. Reasonable covenant headroom. Stress testing (all scenarios) occasionally breaks business plan in medium term (5-10 years). Pension liabilities kept under continuous review V2.**	Invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level. Speculative investments that carry risk of loss. Innovative, new treasury facilities. Tight covenant headroom. Stress testing (all scenarios) routinely breaks business plan in medium term (5-10 years). Pension liabilities kept under continuous review V2.	Invest for the best possible reward and accept the possibility of financial loss (although controls may be in place). Speculative investments that carry risk of loss. Innovative, new treasury facilities. Minimum covenant headroom. Stress testing (all scenarios) routinely breaks business plan (5-10 years). Pension liabilities reviewed periodically. V2.

B2	Non-compliance with Landlord health and safety and HSE requirements	Introduce controls beyond those required by regulations and guidance and/or terminate high risk activities e.g. removal of gas appliances. Full compliance at 100% with all building health and safety requirements *(FLEGAL), building safety legislation, Awaab's Law and smoke alarms and CO detectors. Full compliance with HHSRS. Introduce controls beyond those required by regulations and guidance. Qualified (Chartered) Health and Safety staff employed with risk assessments in place for all activities undertaken.	**Go beyond current legal requirements and guidance but transfer high risk specialist activities to others through outsourcing e.g. tree surgery and fire risk assessments** **Compliance with all building health and safety requirements *(FLEGAL), building safety legislation, Awaab's Law and smoke alarms and CO detectors, accepting that a minimal amount of non-compliance will exist due to non-access and legal processes.** **Full compliance with HHSRS**. **Some qualified Health and Safety staff employed with risk assessments in place for all medium and high-risk activities undertaken.**	Align emh H&S controls to current legal requirements and guidance, treating activities through H&S procedures, including those deemed high risk. Reasonable compliance with all building health and safety requirements *(FLEGAL), building safety legislation, Awaab's Law and smoke alarms and CO detectors, allowing for some non-compliance on a rolling basis. Substantial compliance with HHSRS. One qualified Health and safety staff member employed with some risk assessments in place for medium and high risk activities.	Meet minimum regulatory and legal requirements. Use insurance as a safety net. Be open to bringing high risk activities in house. Reasonable compliance with all building health and safety requirements *(FLEGAL), building safety legislation, Awaab's Law and smoke alarms and CO detectors, allowing for some non-compliance on a rolling basis. Significant gaps in compliance with HHSRS. Risk assessments in place for some high risk activities.
B3.1	Loss of data by Cyber attack or other Data Protection breaches	We will operate with highly restrictive controls over all data, ensuring maximum security, limited access and continuous monitoring. We will implement comprehensive data governance and assurance processes, with no tolerance for data breaches or non-compliance.	**We will maintain robust data governance and security controls to protect resident data, aligned to regulatory requirements and best practice. Data will be accessible strictly on a need-to-know basis, with monitoring and assurance processes in place to minimise the risk of breaches.**	We will balance strong data security with enabling effective operational use of data across the organisation. We will accept a low level of risk where appropriate controls, monitoring and governance frameworks are in place to manage data protection and accessibility.	We will enable widespread use and sharing of data to drive innovation and insight, accepting an increased level of data risk. Controls will be proportionate, with a focus on supporting business agility, advanced analytics and emerging technologies, including AI.
B3.2	Failure of key systems and failure to adopt new technology such as AI to improve services	We will prioritise stability and reliability of core technology services above innovation, implementing highly resilient systems with extensive controls and contingency arrangements. We will avoid adopting new or unproven	We will ensure core technology services are reliable and resilient, with appropriate support, maintenance and disaster recovery arrangements in place. We will adopt new technologies cautiously where there is clear benefit,	**We will invest in resilient and scalable technology solutions while proactively adopting new technologies, including AI, within our existing Microsoft environment to improve services. We will accept a managed level of risk, supported by appropriate**	We will actively pursue innovative and emerging technologies to transform services and drive efficiency, accepting a higher level of risk in relation to service stability and change. Governance and controls will enable rapid adoption,

		technologies that could introduce operational risk.	supported by strong governance and risk management.	**governance, controls and ongoing development of skills and capability** including the post of ED Change and Innovation.	experimentation and continuous evolution of technology.

Key:

*** FLEGAL –** Acronym for: Fire, Legionella, Electrical, Gas, Asbestos, Lifts (Also known as the "Big 6")

	Risk appetite approved