

Impact Report 2022



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A word from Dan, our CEO

What a year it has been! If we were hoping for some respite from the challenges of the year before (primarily the pandemic and lockdowns), we were in for a surprise.

But once again, I am so proud of the way the team have worked so hard together to deliver our mission of **helping people find home**, with our 4 core values guiding us along the way:

1. *Build better things*
2. *Empathise first*
3. *Have backbone*
4. *Be 100% responsible*

We have honoured, and will always honour, our commitment as a B Corp to put people, planet and profit on the same level footing: and for us, it remains not just about revolutionising home ownership in the UK, it's also about getting our own house in order and looking after our Habito community.

I hope you find our latest Impact Report interesting, and agree that it supports our purpose-driven ambitions. We know we have much still to do, but the foundations are well and truly laid and our team are eager to keep building.



Who is Habito and what is our mission?

Our mission at Habito is to **help people find home**.

For far too many people, buying a home and sorting a mortgage is disempowering and confusing. We're here to fix that.

We launched in 2016 to give people the tools, knowledge and expert support they need to help them buy and finance their homes.

Since then, we have helped more than 540,000 customers better understand their mortgage needs, and have submitted nearly £10 billion worth of mortgages.

All the time ensuring our customers, our team, and the community and world around us are a core consideration in every decision we make.



B Corp: How, what and why?



Being a B Corp means making legal commitments to value people and the planet as much as profit. If we break that promise, we let ourselves and our customers down, and we lose our B Corp certification. B Corp principles and guidelines are a powerful compass keeping us true to our course.

In our first year as a B Corp, during the global pandemic and associated lockdowns of 2020/2021, we came up with a great list of initiatives to drive proactive and positive change in the world, both internally through our people, and through our customers and community. We shared these in our [first Impact Report](#).

Our second year was focused on bringing these initiatives to life, using the B Corp network and support wherever possible. Being a part of this network of like minded companies and people was a big reason we chose to become a B Corp, and it has proven invaluable.

In November 2021, we joined other members of the B Corp finance coalition at COP26, driving awareness of the B Corp community and encouraging other businesses to legally commit to placing people and planet at the heart of all decision making.

Reflections & Improvements

As mentioned earlier, 2021/2022 was all about bringing our Impact initiatives to life. We'll share our progress on these later in this report.

We've never had to work harder to maintain our commitments than this year. Macro-level events, like the ongoing pandemic and lockdowns, jittery and unpredictable financial markets, changing interest rates, the war in the Ukraine and the rocketing cost of living conspired against us and significantly challenged the core elements of our business - the financial services industry and the housing market.

As a result, we had to make some very real sacrifices and tough decisions, including reducing our team and pausing some of our new ideas and developments to support our mission.

Despite these challenges, we believe, and are proud of the fact, that we stayed true to our principles and commitments as a purpose-driven B Corp.

We have had to pause and reset, but remain ambitious in our goals to drive positive impact.



Our Good Habits

In our last Impact Report, we introduced the idea of our Good Habits and our 5 core areas of focus.

As a reminder, they were:

1. Improve emissions from homes
2. Improve financial understanding
3. Help to develop inclusive, safe and happy communities
4. Help to reduce homelessness
5. Get our own house in order

We also shared our Triple A approach:

1. **Awareness:** Helping people understand the social and environmental challenges and how they might be impacted
2. **Action:** Helping people understand how they can contribute and take action
3. **Affordability:** Making it easier for people to afford to take action

Over the next few pages, we'll share some of the activities we developed for these areas, split across the 5 key B Corp pillars.



(B Corp pillar #1)

Governance



It sounds boring - we know. But a solid governance structure is what allows us to be ambitious in our aims. It allows us to come up with fresh ideas and to keep ourselves aligned with our goals.

We have two main ways of doing this:

- 1) **The Impact Committee** - is where the big decisions are made and, if needs be, where things are escalated to the Board. The committee reports directly into the ExCo and is chaired by a senior ExCo member.
- 2) **The Impact Working group** - is where all of our bright ideas are gathered, debated and converted into tangible plans that map to our key areas of focus. We have regular discussions with team members from every part of the business to see what we could do better and make sure those bright ideas don't stay on the drawing board.

(B Corp pillar #2)

Customers

We wake up, go to bed and dream about helping our customers. If we didn't, we wouldn't be where we are today. So this bit comes naturally to us.

For example, our commitment to accessibility goes hand in hand with our drive to be innovators and simplify every step of the mortgage process. It has also allowed us to reach customers that we couldn't previously reach. We have an Accessibility Guild who are focused on customer needs and keep up to date with innovations and developments.

Throughout the year, we have created fresh content, including advice and ideas, to share with our customers through various channels, including [Instagram](#), [LinkedIn](#) and the [Impact Hub](#) on our website.

Examples include driving awareness and action around:

1. [Lowering your bills](#) and [reducing your emissions](#) at home
2. [Understanding interest rate increases and how they can impact you](#) to improve financial understanding
3. [Understanding COP26 and its key outcomes](#)

We continue to focus on 'Jargon Free' financial advice, cutting out or explaining all the difficult language wherever we can. This empowers our customers to know what they are signing up for and to feel confident that it is right for them.



(B Corp pillar #3)

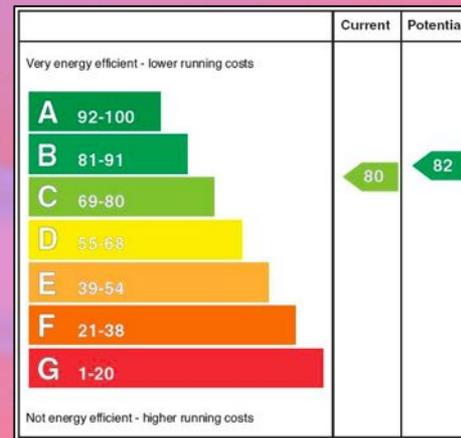
Environment

We know from various reports that residential homes account for around 20% of all UK carbon emissions, which was the statistic behind our idea for one of our focal areas being to improve emissions from homes. We believe we are well positioned to inform and facilitate such change as a financial service provider in the housing sector.

A good starting point is to help homeowners understand what an [EPC \(Energy Performance Certificate\)](#) rating is and [how they can use that knowledge](#) to make improvements.

The EPC is not perfect, and is one of the topics we've been working on with the [Home Buying and Selling Group](#), sharing ideas for general improvements across the industry.

In addition to EPCs, the Awareness and Action elements of this initiative have mostly been covered in the Customer section, but it has been the Affordability element which has been difficult to progress at the pace we would have liked. We can [educate and share ideas](#), but the most effective facilitator is a financial product which allows customers the flexibility to make the changes they need for their homes. An example of this is a genuine, behaviour changing, "[green mortgage](#)". This is an area we continue to work hard on.

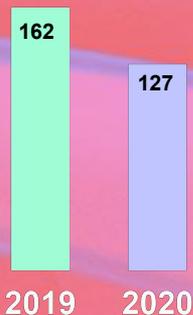


(B Corp pillar #3)

Environment



Tonnes of CO2 equivalent (tCO2e)



Of course, a key area we do have control over is our own emissions as a business, which we call getting our house in order. We measured our emissions in 2019 (162 tCO2e, split 57t scope 2 and 105t scope 3) and 2020 (127 tCO2e, split 28t scope 2 and 99t scope 3), with the key drivers being office electricity and commuting in 2019, and office electricity and gas usage by employees working from home in 2020.

We're proud of the decrease in 2020, but we know much of that was due to lockdowns and their effect on commuting and office electricity use. We definitely have a lot more to do, especially as we move to a fully remote working model and the positive effect on reduced commuting will be offset to some degree by utility usage in employee homes and the availability of 'green' energy providers.

We have committed to being [net zero](#) by 2030 and are founding members of [Tech Zero](#), the climate action group for tech companies, holding us accountable to our targets. Our net zero plan is a work in progress and we hope to complete it in 2023.

In late 2021, we offset our 2019 emissions through a combination of credits, including direct air capture, biochar, concrete capture and tree planting. Offsetting is not a long-term solution and does not distract us from our reduction goals, but we felt it was important to support carbon capture and storage solutions in this way.

(B Corp pillar #4)

Workers

Our business is nothing without our people. We understand that to look after our customers we need to look after our team, and it starts with hiring the right people.

The most important element in choosing our team is ensuring diversity. We have a JEDI team (Justice, Equity, Diversity & Inclusion) who guide our hiring process, amongst other things, and we use a recruitment tool which redacts specific personally identifying details from the applicant pool to avoid unconscious bias. We are proud to say the results, borne out by our DE&I numbers, are showing a promising picture.

Once good people are onboard, wellness and inclusion are our priorities. This starts with equitable pay which is reviewed on a regular basis and runs right through to the little things that we can do to allow employees to feel like Habitonians and to participate in the decisions that we make.

Our standard benefits package includes remote working, enhanced maternity & paternity leave, free healthcare and life assurance, career development, coaching and training, a contributory ethical pension scheme, 2 days fully-paid volunteering and a Cycle to Work scheme.



(B Corp pillar #4)

Workers (Demographics)

A couple of excerpts from our latest company-wide survey from April 2022, show our gender and ethnicity splits across the company.

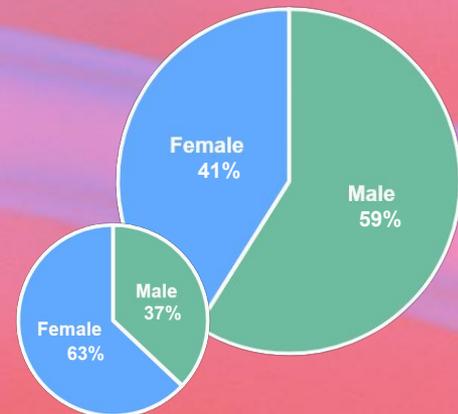
Analysis of 20 large technology companies has shown 33% female representation in their workforces in 2022¹, while analysis from 2021 shows 40% female representation in financial services², so we are proud of our gender split. However, the survey highlighted that more work needs to be done, particularly in the areas of decision making and opportunities.

The second pie chart shows the gender split for our current senior leadership team, which follows significant team changes in the 3rd quarter of 2022.

Ethnicity split across the whole company in April 2022:

• White (including White British, White Irish, White Gypsy/Traveller, White Other)	64.5%
• Asian (including Bangladeshi, Chinese, Indian, Pakistani, Asian British, Asian Other)	14.9%
• Black (including Black African, Black Caribbean, Black British, Black Other)	10.7%
• Mixed (including White/Asian, White/Black-African, White/Black-Caribbean, Other Mixed)	5.0%
• Not Specified	3.3%
• Other	1.7%

Gender split across the whole company in April 2022



Current gender split in senior leadership team

¹ [Deloitte Global insights](#)

² [Statista Research Department](#)

(B Corp pillar #5)

Community



Habito belongs to a number of communities. And being part of these communities means opportunities and obligations for support.

As we said in our last Impact Report, “we’re building communities through skateboarding. Skate parks inject life into dead spaces, they bring people together and make areas safer.” We continued our work with communities around the UK, helping them develop local skateparks, and we went one step further as the lead sponsor of the [Skateboard GB X Habito National Championships 2022](#).

Our local community, where our office is based, is Whitechapel in east London, so we started working with the [Whitechapel Mission](#), who have been “helping Londoners to help people who are rough sleeping since 1876”. They became our primary option for team members to use their volunteering days, and we provided access to our internal teams, including Marketing and website development.

To raise awareness of the disparity of home ownership amongst Black British families, we launched the ‘[This is Our Home](#)’ project which invites Black British creatives to riff on familiar estate agent signage and cover the signs with their own stories of home.

And some closing thoughts...

We ended our 2021 report with this quote from Paul Polman, climate campaigner & Sustainable Development Goals Advocate Emeritus for the United Nations:

'If you cannot explain as a company what you are doing to make this a better world, you have no reason for being.'

This remains truer than ever, as the UK, and the world, face a number of crises, from recession to extreme weather to a horrible war which is impacting us all.

We have faced our own share of challenges at Habito this year resulting in significant internal changes and a real test of our purpose-driven resolve. And we know the next year will be equally challenging.

Our desire to be the change we wish to see is stronger than ever, and we have the right people in our teams to stay focused on building a company that makes this a better world.

