Places for People is a placemaker. We build homes and communities where everyone is welcome and can thrive.

Our purpose is to create and manage living places that are sustainable — economically, socially and environmentally.

With over 50 years’ experience, we have a uniquely broad view of what it takes to create a sustainable community.

We take a commercial approach to delivering social outcomes — all our profits go back into helping people achieve their aspirations and making places work for everyone.
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1. Background

Places for People works across the full spectrum of placemaking. Products and services are delivered to customers by more than 20 companies comprising affordable housing, care and leisure providers, developers, and property managers.

The Group builds and manages homes in communities where everyone feels welcome and can thrive. Currently more than 200,000 homes are under management across England, Wales, and Scotland. Through strategic partnerships and joint ventures, Places for People can also deliver large scale regeneration and development projects across the UK.

As one of the UK’s largest property management, development and leisure businesses, the Group has a responsibility to ensure its products and services make a positive impact on people, places, and the planet.

In 2013, Places for People published its first Corporate Social Responsibility (CSR) report and Environmental, Social and Governance (ESG) achievements were then incorporated into its broader annual report. In 2020, the Group published its first ESG report and the second followed in November 2021 reflecting increasing ESG commitments. The 2021 ESG report demonstrates significant enhancements as the Group seeks to proactively respond to the sector’s commitment to continuously improving ESG standards.

Unprecedented social, economic and environmental challenges globally mean it is more important than ever before to have the experience to respond. The Group is ideally placed to do this with a clear strategy focused on increasing capacity and capability, delivering commercial and social returns, and making a bigger difference to society. Place for People’s approach to ESG is central to achieving these objectives and delivering places that work for everyone.
2. Sustainable Finance Framework rationale

This Sustainable Finance Framework (the “Framework”) represents another important milestone in our ESG strategy. We have always been a business with a social and commercial purpose. Our financing activity and profits are invested to make a difference to people’s lives. The option to link proceeds raised from a debt instrument to tangible and trackable projects, is key to demonstrating our sustainability commitment.

Places for People seeks to demonstrate its ESG credentials to a wide range of stakeholders, including investors, regulators, rating agencies, local authorities, and government.

Regularly accessing capital is required to turn our growing challenges into feasible opportunities, including:
- the delivery of new social and affordable housing
- new building standards and fire safety
- a roadmap to net zero carbon
- urban regeneration

We are determined to balance the delivery of affordable housing and regeneration, our environmental commitments, and economic success in the years ahead. Attracting funding from ESG-accredited sources will help us to achieve our aims. We hope to access a diverse range of ESG investors globally by issuing Sustainable Debt Instruments, including Green, Social or Sustainability Bonds, or private placements.

With a focus on integrating ESG into our long-term business strategy, this Framework follows several key milestones. These include achieving the Certified Sustainable Housing Label, the adoption of our environmental sustainability strategy and the publication of our second ESG report, which is aligned with the Sustainability Reporting Standard (SRS) for Social Housing, of which the Group is an early adopter.

This Framework will actively support our fundraising efforts. In addition, we are aiming to improve the transparency of our ESG strategy and reporting to stakeholders. We will also continue to update our Framework as our understanding, and the broader market, evolves.
3. About Places for People

3.1 Our profile
We are placemakers. We build homes and create communities where everyone feels welcome and can thrive.

Our purpose is to create and manage living places that are sustainable — economically, socially and environmentally.

With over 50 years' experience, we have a uniquely broad view of what it takes to create a sustainable community and a proven track record.

We take a commercial approach to delivering social outcomes — all our profits go back into helping people achieve their aspirations and making places work for everyone.

3.2 Our approach
Where possible, we take an infrastructure-led approach to development. Prior to building new homes, we deliver the services and products needed to make a place thrive — whether those are new schools, shops, leisure facilities, job opportunities, access to learning and training, or specialist support services. In other words, our customers have access to essential services from day one of moving into their new home.

The Group’s companies have the expertise to create and manage sustainable communities. Through strategic partnerships and joint ventures with organisations such as Homes England, Countryside Properties plc, and National Grid Property Holdings Ltd, we can also deliver large scale regeneration and development projects.

Our Group works across the following markets:
- Development (including placemaking and regeneration)
- Affordable housing
- Property management
- Leisure management
- Fund management

We use our assets and investment capacity to achieve our goals. Each year, we assess how best to deploy our resources to create and manage sustainable communities. This approach has shaped a corporate strategy focused on four priorities:

1. Housing delivery: Creating more affordable housing
2. Customer satisfaction: Improving the quality of the service we provide
3. Social impact: Improving the social impact we have on communities
4. Renovations: Improving the quality of our assets on the path to net zero carbon

3.3 Our governance
Places for People Group Limited is a company registered in England and Wales with company number 3777037. Our registered office is 305 Gray’s Inn Road, London, WC1X 8QR.

As a registered provider with the Regulator of Social Housing (Registration number L4236), Places for People complies with a regulatory framework comprising:
- Regulatory requirements, including the rent standard for social and affordable housing, and consumer standards for providing a housing service.
- Codes of practice regarding compliance.
- Regulatory guidance regarding how the regulator interfaces with Places for People.

We have retained our G1/V1 status for governance and financial viability, the highest possible rating to be awarded by the Regulator of Social Housing.

The Group has also published a slavery and human trafficking statement on its website, noting the requirements of the Modern Slavery Act 2015.

3.4 Our social impact
Our social value activities are delivered by Places Impact, a Group function that works with all our businesses to maximise the positive difference we make. This includes managing the Places Foundation, which is our independent charitable organisation.

Despite the challenges of Covid-19, the Group’s Affordable Housing business delivered a social value of £127m in 2020/2021 and the leisure business delivered £31m of social value for local communities.

In 2020, we helped over 9,000 people who were homeless or at risk of becoming homeless, created more than 7,000 opportunities for young people, supported 1,700 people into education, employment and training, enabled 1,200 customers to access or use the internet, and provided money advice to 3,300 people. In addition, 21,000 people have been supported by Covid-19 emergency response projects.
4. Sustainability commitment

4.1 Environmental sustainability strategy
Places for People is building a zero-carbon future by proactively minimising its environmental impact and with plans to eliminate carbon emissions from all business activities.

Our daily work has a strong influence on our customers’ lives and wellbeing as well as their wider communities, so customer satisfaction and sustainable community development are crucial.

Focusing on sustainable development and regeneration, we ensure our assets create long-term value, which lays the foundation for economic success. To help achieve this, we can draw on more than 50 years’ experience, but balancing our social and economic goals remains challenging.

Integrating environmental considerations can be difficult as our housing stock is made up of a wide variety of buildings, constructed at different times.

Our environmental sustainability strategy identifies goals, targets, and timelines that are reflected in our asset management programme, including a range of energy efficiency measures to help us achieve net zero carbon by 2045.

We are delivering clean energy systems to our customers’ homes, including solar power, ground and air source heat pumps, distributed heating systems, and storage solutions that allow customers to benefit from local energy generation. We are also installing devices in our customers’ homes to further reduce energy consumption and help them to understand their own energy use.

4.2 Materiality analysis
A materiality analysis is a tool which identifies core ESG topics relevant to a company’s sustainability strategy. To conduct a materiality analysis, corporate activities are assessed by the company and its stakeholders based on their relevance. Internal feedback regarding the urgency of the identified ESG topics is mapped against external views. The results for Places for People are shown in the matrix below.

As illustrated, the following topics have been ranked as the most important in each dimension:
- **Environmental**: Energy efficiency (ranked highest by external stakeholders) / Internal resource use (ranked highest internally)
- **Social**: Affordable rents
- **Governance**: Compliance

*These are the highest score priorities.
4.3 ESG reporting
Our 2021 ESG report draws on the results of the materiality analysis. It also aligns with the Certified Sustainable Housing Label performance criteria, and the SRS for Social Housing of which Places for People is an early adopter. Table 1 below shows this alignment:

4.4 Certified Sustainable Housing Label
To raise awareness of sustainability throughout the Group and among stakeholders, our activities were independently assessed by RITTERWALD, an external pan-European consultancy. In October 2021, this led to Places for People being awarded the Certified Sustainable Housing Label (CSHL).

The CSHL allows us to better demonstrate, report and benchmark our corporate sustainability performance with reference to other leading social and affordable housing providers in Europe.

Compared to ESG ratings, which predominantly assess the management of ESG risks, the CSHL measures the impact a housing provider achieves through different sustainability measures.

RITTERWALD evaluates a housing provider against more than 40 ESG criteria. To meet the threshold, a housing provider must exceed 50 per cent of the aggregate score and 35 per cent of the individual scores in all three ESG dimensions.

The housing provider is then ranked in each ESG dimension from 'Frontrunner', the highest label recognition, to 'Ambassador', and finally 'Advocate'. The sustainability rating agency imug|rating reviews the results to externally verify compliance with the CSHL methodology. An annual review is carried out to ensure the housing provider has implemented and fulfilled the goals set when the CSHL was awarded.

Places for People achieved Ambassador status in both the environmental and governance dimensions. Underlining our strong commitment to creating social value, we were named a Frontrunner in the social dimension.

<table>
<thead>
<tr>
<th>ESG Area</th>
<th>Description</th>
<th>Theme Name</th>
<th>Description of Topic</th>
<th>Goal #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Provides affordable and secure housing</td>
<td>Affordability and security</td>
<td>Affordability and accessibility</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer safety and building quality are well managed</td>
<td>Building safety and quality</td>
<td>Customer wellbeing and support</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Listens to customers' voice</td>
<td>Customer voice</td>
<td>Customer support</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supports customers and the local community</td>
<td>Support and the local community</td>
<td>Customer support</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supports customers and the wider local community through placemaking</td>
<td>Placemaking</td>
<td>Sustainable living environment</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>Prevents and mitigates the risk of climate change</td>
<td>Climate change</td>
<td>Decarbonisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promotes ecological sustainability</td>
<td>Ecology</td>
<td>Sustainable living environment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainable management of natural resources</td>
<td>Resource management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance</td>
<td>Legal structure of the organisation and its approach to governance</td>
<td>Structure and governance</td>
<td>Compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High quality board of trustees</td>
<td>Board and trustees</td>
<td>Customer information and representation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supports colleagues</td>
<td>Colleague wellbeing</td>
<td>Non-discriminatory working conditions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Procures responsibly</td>
<td>Supply chain management</td>
<td>Compliance</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: ESG reporting alignment
The Sustainable Finance Framework demonstrates our ESG credentials, and outlines our sustainability investment priorities for the benefit of investors.

The Framework aligns with internationally recognised principles and guidelines issued by the International Capital Market Association (ICMA): Sustainable Bond Guidelines (June 2021), Green Bond Principles (June 2021), and Social Bond Principles (June 2021).

By aligning with the ICMA, we also positively contribute to the Sustainable Development Goals (SDGs) which were developed by the United Nations and came into effect in January 2016. Places for People focuses on four of the 17 goals:

- SDG1 No Poverty
- SDG7 Affordable and Clean Energy
- SDG11 Sustainable Cities and Communities
- SDG13 Climate Action.

Although some of our activities have connections to the remaining goals, the four mentioned are most closely aligned to the ESG topic clusters identified in the materiality analysis as described in section 4.2. Further information on the four SDGs can be found in the use of proceeds section.

The Framework has four components:
1. Use of proceeds
2. Process for project evaluation and selection
3. Proceeds management
4. Reporting
Comments:
- For each topic cluster that contributes to addressing one UN SDG, one bar is filled in the graph of that SDG.
- For example, SDG11 “Sustainable Cities and Communities” has six bars around the inner circle whereas SDG2 “Zero Hunger” only has one bar filled for one topic cluster that has an influence on that SDG.
- Coloured bars show significant influence of Places for People’s material topic clusters on the respective SDGs whereas tinted bars indicate minor influence of Places for People’s topic clusters on the respective SDGs.
5.1 Use of proceeds
As a registered provider working within a regulatory environment, we make a positive impact on people’s lives by providing affordable, quality homes in vibrant communities supported by a variety of social and community services. We also proactively help to reduce carbon emissions in the built environment, ensuring our homes are sustainable for the long term.

As a result, the proceeds of this Framework meet the requirements of both Social and Green bonds.

In accordance with the ICMA principles, amounts equivalent to the net proceeds raised under this Framework will be used to finance or refinance, in whole or in part, assets according to the eligibility criteria as shown in Table 2 below:

5.2 Process for project evaluation and selection
The eligible projects outlined in this Framework have measurable environmental and social benefits to Places for People, our customers and stakeholders. We are seeking to invest in, and grow, our portfolio nationally and across different local authority areas across the UK.

The selected projects are also derived from our environmental sustainability strategy.

To select the most suitable projects, the existing Sustainability Group will be responsible for:

- overseeing the Framework’s implementation and reviewing and updating the content to reflect changes in ICMA principles, guidelines and other regulatory frameworks and taxonomies
- selecting and approving eligible projects under this Framework
- monitoring compliance of the eligible projects under the Framework
- overseeing any social and environmental risks associated with eligible projects.

Members of the Sustainability Group include:
- Group Chief Executive
- Group Executive Director – Finance
- Group Executive Director – Affordable Housing
- Group Executive Director – Development
- Group Executive Director – Assets and Investments

The Group Executive Director – Finance has overall responsibility for the Framework. With delegation to the Tax & Treasury Director, the Group Executive Director – Finance is responsible for managing the funds raised, refinancing existing assets and reporting to the Sustainability Group. The Group has appropriate accounting and financial management systems to track and report on eligible projects and to verify whether net proceeds have been fully allocated.

Table 2: Use of proceeds alignment to ICMA principles

<table>
<thead>
<tr>
<th>Primary Benefit</th>
<th>Eligible Projects (ICMA Category)</th>
<th>Use of Proceeds Eligibility Criteria</th>
<th>Reference Financial</th>
<th>Applicable SDGs</th>
<th>Potential Impact Metrics</th>
<th>EU Taxonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Affordable housing²</td>
<td>Construction of new affordable housing</td>
<td>Capex²</td>
<td>New homes delivered</td>
<td>Number of existing affordable homes benefiting from retrofitting</td>
<td>Climate change mitigation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acquisition of affordable housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Renovating / retrofitting of existing affordable housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refinancing of existing affordable housing</td>
<td>Asset value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Green buildings</td>
<td>Construction of new homes with an EPC rating of B or above</td>
<td>Capex</td>
<td>Number of new homes meeting targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy efficiency</td>
<td>Renovation / retrofitting of existing homes to bring them up to a minimum EPC rating of C or above</td>
<td>Capex</td>
<td>Avoided CO2 emissions (tCO2e)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

² Based on the definitions of “low cost rental accommodation” and “low cost home ownership accommodation” in the Housing and Regeneration Act 2008

² Capex includes all relevant capital expenditure including the cost of construction or refurbishment
The Group Executive Director – Development is responsible for identifying and delivering new affordable housing schemes that meet the Framework’s eligibility criteria and can therefore be funded using the proceeds. The definition of affordable housing is as per the Housing and Regeneration Act 2008. They are also responsible for identifying whether the construction of new homes meets the eligibility criteria of Green Buildings.

The Group Executive Director – Assets and Investments is responsible for establishing whether the acquisition and/or retrofitting of affordable housing meets the Framework’s eligibility criteria. Assets / acquired homes must meet the UK Government’s definition of affordable housing. They are also responsible for identifying whether the renovation of existing homes enables them to meet an EPC ‘C’ rating in line with the eligibility criteria.

**5.3 Proceeds management**

Places for People intends to allocate amounts equivalent to the proceeds from any sustainable debt instruments to an eligible project portfolio, selected in accordance with the Framework’s use of proceeds criteria. The Sustainability Group will seek to ensure the eligible project portfolio exceeds, or is at least equal to, the sustainable proceeds raised under this Framework.

Eligible projects will be reviewed annually to ensure continued eligibility, and projects will be substituted if they no longer meet the use of proceeds criteria or have been disposed of in the normal course of business. It is expected that an amount equal to the net proceeds will be allocated within 24 months following the receipt of proceeds.

Although we intend to raise finance for new projects, we may need to use the proceeds for refinancing activity and the Framework supports this. Additionally, should we seek to assign proceeds to existing eligible projects, these will be no more than 12 months old.

Unallocated funds will be either held as cash, placed on deposit (in compliance with Places for People’s treasury policy) or used to optimise our overall debt position, pending the allocation to eligible projects.

**5.4 Reporting**

We intend to produce an allocation report and an impact report, providing an annual update on the anticipated environmental and social impact, where feasible, of the eligible projects which have been financed in accordance with the sustainable debt instrument.

The allocation report will be produced annually, within 12 months from when the sustainable debt instrument is issued, until full allocation of the net proceeds. Any modifications of the allocation portfolio will be reported in a timely manner.

The allocation report, will state:

- the amount of total proceeds from issuance
- the total amount of proceeds allocated to each project and the type of financial reference
- the amount and/or percentage of new and existing projects (new financing or refinancing)
- a description of each project
- the balance of unallocated proceeds.

As stated above, Places for People has already issued two ESG reports, and the aim is to adapt these into a comprehensive annual impact report which will be published on the Group’s website.

The impact delivered by the funds raised under this Framework will influence metrics from different sources. We will source our data from two annual review cycles. The first will review our CSHL, using more than 40 ESG criteria. The second will review our annual ESG report including the materiality analysis and its alignment with the SRS, which is shown in Table 3 below:

**Table 3: Summary of reporting commitments**

<table>
<thead>
<tr>
<th>Eligible Projects (ICMA Category)</th>
<th>Use of Proceeds Eligibility Criteria</th>
<th>Potential Impact Metrics</th>
<th>Sustainable Reporting Standards (SRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable housing</td>
<td>Construction of new affordable housing</td>
<td>New homes delivered</td>
<td>Theme 1 — Affordability and security</td>
</tr>
<tr>
<td></td>
<td>Acquisition of affordable housing</td>
<td>Number of existing affordable homes benefiting from retrofitting</td>
<td>Core criteria — Demonstrating the split of existing homes owned and managed by tenure type. As well as changes to stock holdings</td>
</tr>
<tr>
<td></td>
<td>Renovating / retrofitting of existing affordable housing</td>
<td>Number of customers positively impacted by the delivery of new homes</td>
<td>Theme 4 — Customer support</td>
</tr>
<tr>
<td></td>
<td>Refinancing of existing affordable housing</td>
<td>Lower average rents charged relative to private sector rents</td>
<td>Demonstrating support provided to sustain tenancies</td>
</tr>
<tr>
<td>Green buildings</td>
<td>Construction of new homes with an EPC rating of B or above</td>
<td>Number of new homes meeting targets</td>
<td>Theme 6 — Climate change core criteria — EPC Ratings for existing and new homes</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>Renovation / retrofitting of existing homes to bring them up to a minimum EPC rating of C or above</td>
<td>Avoided CO2 emissions (tCO2e)</td>
<td>Theme 1 — Affordability and security</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Theme 6 — Climate change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Core criteria — EPC Ratings for existing and new homes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>— Attempts to reduce fuel poverty</td>
</tr>
</tbody>
</table>
6. External review

Sustainability rating agency imugrating has been commissioned by Places for People as Second Party Opinion (SPO) to confirm the Framework aligns with:
- the principles and guidelines of the ICMA
- Places for People’s sustainability strategy

This SPO is available on the Group’s website.

An appropriately qualified third party will be appointed to provide limited assurance on the allocation report to ensure net proceeds have been allocated in accordance with the Framework.
7. Disclaimer

This section sets out the basis on which this Sustainable Finance Framework (the Document) is provided.

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