

Second-Party Opinion

Places for People Group
Sustainable Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Places for People Group Sustainable Finance Framework is credible, impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Affordable Housing, Green Buildings and Energy Efficiency – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 and 11.



PROJECT EVALUATION AND SELECTION Places for People Treasury plc’s ESG Working Group will be responsible for the evaluation and selection of projects in line with the Framework’s eligibility criteria. The ESG Working Group monitors the environmental and social risks associated with the eligible projects and develops mitigation measures if adverse material risks are identified. Sustainalytics considers the risk management process to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Places for People’s Treasury team will be responsible for the management of proceeds and will track their allocation using internal accounting and financial management systems, with oversight from the ESG Working Group. Places for People Treasury plc intends to allocate proceeds within 24 months of issuance. Pending full allocation, unallocated proceeds will be held as cash, placed in a deposit or used to repay debts. This is in line with market practice.



REPORTING Places for People Treasury plc commits to report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation. Allocation reporting will include 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 percentage of financing and refinancing, a description of each project and the balance of unallocated proceeds. Sustainalytics considers the allocation and impact reporting as aligned with market practice.

Evaluation Date	October 28, 2024
Issuer Location	London, England

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Introduction

Places for People is a social enterprise formed by a group of complimentary companies (the “Group”) that offer homes for affordable rent and shared ownership sale, as well as other services, including investment management, property management and leisure. The Group owns and manages more than 240,000 properties in England, Wales and Scotland as of 2023.¹ Founded in 1965, the Group is headquartered in London and employed 10,500 staff as of 2023.²

Places for People Treasury plc (the “Issuer”) is a wholly owned subsidiary of Places for People Ltd. (the Group’s parent company) and is responsible for raising funds for the Group’s affordable housing operations. Places for People Treasury plc has developed the Places for People Group Sustainable Finance Framework dated October 2024 (the “Framework”), under which it intends to issue bonds, private placements³ and term loans and use the proceeds to finance or refinance, in whole or in part, existing and future projects aimed at improving access to affordable housing and reducing emissions in the building sector. The Framework defines eligibility criteria in three areas:

The Framework defines eligibility criteria in one social category:

1. Affordable Housing

The Framework defines eligibility criteria in two green categories:

1. Green Buildings
2. Energy Efficiency

Places for People Treasury plc engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP),⁴ Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP)⁵. The Framework will be published in a separate document.⁶

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA, and the Green Loan Principles 2023 and Social Loan Principles 2023, as administered by LMA, APLMA, and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

¹ Places for People, “Annual Report and Accounts”, (2023), at: <https://www.placesforpeople.co.uk/media/hxanqctv/annual-report-2023.pdf>

² Places for People, “Annual Report and Accounts”, (2023), at: <https://www.placesforpeople.co.uk/media/hxanqctv/annual-report-2023.pdf>

³ Places for People has confirmed to Sustainalytics that private placements will be limited to debt placements.

⁴ The Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

⁵ The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

⁶ The Places for People Group Sustainable Finance Framework will be available at: <https://www.placesforpeople.co.uk/investors-business/our-performance/sustainable-finance-framework/>

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

As part of this engagement, Sustainalytics held conversations with various members of Places for People Treasury plc's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Places for People Treasury plc's representatives have confirmed that: (1) they understand it is the sole responsibility of Places for People Treasury plc to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Places for People Treasury plc.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Places for People Treasury plc has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Places for People Group Sustainable Finance Framework

Sustainalytics considers the Places for People Group Sustainable Finance Framework to be credible, impactful and aligned with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Affordable Housing, Green Buildings and Energy Efficiency – are aligned with those recognized by the GBP, SBP, GLP and SLP.
 - The Issuer has defined a look-back period of 36 months for refinancing operating expenditures under the Framework, which Sustainalytics considers to be in line with market practice.
 - Under the Affordable Housing category, the Issuer may finance or refinance the construction, acquisition and renovation⁸ of new and existing affordable homes in compliance with the UK government's definitions of low-cost rental accommodation and low-cost home ownership accommodation under the 2008 Housing and Regeneration Act:⁹
 - Sustainalytics views investments in affordable homes following the UK government's definitions of low-cost rental accommodation as socially impactful.
 - Sustainalytics notes that the UK government's low-cost home ownership programme encompasses three different schemes: shared ownership arrangements, equity percentage arrangements and shared ownership trusts.
 - Under shared ownership arrangements and trusts, homes are sold to applicants for whom open-market purchases would otherwise be unattainable.¹⁰ Purchasers buy a share of the property and pay rent on the remaining value. Eligibility for the scheme is determined by government criteria, which limit households to those with a gross annual income of up to

⁸ The Issuer has confirmed that houses will remain under the same low-cost rental or low-cost home ownership scheme after the renovation.

⁹ UK Government, "Housing and Regeneration Act 2008", (2008), at: <https://www.legislation.gov.uk/ukpga/2008/17/contents>

¹⁰ UK Government, "Shared Ownership", at: <https://www.ownyourhome.gov.uk/scheme/shared-ownership/>

- GBP 80,000 (EUR 92,500) outside of London or GBP 90,000 (EUR 104,000) in London.¹¹
- Equity percentage arrangements provide home buyers with low or no-cost equity loans for purchasing or building a home.^{12,13} Eligibility for the scheme is determined by government criteria, which varies by regions and has a limit on the maximum price of the home.
 - Sustainalytics acknowledges that these schemes follow the practice for affordable housing as determined by the local regulator and recognizes the expected benefits for many first-time homebuyers. In Sustainalytics' opinion, in order to ensure a contribution to increasing access to affordable housing, it is best practice to define a target population with an upper threshold at or below the annual median income at the municipal or regional level. For shared ownership, although the Framework follows the government's income cap, this is still well above the median household income in the UK, which was GBP 44,663 (EUR 50,686) in FY2021.¹⁴ Given the relatively high thresholds used by the UK government's shared ownership schemes and the lack of income threshold for the equity percentage scheme, Sustainalytics encourages the Issuer to report on the positive social impact of its financing allocated to below-median income populations, to the extent possible.
 - Under the Green Buildings category, the Issuer may finance or refinance the construction of new buildings in the UK that have received or will receive an energy performance certificate (EPC) B or above. Sustainalytics considers this to be in line with market practice.
 - Under the Energy Efficiency category, the Issuer may finance or refinance retrofitting projects for existing buildings leading to a two-step improvement in the energy performance rating of the building confirmed by an EPC upon completion of work. Sustainalytics notes that financing under the Framework will be limited to retrofitting costs and that the improvement in the energy performance rating is expected to result in a 25-30% increase in energy efficiency. Sustainalytics considers the expenditure to be in line with market practice.
 - Project Evaluation and Selection:
 - The Issuer has established an ESG Working Group which is responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The working group consists of the Group's Director of Tax and Treasury, the Head of Treasury, the Group ESG team, as well as data and delivery leads from the Assets and Investment, Developments and Places Impact departments.
 - The working group also oversees the monitoring of environmental and social risks associated with eligible projects and develops mitigation measures if adverse material risks are identified. Sustainalytics considers this environmental and social risk management system to be adequate. For additional details, please refer to section 2.
 - Based on the established process for project evaluation and selection and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - The Group's Treasury team is responsible for managing the allocation of proceeds using internal accounting and financial management systems. The ESG Working Group provides oversight of this process.
 - The Issuer intends to allocate the proceeds to eligible projects within 24 months of issuance. Pending full allocation, unallocated proceeds will be held as cash, placed on deposit in accordance with the Group's treasury policy, or used to repay debts. The Issuer has confirmed that unallocated proceeds will not be used to repay debt linked to carbon-intensive assets or activities.

¹¹ UK Government, Office for National Statistics, "Average household income, UK: financial year ending 2021", at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality>

¹² UK Government, "Help to Buy: Equity Loan", at: <https://www.gov.uk/help-to-buy-equity-loan>

¹³ UK Government, "Apply for a Help to Build: Equity Loan", at: <https://www.gov.uk/apply-for-help-to-build-equity-loan>

¹⁴ UK Government, Office for National Statistics, "Average household income, UK: financial year ending 2021", at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/datasets/householddisposableincomeandinequality>

- The Issuer has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. The Issuer intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
- Based on the use of a tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - The Issuer will report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation.
 - Allocation reporting will include: i) the amount of total proceeds from each issuance; ii) the total amount of proceeds allocated to each project and the type of financial reference; iii) the amount or share of financing and refinancing; iv) a description of each project; and v) the balance of unallocated proceeds.
 - Impact reporting may include: i) number of new homes acquired and delivered; ii) number of existing affordable homes benefiting from renovation; iii) number of new homes with EPC B or above; and iv) avoided CO₂ emissions (tCO₂e).
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics considers that the Places for People Group Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP and SLP.

Section 2: Sustainability Performance of Places for People

Contribution to Places for People's sustainability strategy

Places for People adheres to the Group's sustainability strategy which focuses on the following environmental and social areas: i) provision of affordable housing; ii) improving energy efficiency; and iii) reducing emissions of properties.

Places for People is committed to providing affordable and secure homes by developing, obtaining and managing buildings.¹⁵ The Group develops and maintains a range of affordable housing options, including social housing, affordable rentals and shared ownership. In 2023, 52% of Places for People's turnover was derived from its affordable housing offering.¹⁶ In 2023, the Group reported being on track to complete the development of 2,603 new affordable properties by March 2025 as part of its 2018-23 Strategic Partnership with Homes England.¹⁷ In 2024, Places for People developed 1,516 new homes, of which 49.4% were for affordable rent, 19.7% for social rent and 21.9% for low-cost home ownership.¹⁸ The Group's Governance Manual outlines the investment criteria for its social housing businesses. Accordingly, projects must: a) increase the provision of affordable housing; b) accelerate the delivery of affordable housing; c) expand the provision of housing through regeneration projects or projects in conjunction with Local Authorities or Homes England; d) enable the Group's social housing regulated business to hold property assets that generate commercial returns and provide access to liquidable assets; or e) improve the quality of the Group's affordable housing portfolio and make tenancies more sustainable for customers.¹⁹

Places for People also focuses on enhancing the energy efficiency of its property portfolio and improving the EPC of its buildings.²⁰ The Group has set targets to achieve net zero in its business across the value chain by 2050 with an interim milestone for its operations in Scotland to achieve net zero by 2045.²¹ It has also developed an approach to retrofitting existing homes according to the National Housing Federation and Climate Change Committee's advice.²² Places for People's initiatives include improving the average Standard

¹⁵ Places for People, "Environmental Social and Governance Report", (2024), at: <https://www.placesforpeople.co.uk/media/cz3nkmxc/3903-esg-report-2024.pdf>

¹⁶ Places for People, "Annual Report & Accounts 2022/23", (2023), at: <https://www.placesforpeople.co.uk/media/hxanqctv/annual-report-2023.pdf>

¹⁷ Ibid.

¹⁸ Places for People, "Environmental Social and Governance Report", (2024), at: <https://www.placesforpeople.co.uk/media/cz3nkmxc/3903-esg-report-2024.pdf>

¹⁹ Places for People, "Governance Manual", (2023), at: <https://www.placesforpeople.co.uk/media/thnl5pz3/governance-manual-22-may-2024.pdf>

²⁰ Places for People, "Environmental Sustainability Strategy Report 2023", (2023), at: <https://www.placesforpeople.co.uk/media/xrohdmr/Environmental-sustainability-strategy-22.pdf>

²¹ Places for People, "Environmental Social and Governance Report", (2024), at: <https://www.placesforpeople.co.uk/media/cz3nkmxc/3903-esg-report-2024.pdf>

²² Places for People, "Environmental Sustainability Strategy Report 2023", (2023), at: <https://www.placesforpeople.co.uk/media/xrohdmr/Environmental-sustainability-strategy-22.pdf>

Assessment Procedure²³ rating of existing homes from 72.4 to 76.9 by 2027, improving insulation of at least 2,500 homes, and improving the energy performance of at least 600 homes per year in England by 2025.²⁴ From April 2023 to March 2024, the Group retrofitted 220 homes and installed more than 1,000 energy monitoring systems in buildings.²⁵ For the existing homes in its portfolio, the Group has committed to obtaining an EPC C or above by 2030 in England and EPC B or above by 2032 in Scotland.²⁶ As of August 2024, 86% of its portfolio in England and Scotland has an EPC C or above.²⁷

Sustainalytics is of the opinion that the Places for People Group Sustainable Finance Framework is aligned with the Group's overall sustainability strategy and initiatives and will further the Places for People's actions on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to generate positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity issues associated with large-scale infrastructure development; ii) emissions, effluents and waste generated in construction; iii) occupational health and safety; and iv) community relations.

Sustainalytics is of the opinion that Places for People Treasury is able to manage and mitigate potential risks through implementation of the following Group policies:

- Regarding land use and biodiversity issues associated with large-scale infrastructure development, the Group implements green infrastructure and ecological corridors in the design stage of its new buildings. Its landscaping teams plan and assess biodiversity measures and tailor biodiversity solutions for each development site.²⁸ The Group also requires suppliers to identify, measure and reduce any harmful ecological effects or biodiversity losses which may arise from business activities.²⁹ Additionally, in accordance with the UK Environmental Act 2021,³⁰ since February 2024, all new planning applications will meet a minimum of 10% biodiversity net gain.³¹
- To manage risks associated with emissions, effluents, and waste generated in construction, Places for People sets measures for its suppliers to follow, including compliance with existing and future legislation, minimizing and working towards a zero waste to landfill policy by re-using and recycling materials.³² Contractors are required to implement Environmental Management System in alignment with ISO14001 and ISO50001 standard.³³ In addition, the UK government's Town and Country Planning (Environmental Impact Assessment) Regulations 2017 mandate that large-scale residential development projects that are likely to have significant environmental impacts must undergo an Environmental Impact Assessment to ensure thorough evaluation of associated risks prior to approval.³⁴ Furthermore, the UK's National Planning Policy Framework and the Environment Act set

²³ The Standard Assessment Procedure (SAP) is the UK Government's methodology for assessing and rating the energy performance of residential buildings. It calculates a building's energy use for heating, hot water, ventilation and lighting, and provides an energy efficiency rating from 1 to 100+, with higher scores indicating better energy efficiency.

UK Government, "Standard Assessment Procedure", at: <https://www.gov.uk/guidance/standard-assessment-procedure>

²⁴ Places for People, "Environmental Sustainability Strategy Report 2023", (2023), at: <https://www.placesforpeople.co.uk/media/xrohdmrf/environmental-sustainability-strategy-22.pdf>

²⁵ Places for People, "Environmental Social and Governance Report", (2024), at: <https://www.placesforpeople.co.uk/media/cz3nkmxc/3903-esg-report-2024.pdf>

²⁶ Places for People, "Environmental Sustainability Strategy Report 2023", (2023), at: <https://www.placesforpeople.co.uk/media/xrohdmrf/environmental-sustainability-strategy-22.pdf>

²⁷ Places for People, "Environmental Social and Governance Report", (2024), at: <https://www.placesforpeople.co.uk/media/cz3nkmxc/3903-esg-report-2024.pdf>

²⁸ Ibid.

²⁹ Places for People, "Supply Chain Code of Conduct", (2024), at: <https://www.placesforpeople.co.uk/media/dq0hvh5p/3527-supply-chain-code-of-conduct-june-2024-v2.pdf>

³⁰ UK Department for Environment, Food & Rural Affairs, "Understanding biodiversity net gain", (2024), at: <https://www.gov.uk/guidance/understanding-biodiversity-net-gain#:~:text=In%20England%2C%20BNG%20is%20mandatory,than%20there%20was%20before%20development>

³¹ Places for People, "Environmental Social and Governance Report", (2024), at: <https://www.placesforpeople.co.uk/media/cz3nkmxc/3903-esg-report-2024.pdf>

³² Ibid.

³³ Ibid.

³⁴ UK Government, "The Town and Country Planning (Environmental Impact Assessment) Regulations 2017", (2017), at: <https://www.legislation.gov.uk/uksi/2017/571/contents>

out national standards for waste management, resource efficiency and biodiversity and habitat conservations.^{35,36}

- With respect to occupational health and safety, Places for People requires all suppliers to hold and maintain Safety Schemes in Procurement (SSIP) accreditation.³⁷ To be certified under SSIP, suppliers must demonstrate compliance with the core health and safety criteria based on the Construction (Design and Management) Regulations 2015,³⁸ which includes risk assessment and management, health and safety policies, competence and training, and monitoring and auditing.³⁹ The Group also requires suppliers to encourage their own suppliers to adhere to the ethical standards, human rights, health and safety standards.⁴⁰
- Regarding community relations, Places for People has established the National Customer Group (NCG), which consists of customers of the Group and scrutinizes performance on its services, policies and strategic priorities, ensuring that customer perspectives are integrated into decision-making processes.⁴¹ Bounded by the Transparency, Influence and Accountability Standard,⁴² the Group undertakes annual surveys to assess customer satisfaction with regard to tenant experience, repairs and complaint handling and reports in its Tenant Satisfaction Measures Report.⁴³ In its Tenant Participation Strategy, Places for People sets standards for customer consultation to facilitate effective communication with customers.⁴⁴

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Places for People has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are aligned with those recognized by the GBP, SBP, GLP or SLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of financing affordable housing in the UK

An estimated 8.5 million people in England alone had some form of housing need in 2021, which is illustrative of the significant housing shortage in the UK in recent years.⁴⁵ Although the UK had the highest share of social housing among OECD countries in 2020,⁴⁶ 1.3 million households were on social housing waiting lists in England alone in 2023 and the price-to-income ratio deteriorated from 2.9 to 6.7 in the UK between 1995 and 2021.^{47, 48} In addition, nearly half of the families across the country could not afford a mid-range property in 2023.⁴⁹ This issue especially affects families with children in the UK, where 30% of families living in privately rented apartments are paying rents they cannot reasonably afford due to high property prices and the lack of

³⁵ UK Ministry of Housing, Communities & Local Government, "National Planning Policy Framework", (2023), at: https://assets.publishing.service.gov.uk/media/669a25e9a3c2a28abb50d2b4/NPPF_December_2023.pdf

³⁶ UK Government, "Environment Act 2021", at: <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>

³⁷ Places for People, "Supply Chain Code of Conduct", (2024), at: <https://www.placesforpeople.co.uk/media/dq0hvh5p/3527-supply-chain-code-of-conduct-june-2024-v2.pdf>

³⁸ UK Health and Safety Executive, "The Construction (Design and Management) Regulations 2015", (2015), at: <https://www.legislation.gov.uk/uksi/2015/51/contents>

³⁹ Safety Schemes in Procurement, "SSIP Core Criteria For The Demonstration Of Organisational Capability Assessment", at: <https://SSIP.org.uk/SSIP-core-criteria-threshold-standard/>

⁴⁰ Places for People, "Supply Chain Code of Conduct", (2024), at: <https://www.placesforpeople.co.uk/media/dq0hvh5p/3527-supply-chain-code-of-conduct-june-2024-v2.pdf>

⁴¹ Places for People, "The National Customer Group", at: <https://www.placesforpeople.co.uk/about-us/community/customer-voice/the-national-customer-group/>

⁴² Regulator of Social Housing, "Transparency, Influence and Accountability (including Tenant Satisfaction Measures)", (2024), at: <https://www.gov.uk/government/collections/transparency-influence-and-accountability-including-tenant-satisfaction-measures>

⁴³ Places for People, "Tenant Satisfaction Measures Report", (2024), at: https://www.placesforpeople.co.uk/media/4e0la5cb/3874-tenant-satisfaction-measures-report_26_jun-2.pdf

⁴⁴ Places for People, "Participation Strategy", at: <https://www.placesforpeople.co.uk/about-us/community/customer-voice/>

⁴⁵ National Housing Federation, "People in housing need 2021", at: <https://www.housing.org.uk/resources/people-in-housing-need-2021/>

⁴⁶ OECD, "OECD Affordable Housing Database", at: <http://www.oecd.org/housing/data/affordable-housing-database/>

⁴⁷ UK Government, "Live tables on rents, lettings and tenancies, Table 600: numbers of households on local authorities' housing waiting lists, by district, England, from 1987", (2024), at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>

⁴⁸ Hilber, C. et al. (2022), "Why is it so difficult to tackle the lack of affordable housing?," The London School of Economics and Political Science, at: <https://blogs.lse.ac.uk/politicsandpolicy/why-is-it-so-difficult-to-tackle-the-lack-of-affordable-housing/>

⁴⁹ Kirk, A. et al. (2023), "Find out where you can afford to buy or rent in Great Britain", The Guardian, at: <https://www.theguardian.com/society/ng-interactive/2023/jun/12/interactive-tool-that-shows-where-you-can-afford-to-buy-or-rent-home-great-britain>

social housing.⁵⁰ According to the National Housing Federation, the number of children in poverty who live in privately rented homes increased by 69% between 2008 and 2019, reaching 1.3 million in 2019.⁵¹

The UK Government has set targets to build 300,000 homes annually by the mid-2020s and dedicate 162,000 homes annually for affordable housing.^{52,53} The Covid-19 pandemic delayed construction of an estimated 100,000 affordable housing units in the UK, but the sector shows signs of recovery,⁵⁴ partly attributable to a UK government announcement of GBP 11.5 billion (EUR 13.2 billion) in capital funding through the Affordable Homes Programme to construct 180,000 additional homes by 2026.^{55,56}

Based on the above, Sustainalytics is of the opinion that Places for People's financing of affordable housing is expected to contribute to increasing access to housing for targeted populations and communities in the UK.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Places for People Group Sustainable Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Affordable Housing	11. Sustainable Cities and communities	11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
		11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
Green Buildings	11. Sustainable Cities and communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030 double the global rate of improvement in energy efficiency

Conclusion

Places for People Treasury plc has developed the Places for People Group Sustainable Finance Framework, under which it may issue bonds, private placements and term loans and use the proceeds to finance projects that are expected to improve access to affordable housing in the UK and contribute to emissions reduction in the UK's buildings sector. Sustainalytics considers that the eligible projects are expected to provide positive environmental and social impacts.

⁵⁰ Joseph Rowntree Foundation, "Invest in social housing to fix 'policy black hole' for almost 1m families paying private rents they can't afford", (2021), at: <https://www.jrf.org.uk/news/invest-in-social-housing-to-fix-policy-black-hole-for-almost-1m-families-paying-private-rents>

⁵¹ National Housing Federation, "Half a million more children in poverty in private rented homes than ten years ago", (2019), at: <https://www.housing.org.uk/news-and-blogs/news/half-a-million-more-children-in-poverty-in-private-rented-homes-than-ten-years-ago/>

⁵² Milcheva, S. et al. (2022), "Scoping Report for the Evaluation of the Affordable Homes Programme 2021-2026", Department of Levelling up, Housing and Communities, at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1096533/Scoping_Report_for_the_Evaluation_of_the_Affordable_Homes_Programme_2021-26_FINAL.pdf

⁵³ Elliot, J. et al. (2021), "Renters on low incomes face a policy black hole: homes for social rent are the answer", Joseph Rowntree Foundation, at: <https://www.jrf.org.uk/housing/renters-on-low-incomes-face-a-policy-black-hole-homes-for-social-rent-are-the-answer>

⁵⁴ Leckie, C et al. (2021), "Building post-pandemic prosperity", Pragmatix Advisory, at: <https://www.local.gov.uk/sites/default/files/documents/2021-09-14%20Arch%2C%20LGA%2C%20NFA%20final%20report.pdf>

⁵⁵ National Housing Federation, "Details on the next Affordable Homes Programme announced", (2020), at: <https://www.housing.org.uk/link/9e36ccf90a0d4d05908067f27be3d1fa.aspx>

⁵⁶ UK Ministry of Housing, Communities & Local Government, "Jenrick unveils huge £12 billion boost for affordable homes", (2020), at: <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

The Places for People Group Sustainable Finance Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework is aligned with the overall sustainability strategy of Places for People and that the use of proceeds will contribute to advance the UN Sustainable Development Goals 7 and 11. Additionally, Sustainalytics is of the opinion that Places for People Treasury plc has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Places for People Treasury plc is well positioned to issue bonds, private placements and term loans and that the Places for People Group Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023.

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