

# ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT 2022

Group  
Environmental,  
Social and  
Governance  
Report 2022

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Group CEO , Places for People
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# GREG REED

Group CEO, Places for People

Welcome to our ESG Report for the year 2022.

'ESG' is nothing new to us, in fact, everything we do is ESG. Our core work in affordable and supported housing, development and regeneration, investment management and leisure, combined with our continued investment in programmes focused on education, health, wellbeing, and employment, creates social value that positively impacts our Customers and their Communities.

To us, ESG is not a target or endpoint; it is something we must continually drive towards. We do this in two ways: by maintaining and reinforcing our commitment to keep moving forward, and by delivering change.

Our commitment is broad and deep; it's fulfilling our purpose as the UK's leading Social Enterprise to create and support thriving Communities; it's investing in our Colleagues and providing them with a safe, fulfilling, inclusive, and equitable place to work; it's maintaining and developing our strong governance and risk processes; it's ensuring a laser-focus on sustainability and the drive for a low/no carbon future in the Communities we manage and develop.

We're delivering on our commitment by making changes, whether big or small, to take positive steps forward each day. Including aligning with the 2022 Real Living Wage to ensure our lowest paid Colleagues are fairly remunerated, and for our Customers, establishing a Cost of Living Fund led by a task force that provides the right support — through fuel vouchers, warm packs, financial support and much more.

And across all our Communities, we continue to grow our social impact activity through direct services and working with charity partners which aim to help our Communities thrive.

Also, for our Customers, as part of our drive to deliver minimum EPC Band C across our entire estate by 2030, we're prioritising fuel-poor homes for immediate energy improvement work to make them warm and energy efficient. This includes the pilot work we're undertaking through the Social Housing Decarbonisation Fund in Hounslow and Bedford. Through our development and regeneration activities, our commitment to a low-carbon future is core to our work.

And throughout all our work, a strong governance focus remains critical. Our National Customer Group continues to evolve and expand. We were also pleased this year to retain our G1 status for Governance from the Regulator of Social Housing, and, for the second year running, receive a Certified Sustainable Housing Label.

It's not just what we do that has an impact, how we do our work can create even greater and better outcomes. We recognise that our responsibility to lead is significant and through our work we can have a catalysing effect, not only on our Communities, but also across wider society, for example, through our supply chain, and through the development of skills and the creation of employment opportunities.

The biggest opportunity to make the biggest impact however is through true cross-sector, cross-agency partnership. And this means thinking and working differently.

It means that our primary sector, social housing, needs to work closer together on development, on our skills growth and supply chain, on sharing best practice and innovation, on learning together through Net Zero. It means being brave and putting our self-interests aside to focus on what rather than who is right. We have already established the Future Homes Consortium to support the sector to come together to find solutions.



And for regeneration, it means that, together we must listen to our Customers and our Communities, to focus on what matters to them, to deliver high quality, sustainable Communities. Which means getting a lot of ingredients right, from transport to linking up to local jobs to health care and education provision.

At a national level, we need to be in lockstep with Homes England to unlock the big development opportunities. And we also need a planning framework and delivery landscape that will enable us to deliver the many more affordable homes which people need. And we also need to invest in our future engineers, builders and technical experts to ensure the skills are in place to deliver new technologies like heat pumps.

Local government needs to bring their support and services into our coalition, as well as their expertise on health and well-being, for people with different social needs and for people who have been displaced. Local councils are unique in having data, connections and a democratic mandate in place but they are also busy and over stretched. We have forged great relationships with councils, from Sheffield to Hampshire, which enable us to get alongside them and work towards better outcomes for the most deprived Communities and groups like older people.

We want to work with others, as a true partner. We want to do what we can to solve this challenge and we hope others do too. The reality is, working on our own we can only achieve so much, but together we are a force multiplier. The Community we can — and will — build will deliver. **Because Community Matters.**

Thank you.

Greg Reed  
Chief Executive



# EXECUTIVE SUMMARY

Places for People is the UK's leading Social Enterprise, creating economically, socially and environmentally sustainable Communities where all can thrive. As one of the biggest housing associations in the UK, and one with a unique mixed economy business model, we know we have both the potential and the capability to really supercharge environmental and social advances. The work showcased in this report reflects the seriousness of our commitment to ESG – a foundation we will continue to innovate and build upon.

Our ESG strategy is ambitious. In December 2022, we renewed our Certified Sustainable Housing Label (CSHL), provided by pan-European consultancy, Ritterwald and maintained our awarded ranks for the second year of 'Frontrunner' in the Social dimension, and 'Ambassador' in both the Environmental and Governance dimensions.

For our 2022 report, we are reporting against the Sustainability Reporting for Social Housing standard.



## Social

Social impact is central to our purpose, with over 50 years of placemaking experience. In 2022, we provided 14,702 opportunities for young people, supported over 5,000 people with higher education, employment, or training, supported 7,334 Customers with financial and digital advice and support from our hardship fund, and helped 9,692 people facing the risk of homelessness. Not only do we provide safe and affordable housing, but we also support Customers to achieve the best quality of life by helping them to access all the resources and support available to them. The Cost-of-Living crisis has disproportionately affected our Customers, which is why we have developed a range of support services, including the Cost-of-Living Taskforce and support for the Warm Spaces initiative, to ensure our Communities stay connected.

**£140.5 MILLION GENERATED IN SOCIAL VALUE IN 2022 ACROSS OUR REGULATED BUSINESS.**

We have extremely high rates of compliance with safety and decency, with 99.97% of homes having had an accredited gas safety check, 98.78% of our buildings having a compliant and up to date fire risk assessment and 94.69% up to date on electrical assessments. 100% of our homes met the Government's Decent Homes Standard.

Our National Customer Engagement Framework has embedded Customer voice at the heart of our service delivery. We have excellent Customer satisfaction scores, but understand we have more to do to meet our Customers' varied needs. This will be a key focus for us in 2023.

In the last twelve months, we have received 18 determinations from the Housing Ombudsman. Of these, 9 complaints were upheld (50%). The Ombudsman found 4 cases of maladministration, 7 cases of no maladministration and 6 of service failure, as well as 1 case where the Ombudsman had determined we had offered satisfactory redress. Our Service Improvement Group reviews all findings from the Ombudsman and implements action plans to embed the learning taken from this.





### Environment

The UK Government's Clean Growth Strategy reinforces the need for immediate action, setting out the ambition for all homes to be upgraded to at least EPC Band C by 2030. 81.6% of our regulated stock already meets EPC C or above, but we know we have more to do across our entire portfolio, concentrating on the most energy-inefficient homes. Therefore, retrofitting our existing stock remains our main priority, alongside ensuring our new developments are adhering to climate regulation under The Future Homes Standard.

In 2022, Places for People successfully applied for a £3 million grant under the Social Housing Decarbonisation Fund (SHDF) for a large scale retrofit programme. Under the SHDF, we are retrofitting 223 homes to improve their carbon footprint.

We have also recently expanded our Sustainability Team to focus on our environmental stewardship. In addition, our environmental sustainability strategy has been recently refreshed to reflect our commitment to a net zero industry transition. Composed of five themes, our strategy focuses on:

- Ecology
- Sustainable Resource Management
- People
- Carbon Reduction
- Climate Resilience

Our strategy sets out environmental targets to increase our climate resilience and futureproof our Communities. We will also continue to monitor changes in the external environment including technological advancements and environmental regulatory changes, to ensure our targets remain fit for purpose in the future.

We also understand the necessity of innovation and technological knowledge in assisting our net zero transition, which is why we have a dedicated Innovation Team. To meet and exceed our environmental sustainability targets, a variety of innovation projects have been trialled to understand best practice for climate resilience, with plans to implement wider scale projects.

### Governance

We understand that good governance defines a successful social housing organisation, illustrating our decision-making processes and organisational structure. The group is currently graded V2 for financial viability and G1 for governance by the Regulator of Social Housing.

We are proud to offer the 2022 Real Living Wage, aligning all minimum salaries to support our People through the Cost-of-Living crisis. Furthermore, we have enhanced the scope of our Gender Action Plan and introduced a Diversity and Inclusion Plan to catalyse the drive to eradicate the gender pay gap.



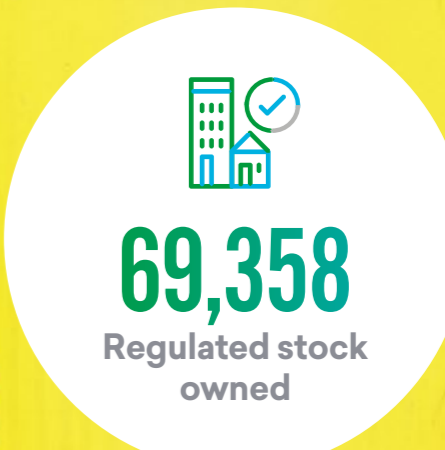
# INTRODUCTION TO PLACES FOR PEOPLE GROUP

Our business consists of complementary companies that are market leaders in placemaking, regeneration and development, investment management, property management and leisure. Working together, we have the expertise and reach to create and manage entire Communities, providing homes, services, support and infrastructure that enable our Customers and their Communities to thrive.

We operate 100 leisure facilities that support the health and wellbeing of our Customers with an average of 1.9m visits a month.

Using the power of partnership and working collaboratively, almost 10,500 People in more than 20 specialist companies create Communities and provide Customers with opportunities and choice in a way that few organisations can match.

We retain the Investors in People Gold award and have recently been recognised as one of the UK's Best Workplaces™ — ranked 32nd in the Super Large category.





# OUR ESG APPROACH

We are committed to enhancing the sustainability of our Places, People and the Planet. We have been reporting on ESG since 2020, working collaboratively within the sector to improve our methodology.

## Certified Sustainable Housing Label (CSHL)

In December 2022, we received our second annual Certified Sustainable Housing Label (CSHL). Provided by pan-European consultancy Ritterwald, Places for People have been awarded 'Frontrunner' in the Social dimension, and 'Ambassador' in the Environmental and Governance dimensions. Providing in-depth insight into our data, our renewed CSHL has highlighted areas of improved performance across these dimensions.

Using a traffic light system to illustrate performance, 17 thematic clusters are reported against, including 'decarbonisation', 'affordability and accessibility', and 'compliance and corporate governance'. Our annual CSHL renewal assists us in strengthening our strategic approach to ESG, benchmarking our progress against each topic cluster. Throughout 2023, we will address areas suggested for improvement.

## Sustainability reporting for social housing

We are early adopters of the Sustainability Reporting Standard for Social Housing (SRS), reflected in this 2022 Report. The SRS consists of 48 criteria across 12 different themes, each highlighting Places for People's growing effort in creating sustainable Communities. Adopting the SRS also aligns us with recognised international standards including: the United Nations Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the International Capital Markets Association (ICMA) and the Loan Market Association (LMA).



ENVIRONMENTAL  
»AMBASSADOR«

SOCIAL  
»FRONTRUNNER«

GOVERNANCE  
»AMBASSADOR«

## Sustainable Development Goals

To showcase our responsibility in addressing global challenges, Places for People supports the United Nations Sustainable Development Goals (SDGs), striving for 'peace and prosperity for people and the planet' by 2030.

Whilst our core purpose fulfils SDG11, 'Sustainable Cities and Communities', Places for People supports 6 SDGs through aligning to Sustainability Reporting for Social Housing (SRS) standards, illustrated below.

ESG Area	Theme	Description	Aligned Sustainable Development Goals (SDGs)
<b>Social</b>	Affordability and Security	Provides affordable and secure housing	11: Sustainable Cities and Communities
	Building Safety and Quality	Resident safety and building quality are well managed	10: Reduce inequality
	Resident Voice	Listens to residents' voice	11: Sustainable Cities and Communities
	Resident Support	Supports residents and the local Community	11: Sustainable Cities and Communities
	Placemaking	Supports residents and the wider local Community through placemaking	11: Sustainable Cities and Communities
<b>Environmental</b>	Climate Change	Prevents and mitigates the risk of climate change	13: Climate Action
	Ecology	Promotes ecological sustainability	15: Life on Land
	Resource Management	Sustainable management of natural resources	12: Responsible Consumption and Production
<b>Governance</b>	Structure and Governance	Legal structure of the organisation and its approach to governance	10: Peace, Justice and Strong Institutions
	Board and Trustees	High quality board of trustees	10: Peace, Justice and Strong Institutions
	Staff Wellbeing	Supports employees	8: Decent work and economic growth
	Supply Chain Management	Procures responsibly	12: Responsible Consumption and Production

[ENVIRONMENTAL]

# ENVIRONMENTAL





# ENVIRONMENTAL

In addition to being a developer, we own and manage over 230,000 properties in the UK. We recognise the range of impacts our operations can therefore have on the environment. In accordance with the Government's 2050 Net Zero agenda, we are committed to playing our part in sector-wide decarbonisation.

We have published a transparent environmental sustainability strategy, with new targets formulated under the direction of United Kingdom Green Building Council to reduce our environmental footprint across multiple dimensions, including retrofit measures, energy efficient workplaces and Customer education.

## CLIMATE CHANGE

### DISTRIBUTION OF EPC RATINGS OF EXISTING HOMES

With the acceleration of climate change, and increasing rates of fuel poverty, improving the EPC rating of our stock is a key priority. We currently have 73% EPC coverage. Where we do not have a recorded EPC, we have invested in software to model energy efficiency, identifying sites for investment, and monitoring stock performance.

Our innovative energy efficiency projects aim to improve our EPC ratings to build resilient futureproof homes, whilst prioritising our poorest performing homes.

Due to the complex structure of our Group, EPC coverage differs across various parts of Places for People. For example, Places for People Capital has 100% EPC coverage, whereas 36.1% of our properties have no recorded EPC due to their age profile and the nature of how EPCs are currently recorded. In some cases, an EPC may not be appropriate, for example for garages.

In 2022, our recorded and modelled statistics showed the following EPC coverage:

EPC rating	Stock 2022	Percentage
A	245	0.4%
B	9,415	14.6%
C	42,828	66.6%
D	11,128	17.3%
E or worse	669	1%
Total number of properties	64,285	100%

### Parity Portfolio: Stock Evaluation

To assist our stock evaluation and assess necessary retrofit measures, Places for People use Parity Portfolio to profile stock, visualise data and predict future stock scenarios. Parity assists the reporting against current and future targets in accordance with SAP ratings, kWh, CO2 emissions and EPC ratings. Using RdSAP methodology and enhanced asset data analysis, we can identify energy efficiency improvements for our stock, generating reports to review and update baseline stock data. Although we are in our infancy stage of optimising the use of Parity, we will make it a priority to monitor stock conditions to allow us to meet environmental sustainability targets and identify suitable retrofit plans.

**ALIGNING WITH THE GOVERNMENT CLEAN GROWTH STRATEGY, WE AIM TO ENSURE ALL STOCK HAS A MINIMUM EPC BAND C BY 2030, PRIORITISING THOSE FUEL POOR HOMES FOR ENERGY IMPROVEMENTS.**





# CASE STUDY

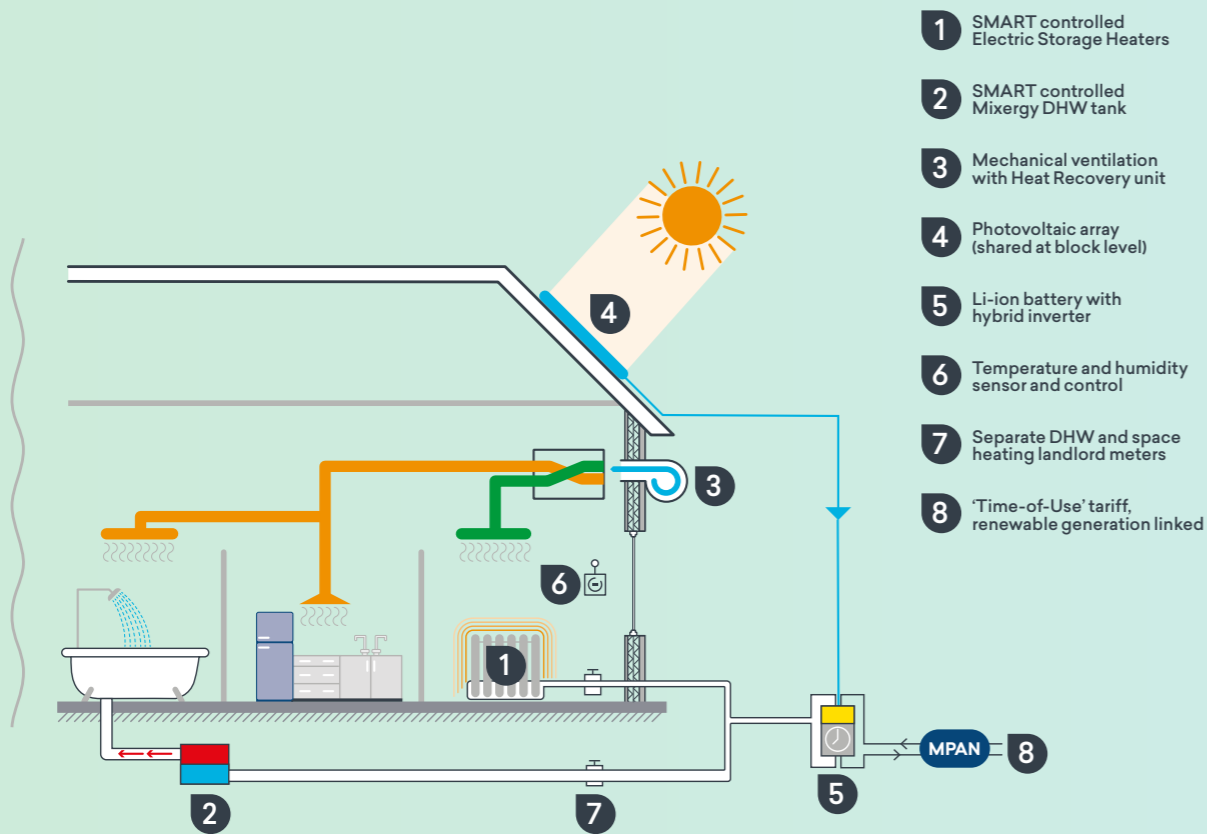
## SCALABLE DEEP RETROFIT SOLUTION ADAMSON COURT, BEDFORDSHIRE

Places for People partnered with Bioregional, Nottingham Trent University and Etude to take forward an innovative energy efficiency initiative. This grant-funded programme concentrated on developing a sustainable business model for social landlords carrying out retrofit projects.

Developed in the 1970s as a mid-rise electrically heated block, Adamson Court was typically categorised as a hard-to-treat asset, common across the UK social housing portfolio. Using in-situ performance testing, we assisted the development of an affordable, scalable retrofit solution, using energy and electrical grid demand modelling. A SMART control strategy was paired with fabric first interventions to optimise project outcomes.

Places for People provided the site for modelling, conducted site surveys and contributed to analysis. This project produced a net-zero model capable of reducing heating energy demand by 76% and an 82% carbon emission reduction alongside a £220 average annual Customer bill saving.

Adamson Court has been nominated for the Housing Digital Innovation awards.



# CASE STUDY

## THE SOCIAL HOUSING DECARBONISATION FUND (WAVE 1)

Financed by the then Department for Business, Energy, and Industrial Strategy (BEIS), the Social Housing Decarbonisation Fund (SHDF) was created in 2019 to support social housing providers in their net zero transition. Funding energy efficiency programmes over a 10-year period, SHDF projects aim to reduce fuel poverty and deliver energy-efficient homes.

Under SHDF Wave 1, Places for People have been selected for a £3 million BEIS grant for two project sites in Hounslow and Bedford. Commencing in January 2023, 223 homes will be upgraded to at least EPC C through measures such as new windows and external wall insulation.

To assist project monitoring, Switchee smart thermostats have been fitted in all bid properties for milestone reporting. Furthermore, both sites are PAS2035 compliant with monitoring equipment to allow post project analysis.





### Scope 1, Scope 2 and Scope 3 greenhouse gas emissions

Monitoring and reducing the overall greenhouse gas emissions of both our stock and offices is a growing priority to achieve our net zero transition.

We are currently conducting our 2022/23 Streamlined Energy and Carbon Reporting (SECR) review for the fourth year running, disclosing our recent energy usage and carbon emissions across the whole Group. Our 2021/22 SECR results shown below report our Scope 1, 2 and 3 emissions on a year-by-year comparison, alongside disclosing average employee carbon emissions.

Scope	2021/22			2020/21		YOY% change	
	kWh	tCO <sub>2</sub> e loc.	tCO <sub>2</sub> e mar.	kWh	tCO <sub>2</sub> e loc.	kWh	tCO <sub>2</sub> e loc.
Scope 1	204,270,593	38,772	38,772	187,277,725	35,798	9%	8%
Scope 2	63,808,882	13,549	9,277	44,800,865	10,445	42%	30%
Scope 3	2,118,059	521	521	1,658,222	412	28%	26%
<b>Total</b>	<b>270,197,534</b>	<b>52,842</b>	<b>48,570</b>	233,736,812	46,656	<b>16%</b>	<b>13%</b>

**Scope 1** — Combustion of gas, purchase of fuel, business travel in company cars and in-house fleet

**Scope 2** — Purchased electricity including electric vehicles

**Scope 3** — Business travel in rental cars or employee-owned vehicles

**Abbreviations:** loc. — location-based reporting, mar. — market-based reporting

### Year-on-year emissions changes

Estimations	2021/22	2020/21	2019/20	YOY% change 2021/22 vs 2020/21	YOY% change 2021/22 vs 2019/20
kWh	270,197,534	233,736,812	334,569,149	15.60%	-19.24%
tCO <sub>2</sub> e loc.	52,842	46,656	68,508	13.26%	-22.87%

## CASE STUDY

### LIGHTFOOT TELEMATICS TRIAL

From October to December 2022, Places for People conducted a pilot trial with Lightfoot fleet management to model carbon and fuel savings for 27 vehicles in our fleet.

Lightfoot assists drivers to reduce their emissions, save fuel and lower the risk of accidents by monitoring overall performance. Installing the Lightfoot device in selected vehicles provided remote fleet data analytics via tracking and telematic platforms. A driver application was also used to encourage driver engagement and reward improved driving.

Our successful trial delivered a 6.3% carbon and fuel saving improvement, alongside delivering financial savings and an overall improvement in driver behaviour. We hope to gain a net saving of £1.2 million by implementing this technology across our entire fleet, delivering 1,640 tonnes of carbon savings by 2028.



### Lightfoot ROI

	Per Vehicle (1 month)	Per Vehicle (1 year)	Per Fleet (1 year)	Per Fleet (5 years)
Fuel	£21.79	£261.45	£196,086	£980,431
Accidental Damage	£6.67	£80.00	£60,000	£300,000
Downtime	£7.43	£89.10	£66,825	£334,125
End of Lease Contract Damages	£5.55	£66.60	£49,950	£249,750
<b>Total</b>	<b>£41.43</b>	<b>£497.15</b>	<b>£372,861</b>	<b>£1,864,306</b>

	3 year	4 year	5 year
<b>NET Savings (£)</b> <small>(Total GROSS savings minus Lightfoot costs)</small>	<b>£625,834</b>	<b>£924,445</b>	<b>£1,223,056</b>
<b>CO<sub>2</sub> savings (tonnes)</b>	<b>984.03t</b>	<b>1,312.04t</b>	<b>1,640.05t</b>

### Flexible working culture

Since COVID-19, we have encouraged a 'new ways of working' culture, reducing our overall carbon footprint. With the majority of our People choosing to work remotely, overall energy consumption in our offices has decreased significantly. To maintain a sense of Community, our 12 offices across the UK act as hubs for remote workers to have the option of a workplace environment. The hybrid work model has consequently resulted in energy reductions and reduced waste.

In the next phase, we will be educating and assisting our People in managing energy consumption at home.



### Workplace Solutions

During COVID-19, gas consumption in our offices experienced an overall increase, as workplace critical systems required ongoing operational team attendance, with heating systems used throughout the estate to keep temperatures stable in the absence of staff. However, following the removal of lockdown restrictions, gas and heating consumption decreased as colleagues returned to work. Electricity demand however increased.

To initiate the sustainable transformation of our offices, in 2022, we replaced gas supplies in our Leeds office with air-source heat pumps, with the hope to implement this throughout our offices.

Key energy efficiency actions carried out within our offices include:

- A continual replacement of light fittings with LED lighting
- Workplace management teams to monitor desks to ensure appliances are switched off when not in use
- As part of our Facet surveying project, we are identifying and adjusting significant energy-usage systems to ensure optimum efficiency gain

Partnering with Zurich Insurance and Smartvatten, we're also trialling real-time metering of water consumption at key offices to help optimise our building water efficiency. By fitting digital water meters into three of our offices, we will be able to measure and analyse water consumption to flag abnormal readings. Our intention post-trial is to conduct a large-scale installation of smart meters to optimise our water efficiency management.

We are continuing to evolve our energy capture through installing more data systems and capturing software to provide greater visibility of energy use.

## CASE STUDY

### HEAT PUMP READY PROGRAMME

Designed as a research programme, Places for People partnered with Purrmatrix and City Science to support the demonstration and optimisation of heat pump technologies.

Funded by the Department for Business, Energy and Industrial Strategy's £1 million Net Zero Innovation Portfolio, Places for People provided access to properties to install temperature sensors for property meter data readings. This project is ongoing with a completion date of 2024. We anticipate that future Government requirements will concentrate on heat pumps, and so we are using this opportunity to increase our understanding of the needs around this, as well as upskilling our People.



### Energy efficiency actions undertaken in the last 12 months

To tackle fuel poverty and reduce overall energy consumption, Places for People have successfully installed over 220 Switchee smart devices within our homes. Switchee devices enable Customers to analyse heating patterns in real time to optimise energy use. Remote data insights are provided on a digital platform which also identifies condensation, damp and mould risk and flags the possibility for fuel poverty.

Following our identification of energy inefficient homes, our Money Advice Team and Local Place Managers communicate with Customers to offer energy and financial advice.

Continuous energy efficiency works have been carried out throughout 2022, with some work to be completed in 2023 and 2024.

- 1,201 boilers were replaced in 2022 through a planned programme of responsive repairs with a likely minimum increase of 1 SAP point per home
- 223 Homes are being retrofitted through our SHDF programme
- 15 properties are receiving works as part of the SHIFFT project, resulting in an increase of 6+ SAP points per home
- 686 homes have been released for the loft insulation programme with an estimated 2 to 15 SAP point increase

Solar panels have been installed in 700 of our homes, as a method of self-generating energy to reduce Customer costs as part of our decarbonisation approach. Subsidised tariffs for Solar PV ceased in 2019, and therefore the value of installations comes from power generation and improvement in the SAP performance within a property. More opportunities for self-generation are also on the horizon with the prospect of trialling wind energy with small domestic wind turbines and harnessing data processing power to generate domestic heating.



**Mitigating climate risks**

Our Climate Change Risk and Resilience Assessment analyses the risk of flooding, overheating and other extreme weather events to our stock, and supports our resilience planning. Based on the UK Green Building Council guidance, current and future climate risks have been modelled to establish strategic priorities.

As seen throughout the UK, flooding is the highest risk identified in our properties, with the highest damage and costs. With 389 properties identified as medium to high flooding risk, our Innovation Team and Place Managers are working together to review and implement flood management contingency plans. To support delivery, key colleagues are alerted of upcoming flood warnings via the flood alert system, Previsico.

To mitigate climate change risks and enhance resilience, we use forecast technology through our flood insurers to provide flood warnings 48 hours before a heavy rainfall event, to help improve our preparedness for a flooding event. Furthermore, we use GIS systems, modelling and monitoring platforms to stay on top of assessing key climate risks to our Communities, including extreme temperatures, flooding, drought and storm events.

The risk of overheating is also an increasing concern, with extreme temperatures recorded annually, and weather variability becoming more common. We understand both the long-term impact of extreme heat on our properties alongside the harmful health impacts on our Customers. Therefore, we recognise our responsibility to adapt to changes in our environment. Around 4,200 of our properties in London alone have been identified as vulnerable to overheating, mostly due to the urban heat island effect. As part of our resilience assessment, a resource pack has been developed to support colleagues when responding to overheating issues, including environmental sensors and smart thermostats to assist property condition monitoring. As of April 2023, an overheating flag will be created for repairs reporting to support the monitoring of overheating risk.

Aligned with the Government Taskforce on Climate Related Financial Disclosures (TCFD), we have disclosed the future vulnerability of our stock to climate change to assist scenario planning.

<b>Flooding</b>	2060: Approximately 13,000 properties at risk of all types of flooding across the UK.
<b>Extreme temperature</b>	2060: Approximately 13,500 properties at risk of overheating. Extreme cold has reduced in priority although current support and mitigation should continue.
<b>Water scarcity</b>	2060: In line with overheating, water scarcity will increase although reliable predictions on this are not currently publicly available.
<b>Storm and wind events</b>	2060: Storm and wind events will increase, with the likelihood of increased damage to our properties although reliable predictions on this are not currently publicly available.

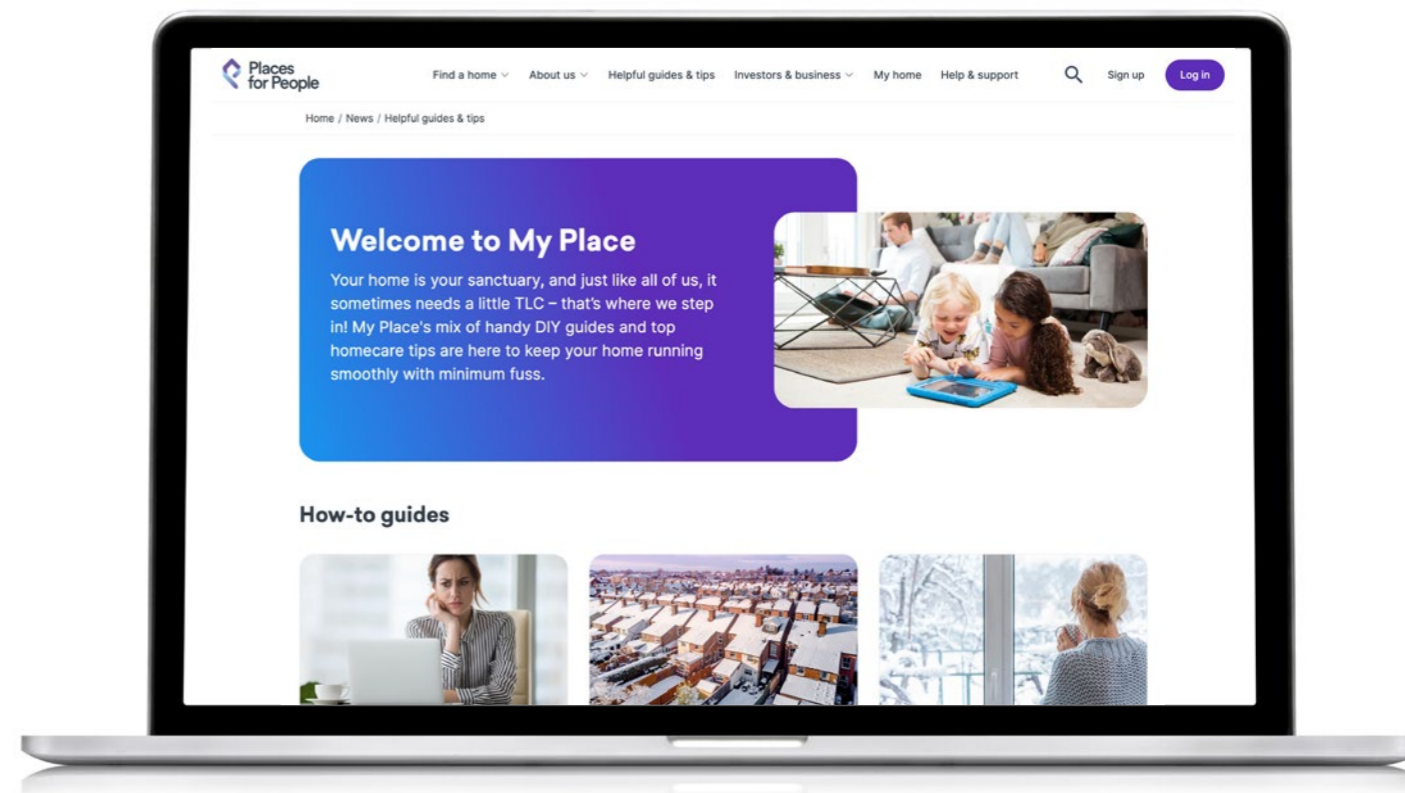
**Managing information on ventilation, heating and recycling**

We are partnering with specialist energy and water efficiency company, Cenergist, to help provide some of our Customers with free home water audits, installation of water saving devices and provide general advice to help save water and save on their utility bills. Customers can save up to 54 litres of water a day and up to £119 per year on water and energy bills because of this project. Approximately 5,900 Customers have been contacted to sign up to the project, with future expansion opportunities as more water providers begin to work with Cenergist.

We are also trialling AI technology on our recycling bins to utilise an incentive system for our Customers to recycle correctly, providing points via an app to be redeemed at local businesses. This trial has used incentivised app-based approaches to increase Customer awareness of reducing landfill waste through reusing and recycling.

Places for People prioritise Customer engagement and education as a means of promoting behavioural change. ‘My Place’ is an online hub for Customers to access informative content on managing their homes, from advice on electrical blackouts and energy efficiency tips to preparing homes and gardens for winter. We remain engaged with Customer needs and priorities, ensuring My Place contains updated how-to guidelines and practical advice on relevant DIY topics.

**‘MY PLACE’ IS AN ONLINE HUB FOR CUSTOMERS TO ACCESS INFORMATIVE CONTENT ON MANAGING THEIR HOMES.**



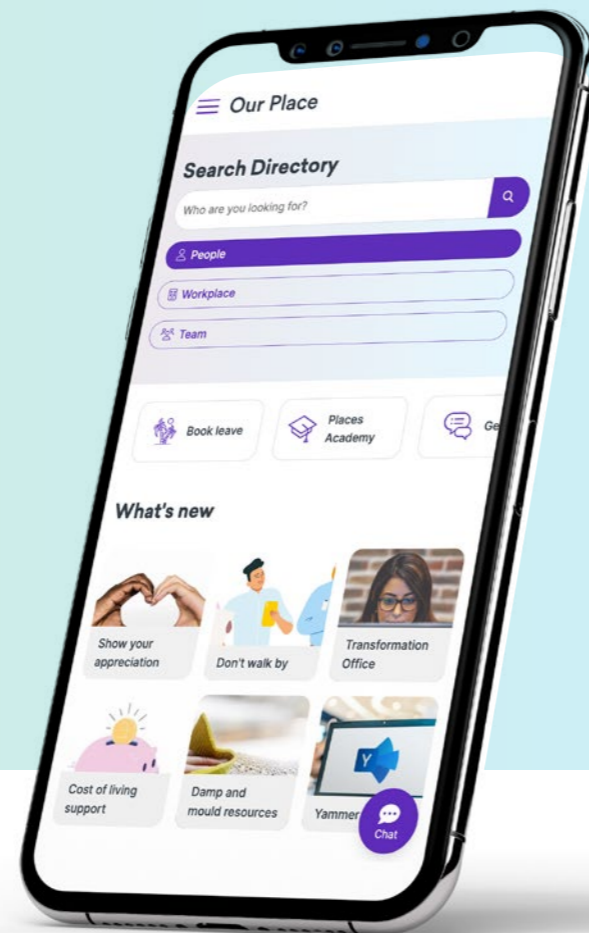


## CASE STUDY

### OUR PLACE

'Our Place' is a collaborative hub for our People to access the latest news, colleague blogs and social media posts across a range of subjects.

We pride ourselves on dedicating a section of 'Our Place' to environmental news and advice, encouraging our People to adopt pro-environmental behaviours and reduce their personal carbon footprints. Our People are encouraged to post blogs and news articles to share knowledge, ranging from eradicating single use plastics at home to identifying the most sustainable hygiene products.



## ECOLOGY

### NATURAL ENVIRONMENT AND WILDLIFE HABITATS

In accordance with the 2023 mandatory 10% biodiversity net gain legislation, Places for People is prioritising improving our natural environment and protecting local wildlife habitats. Access to nature is a key priority for us, improving resident wellbeing and protecting habitats.

The following section showcases our efforts to minimise pollutants in our Communities, improve our local green spaces and create biodiversity hubs to build safe environments for our local flora and fauna.



### Increasing green space and promoting biodiversity on or near homes

The Innovation Team has led on projects aimed at improving and increasing green spaces and biodiversity within our Communities, recognising the importance of engagement with outside spaces.

Our biodiversity trial was aimed at trialling methods to support increasing biodiversity within existing Communities by 10%, including baseline measuring and improvements. We engaged with three specialist organisations who each provided a unique approach.

We have recently trialled Scotscape LivingPillars in our Hounslow neighbourhoods to promote biodiversity gain in existing Communities. LivingPillars benefit both local air quality and biodiversity increase by introducing greenery to existing lamp posts whilst using solar panels for irrigation. Community engagement is at the heart of this project, engaging Customers in providing and maintaining homes for insects and birds in their local area.

Greenpass provided a thorough biodiversity assessment of one of our Communities, The Meadows in Hounslow, where we established the range and type of trees and plants and modelled the impact of this on the local area.

We worked with BeeOdiversity, to introduce beehives into our Eastwick and Sweetwater, and Northampton Communities. Designed to help increase biodiversity and pollination rates in our Communities, this project, Places for Bees, allowed professional beekeepers to analyse the extent of local biodiversity via pollen analysis. Our BeeOdiversity results provided useful indicators of local plant diversity, alongside pesticide and heavy metal levels in our surrounding flora. Gaining an in-depth analysis of biodiversity levels across Communities has allowed us to understand the intrinsic connection between our developments and the consequential impact on local biodiversity.

We hope to extend our biodiversity solutions across further Communities to address areas experiencing biodiversity loss.





### Landscapes

Our Landscaping Team mostly use powered equipment to maintain our open spaces and are increasing the proportion of battery-operated equipment in use. We have implemented the use of battery powered vacuum cleaners, hedge trimmers, mowers and saws, and plan to ensure all powered equipment is swapped for battery operated alternatives. To further improve our green space management, we have introduced robotic mowers in our Grimsby Community to reduce the need for colleagues to travel to our sites.

### Reduction of air pollution

Our Environmental Sustainability Strategy includes a performance framework covering five themes. Pollutants are included within our Ecology theme, focusing on air quality and biodiversity improvements in our Communities. The performance framework has a target to eliminate the use of pollutants in cleaning products and pesticides. To do this we will measure the volume of pollutants we use and set a long-term target for reduction in use. The target will be achieved by 2030 and monitored annually.



## RESOURCE MANAGEMENT

### RESPONSIBLE SOURCING

Responsible sourcing is prioritised within our Environmental Sustainability Strategy, measured in the theme, Sustainable Resource Management.

To ensure we manage resources sustainably, we have set two targets:

- **By 2024/25, 20% of products will have an Environmental Product Declaration**
- **By 2027 all building materials used by our responsive and planned investment teams will have an Environmental Product Declaration**

Throughout 2023/24, we will measure and create a baseline to establish the performance of our resource management.

Our Supply Chain Code of Conduct further ensures that when a supplier joins Places for People, sustainability expectations are detailed to ensure our values and practices remain consistent throughout our relationship.



This includes:

- Ensuring compliance with existing and future legislation
- Identifying, measuring and reducing any harmful environmental effects which may result from our business practices, through clear environmental objectives and targets
- Reporting and minimising the CO2 emissions which arise from activities, services and products supplied to us, including but not limited to waste, energy and transport
- Minimising, re-using and recycling materials to work towards a zero waste to landfill policy
- Providing environmental training to colleagues to apply good environmental behaviours both at work and at home
- Promoting the recycling and re-use of materials and considering the cost of environmentally friendly alternatives
- Working in collaboration with us to identify opportunities to introduce more environmentally friendly and sustainable goods, services and/or processes and support their adoption



### Waste management

With our growing portfolio of new homes, planned retrofit projects and repair work, we know we must reduce our construction and building waste.

Waste is managed by our partners who report annually on diversions from landfill. However, to ensure we are environmentally sustainable we have an annual target to ensure a minimum of 97% of waste is diverted from landfill from all workplaces. We also supervise waste either by removal of building materials or recycling and upcycling methods via contractor agreements to remain compliant with ISO14001. In 2023, we plan to revert to using Reconomy to gain increased visibility on our waste management, clearly indicating recycled and recovered waste tonnage.

### Water management

Good water management ensures our Communities are healthy, green and more resilient to climate change. Our environmental sustainability strategy reflects this, with a target within our performance framework to reduce water consumption across our operations. During 2023/24 we will measure our water consumption to provide a baseline. In March 2024, we will set targets to ensure a continual reduction in water consumption.

Our developments also comply with Part G of the Building Regulations, which limits water consumption within each property to 125 litres per person per day. However, our current specifications align with the affordable tenure guidelines of 105 litres per person per day to encourage responsible water consumption. As we continue to expand our new developments to provide safe affordable homes, our Developments team continue to assess regulatory changes to assist compliant and sustainable decision-making processes.

Our Workplace Solutions Team monitor our water meters monthly to assess usage patterns and identify reasons for peak usage. Good water management strategies are also employed in our offices via BREEAM reporting to identify water efficiency improvements. To improve our water management, a new FACET condition survey approach is being rolled out across our estate from 2023, including flood risk assessments for each site, which will then be recorded against each property in our commercial database.

### Future Homes Consortium

Establishing the Future Homes Consortium in 2021, Places for People remains a key player in tackling the sector's common safety and sustainability issues. Our collaboration with other housing associations underpins our sustainable transition, placing knowledge sharing and partnership at the forefront of sustainable development.

We have recently extended our cross-sector discussions, consulting on new topics including Carbon Footprint, Environment, Social and Governance (ESG) and Electric Vehicles. To understand and remedy common sector challenges, Places for People supports the sharing of resources, experiences and best practice for a futureproofed housing sector. The Future Homes Consortium's future ambitions extend to support smaller housing associations in beginning their sustainability journey, with practical guidance and outcomes from our specialised working groups.

### PfP Capital

PfP Capital Limited is Places for People's fund and asset management business, fully authorised and regulated by the Financial Conduct Authority (FCA) under FRN 775636. PfP Capital are recognised leaders in the UK real estate fund management sector in delivering positive environmental, social and governance outcomes. We have a tailored ESG strategy for each of our three residential-led funds, which have already delivered over 2,200 high-quality, affordable homes across the UK, with a further 1,500 under development.

A Responsible Investment policy was adopted by the PfP Capital Board on formation of the business in 2017. Our total impact approach, prioritises delivering social value for our customers alongside commercial return for our investors. PfP Capital were early signatories to the United Nations Principles for Responsible Investment (UN PRI). Individual fund strategies are developed in line with UN Sustainable Development Goals with robust governance supplemented by mandatory FCA staff training, policies and reporting. We hold the Association of Real Estate Funds' Quality Mark for good governance.

While we use the UN PRI within our broader investment criteria, our tailored ESG approach reflects the nuances of different types of buildings as well as the preferences of both the relevant investors and the communities we are working with in each fund. For example, in the Picture Living fund where we acquire existing homes, we have a rolling upgrade programme of EPC retrofits as well as offering all customers green energy tariffs. Alternatively in our Urban Transformation Partnership schemes where we are developing new communities through design, planning and construction, we can use the pioneering 'Footprint'® methodology of our development managers, igloo Regeneration, with a series of co-creation workshops and long-term engagement to ensure that we respond to the needs of the Community.

To ensure that we remain at the vanguard of delivering ESG impact, we have also commissioned specialist real estate fund ESG consultants, Hillbreak, to work with us to evolve and update our ESG strategy to support our business plan and this will be implemented in late 2023.



Photo credit: Jill Tate



## CASE STUDY

### NEW AVENUE LIVING, PFP CAPITAL'S MID-MARKET RENT (MMR) FUND

New Avenue Living is an affordable housing fund managed by PFP Capital, the fund management business established by Places for People. Mid-market rent are homes for rent to households on low to middle incomes. Rents for mid-market homes are generally set lower than private rent but higher than Council or housing association rents.

New Avenue Living was established as a fund in 2018 with a target to deliver over 1,000 mid-market homes in Scotland. As of February 2023, the MMR Fund has total commitments of over £180m, including £40m raised from SNIB — the Scottish National Investment Bank, following investments from Strathclyde Pension Fund, Nationwide Pension Fund and cornerstone investment from Places for People Group.

As of February 2023 the fund has completed development at five sites, delivering 481 new homes for affordable rent. A further four sites are under construction delivering 590 more affordable homes and bringing the total to 1,071. The Fund's homes will be highly energy efficient, built to EPC "B" as a minimum, and affordable to run making use of renewable energy where possible. In developing the sites the Fund will regenerate around 37 acres of brownfield land. The Fund will also seek to support the communities in which it operates in collaboration with Places Impact which assists Places for People group companies in their delivery of positive social impact. In 2022 Places Impact has helped secure an initial grant via the Travis Perkins Community Legacy Fund. The MMR Fund was the first real estate and first housing investment for SNIB, selected in part because of its positive ESG and impact targets and we are working with investors to monitor and deliver additional impact as we complete our new Communities.



### Sustainability in our leisure centres

At Places Leisure, we are setting an ambitious environmental strategy which will be published later this year. Among other things, this will set out how we will improve on the energy efficiency of our 85 leisure facilities; currently 55 are rated DEC C or above. We will also be building on our existing green procurement and waste management practices, building on our current best practice examples.

For example, we have been involved in the design and construction of Wokingham Leisure Centre, which we run on behalf of Wokingham Council. The principal design factor for this leisure centre is fabric first with low U values for thermal insulation and super air tightness. With the addition of low carbon technology such as air source heat pumps, solar photovoltaic panels, highly efficient mechanical ventilation and heat recovery systems, thermal mass heating, building energy management systems and Dali LED Lighting controls, Wokingham is one of the greenest leisure centres in the UK.



**Air tightness = 0.46m<sup>3</sup>**



**Building Fabric**



**Walls 0.15 W/m2K**



**Kalwall 0.78 W/m2K Pool to minimise heat loss**



**Floor 0.14 W/m2K**



**Glazing/doors 1.30 W/m2K**



**Roof 0.10 W/m2K**



[SOCIAL]

# SOCIAL





# SOCIAL

Our social impact is central to our business. We were formed to help Customers and Communities to overcome barriers, allowing them to reach their full potential. We achieve this through our core work and additional resources including grants, third party funding, commercial assets, our People and The Places Foundation.

## Affordability and security

Providing affordable and secure homes is the principal function of Places for People. This goes beyond just developing, obtaining or managing buildings, it's also about the connections with our Customers themselves. Our 101 Place Managers are key to this aim — we have also developed a Customer engagement strategy which brings the Customer's voice into the heart of our decision making.

We invest heavily in ensuring our homes are safe, economical and promote a better standard of living. We also provide direct financial and other support for our Customers in need, where we can, working to identify and address the root causes of their problems.

This section provides an overview of our housing stock and its distinctive categories, whilst showcasing our ongoing efforts to support Customers throughout the current Cost-of-Living and energy crisis.

The largest proportion of our housing stock is general needs (social rent), with over 79% of our tenancies provided at a lower cost point in comparison to their private sector counterparts. As we grow our property portfolio, our focus remains on providing affordable secure homes, delivering social value and promoting a good standard of living.

Our supported housing offerings include extra care residential homes, specialist housing and temporary social housing, assisting Customers of all life stages and differing needs.

Within our 1,069 alternative housing offerings, we own 330 student accommodation units, and we assigned 407 of our properties to keyworkers assisting our Communities throughout the COVID-19 pandemic.

## Share, and number, of existing homes (owned and managed) in the financial year 2021-2022

Tenure	Number	%
General needs (Social rent)	65,056	75.3
Intermediate rent	2,260	2.6
Affordable rent	3,263	3.8
Supported housing	3,858	4.5
Housing for older people	1,005	1.2
Low-cost Home ownership	8,310	9.6
Private Rented Sector	1,609	1.9
Other	1,069	1.2
<b>Total</b>	<b>86,430</b>	<b>100</b>

## Share of new homes completed in the financial year 2021-22

In 2021-22, a total of 1,388 new properties were completed across a range of different tenures. Our commitment to providing reduced rent housing is reflected in our 2021-22 home completions, with 36.7% being affordable rent.

Tenure	Number	%
General needs (Social rent)	282	20.3
Affordable rent (England)	227	16.4
Private Rented	63	4.5
Shared Ownership (England)	250	18
Shared Equity (Scotland)	24	1.7
Mid-Market Rent (Scotland)	119	8.5
Outright Sales	423	30.5

## Eradicating fuel poverty

The Cost-of-Living crisis has affected households throughout the UK, with increased fuel prices causing high levels of fuel poverty. As one of the UK's largest social housing providers, we recognise our responsibility in reducing fuel poverty through immediate interventions to assist residents with their bills as well as more long-term solutions to reduce energy usage in our homes. At Places for People, we are particularly mindful of the impact on our most vulnerable populations and have acted accordingly.





## CASE STUDY

### COST OF LIVING SUPPORT

The Cost of Living Taskforce was launched to support our Customers and Communities through the current economic crisis. This included a £750,000 Cost of Living Fund, offering rent relief and vouchers to support Customers with essentials such as food and fuel. We have also supported a network of 114 local charities in Communities who offer essentials for Customers including food banks and baby banks.

A list of warm spaces that are available to our customers can be found on our website. This has also been communicated to Customer facing colleagues so that they can signpost Customers to their nearest warm space. 29 Places Leisure Centres are offering warm spaces. This includes a partnership with Clarion Housing to deliver warm spaces in Sheffield and Birmingham. We are also directly supporting 12 warm spaces through our Community Partners at the Hay Avenue Hub in Edinburgh.

Customer quotes:

**“I AM OWED A UNIVERSAL CREDIT BACK PAYMENT BUT HAVE NO CLUE WHEN IT IS GOING TO COME IN. NOW MY SON IS ON SUMMER HOLIDAYS AND STAYING WITH ME FOR A WEEK, I HAVE ENOUGH FOOD FOR HIM. YOU’RE A LIFE SAVER!”**

**“THANK YOU ONCE AGAIN FOR BEING YOU. NON JUDGEMENTAL, KIND, EMPATHETIC AND DEFINITELY SUPPORTIVE.”**

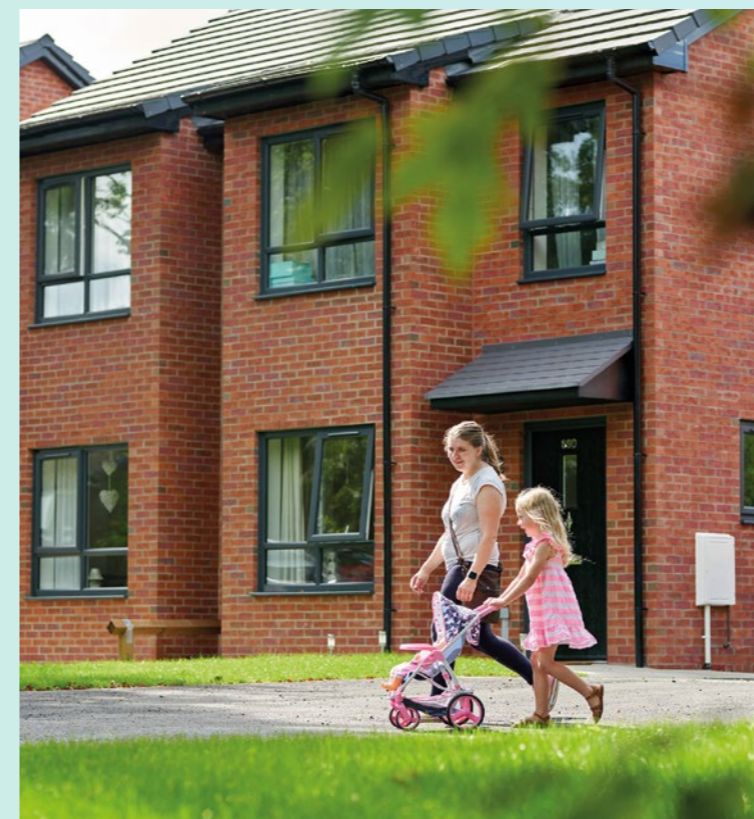


## CASE STUDY

### ENERGY ADVICE SERVICE

Our Money Advice Team and Financial Inclusion Team offer Customers energy saving advice to ensure fuel poverty cases and financial concerns are identified and resolved. Our advice hub offers up-to-date government support, including assistance from the Energy Bills Support Scheme, Winter Fuel Payment, Warm Home Discount Scheme and Cold Weather Payment. Offering these accessible services reassures our Customers that we are here to assist in difficult times, and are supporting them to build a better future.

Acknowledging the relationship between Customer education and sustainable household behaviours, our Energy Saving Top Tip Guide informs Customers on how to reduce their carbon footprint whilst lowering energy bills and protecting the planet. Our simple guide prompts Customers to select appliance ‘eco-settings’, busts the myths of ‘energy-saving standby mode’ and highlights the importance of water usage.



### Secure tenancies

Secure housing is a basic human need — individuals and families need to feel safe in their environment so that they and their wider Community can thrive. As a result, we do not offer any fixed term tenancies on any of our products.

We do however work innovatively to ensure each tenancy is suited to our residents’ needs. Therefore, we do offer some introductory tenancies when new Customers join us — these run for an initial 12 month period to ensure the tenant has been placed in the right home, and often roll over into assured tenancies.



**Building safety and quality**

The safety and regulatory compliance of our homes is non-negotiable. We have strengthened our building safety management throughout our entire portfolio to ensure the safety of our Customers.

As of November 2022, 99.97% of our homes had an accredited gas safety check. Despite our target of accredited gas checks in 100% of our properties, accessibility issues have prevented the 0.03% of our remaining gas assessments taking place. In 2023, the Group will prioritise reaching a target of 100% checks, working with Customers to gain access to all homes when required.

As of December 2022, 98.78% of our buildings have a compliant and up-to-date Fire Risk Assessment (FRA). The Health and Safety Compliance team are working on absence assessments to ensure full future FRA compliance.

We completed 94.69% Electrical Assessments at the end of 2022, and this is monitored continuously using our Electrical Installation Condition Report (EICR).



We understand the serious nature of conducting our electrical assessments and have followed legal proceedings to access buildings. To support with delivery, we have also shortened the electrical testing period from 10 years to 5 years.

As of March 2022, 100% of our homes met the Government's Decent Homes Standard. We have reported this position to the Regulator of Social Housing in England as part of our annual Statistical Data Return.



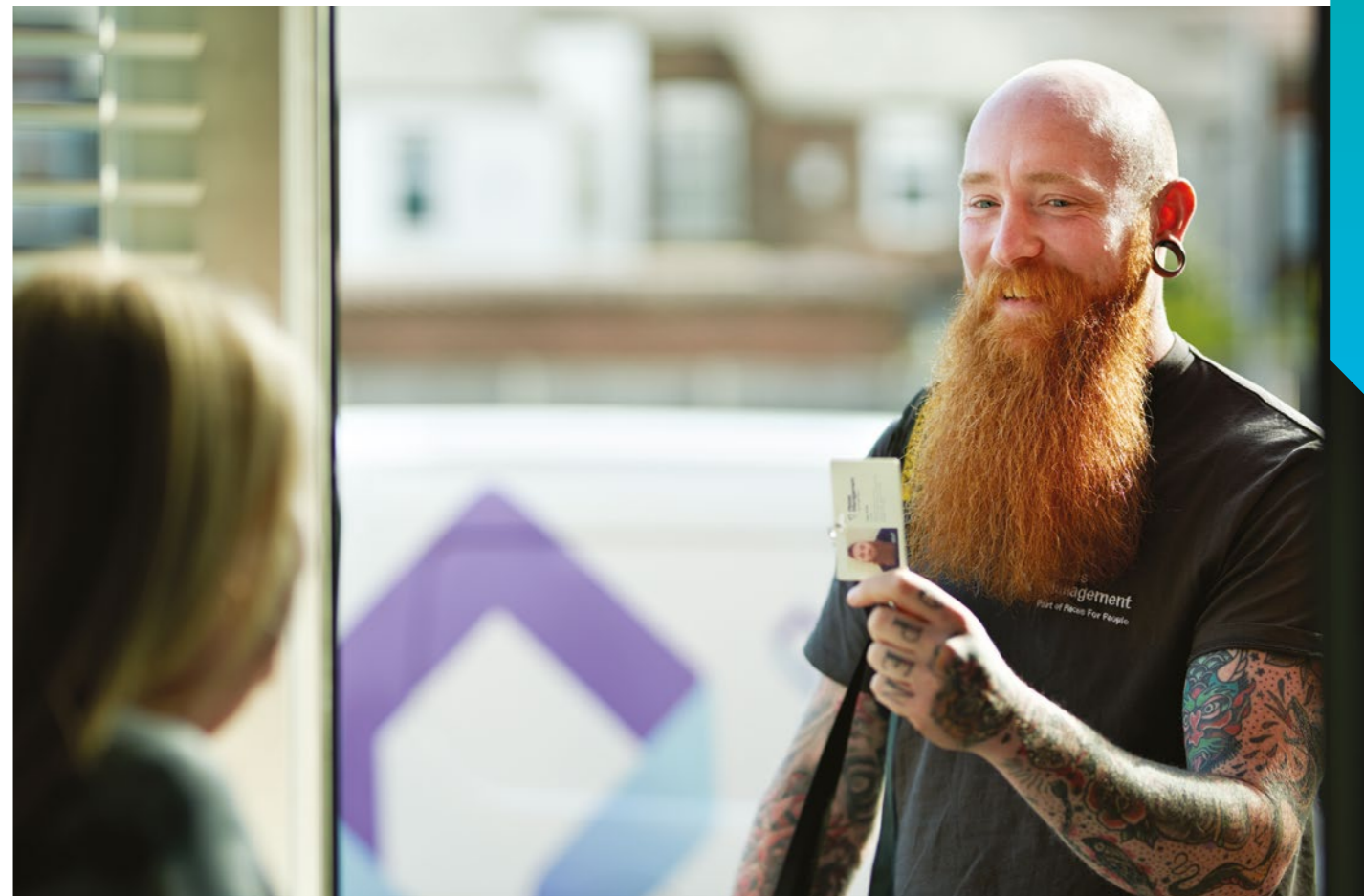
**Accountability**

At Places for People, we are committed to listening to our Customers, by providing meaningful opportunities to influence, shape, design, scrutinise and improve the services we provide. Our National Customer Engagement Framework sets this process out. This framework provides our Customers with the opportunity to get involved on a flexible and accessible basis. Our framework combines our National Customer Group with our insight from customer complaints, customer research and industry data to deliver Customer focused service improvements, with our Customer Voice truly at the heart.

This Customer feedback enables us to achieve our strategic objective of increasing Customer satisfaction. Customer satisfaction is a key element of the new Tenant Satisfaction Measures that will be monitored and published by the Regulator of Social Housing by April 2024.

The National Customer Group was formed in late 2020. This group comprises Customer representatives as well as Executive and Non-Executive directors and reviews key issues, policies, and strategic priorities that affect Customers across our Homes Plus services enabling Customers to influence outcomes. This provides a clearly defined two-way communication between the Places for People Group Board and Customers, with quarterly meetings with the Group Board Chair, Group CEO and other Executive Directors.

**PLACES FOR PEOPLE STRIVES TO PUT CUSTOMERS AT THE CENTRE OF BUSINESS PRACTICES, ENSURING THEIR NEEDS AND REQUESTS ARE MET, SERVICES ARE IMPROVED AND BEST PRACTICE IS IMPLEMENTED.**





**Customer satisfaction**

Places for People conducts monthly phone surveys focusing on those Customers who have received a service from us in the previous month. The results of these surveys are analysed via a dashboard, creating satisfaction ratings corresponding to specific services, including aids and adaptations, gas servicing and responsive repairs.

Our Customer Satisfaction scores for the last two years are shown opposite. These scores are an aggregate score for several individual measures such as repairs, cleaning, ground maintenance and gas servicing.

As of 2022, our Net Promoter Score of Customers likely to recommend us to family or friends was 45 compared to our target of 47.

Challenges experienced in delivery across repairs and ground maintenance in 2022 have impacted on Customer satisfaction. We are continuing to work on improving Customer service delivery to reach our targets. We will also continue to keep measurement of Customer satisfaction under review, ensuring it aligns to the Regulator's new Tenant Satisfaction Measures.

Satisfaction	2021 Score	2022 Score
Customer satisfaction	84.91%	80.73%

Year	Net Promoter Score
2020	45
2021	50
2022	45



**Complaints procedures**

Places for People takes our quality of service seriously. In addition to ensuring we resolve the issues for individual Customers, complaints provide valuable feedback for continuous service improvements. In October 2022, we set up a Customer Resolution Team to thoroughly investigate all complaints, and work closely and transparently with the Housing Ombudsman where required. Our aim is to put right any errors quickly and use the learning to drive service improvements.

In the last twelve months, we have received 18 determinations from the Housing Ombudsman following referrals. Of these, 10 complaints were upheld (56%). The Ombudsman found 4 cases of maladministration, 7 cases of no maladministration and 6 of service failure, as well as 1 case the Ombudsman had determined was outside their jurisdiction.

Comprising service leads from across the organisation, our Service Improvement Group (SIG) reviews all findings from the Ombudsman and implements action plans to ensure we are improving our service delivery and complaints handling processes. As part of this review, we also include cases where no maladministration is found for us to capture and embed best practice. The SIG meets monthly and looks at external case reviews to understand the broader context and focus in the social housing sector.

Ombudsman Determination	Counts
Maladministration	4
No maladministration	7
Service Failures	6
Outside Jurisdiction	1
<b>Total</b>	<b>18</b>



## CASE STUDY

### YOU SAID, WE DID (SERVICE IMPROVEMENTS)

We developed a 'You Said, We Did' platform, to illustrate how our reviews of Customer complaints have resulted in changes to our business practices and service provision

We want to show that Customer feedback is taken seriously and that we want to continue to improve Customer satisfaction.

**YOU SAID: CUSTOMER ON THE ISLE OF WIGHT ASKED IF WE COULD REOPEN A COMMUNITY FACILITY THAT HAS BEEN SHUT SINCE THE PANDEMIC**

**WE DID: WE HAVE AGREED FOR A LOCAL VOLUNTARY ORGANISATION TO REOPEN THE FACILITY AND PUT ON A RANGE OF ACTIVITIES FOR THE LOCAL RESIDENTS**

**YOU SAID: WE SHOULD MAKE IT CLEAR IN OUR AIDS & ADAPTATIONS POLICY UNDER WHAT CIRCUMSTANCES AN ADAPTATION WOULD BE REFUSED**

**WE DID: WE CHANGED OUR AIDS & ADAPTATIONS POLICY, SO THIS IS NOW INCLUDED**



## CASE STUDY

### CREATING THE BEST IMPACT BY ASKING OUR CUSTOMERS

Our Customers play a vital role in shaping our social value activities, supported by our National Customer Group and Local Customer Scrutiny Panels.

#### National Customer Group

To extend our Customer governance, the Places for People National Customer Group (NCG) was created to involve Customers in discussing critical issues, policies and strategic priorities affecting their Communities.

All members of the NCG are supported in Tenant Participatory Advisory Service (TPAS) training seminars, round table discussions and other training opportunities to provide them with the skills to feel confident and supported in their NCG membership roles.

Over the next year, we will continue to build our resources to help Customers and Communities through the Cost-of-Living crisis and support wider economic and wellbeing outcomes to help them overcome barriers and reach their potential.

#### Local Customer Scrutiny Panels

Our Local Customer Scrutiny Panels assess the performance and delivery of essential services, whilst identifying areas for improvement and highlighting good practice. Producing an annual work plan, the Scrutiny Panels focus on a range of topics including performance information, satisfaction data and other suggested Customer scrutiny topics.

Members hold a range of responsibilities, including re-shaping services for improved Customer experience, long-term service planning and holding Places for People management to account to ensure necessary changes are made.

Offering Customers the opportunity to make changes through the NCG and Local Customer Scrutiny Panels helps to increase our visibility of common issues and captures valuable Customer opinion.





**Customer support**

To provide our Customers the best possible quality of life, we offer a diverse range of support services, working proactively and innovatively within Communities to support the most vulnerable and hard-to-reach.

Using our website News page and our social media channels, we inform Customers of available support services, including financial support, education and employment support and childcare support. Whilst offering a safe home for our Customers is our main priority, we promote Customer quality of life and basic accessibility needs as our additional core work.

From Places Leisure’s health and wellbeing services to our digital inclusion and financial support services, we strive to foster healthy and happy lives.

Our Customer support targets key outcomes including financial and digital inclusion, employment, training, health and wellbeing and supporting sustainable Communities. During the last year, we have focused on delivering a combination of national and local projects which are shaped by Customer insight, colleague feedback and data. This evidence-led approach has resulted in us targeting the social needs that matter most in our Communities.

**£140.5M**

SOCIAL VALUE GENERATED BY OUR REGULATED BUSINESS  
(Wellbeing valuation)



**9,692**

→ PEOPLE HELPED WHO WERE HOMELESS OR AT RISK OF BEING HOMELESS



**5,241**

→ PEOPLE SUPPORTED INTO EDUCATION, EMPLOYMENT OR TRAINING



**7,334**

→ NUMBER OF PEOPLE SUPPORTED WITH DIGITAL AND FINANCIAL INCLUSION  
(including money advice, furniture, and support from our hardship fund)



**47,905**

→ PEOPLE SUPPORTED THROUGH OUR SOCIAL IMPACT PROJECTS



**14,702**

→ OPPORTUNITIES FOR YOUNG PEOPLE

**CASE STUDY**

**SUPPORTING VULNERABLE COMMUNITIES**



Our Living Plus services provide specialist housing for those who have experienced domestic violence, placing them in a safe, secure and supportive Community.

Our South Tyneside Women’s Aid offers Customer led support for women and children suffering from domestic abuse. Offering temporary accommodation, our personalised support packages reflect the needs of each Customer, including money management, health, confidence building and legal assistance. Support programmes are delivered to our Customers to support personal development, including You and Me, Mum and SAFE Hands, uniquely designed to support family relationships.

**CASE STUDY**

**REFUGEE HOUSING SERVICE**



Our Refugee Housing Service in Sheffield offers 14 properties, consisting of one, two and three-bedroom accommodation let on an Assured Shorthold Tenancy Agreement. Temporary furnished accommodation and support is offered to refugees who have been awarded ‘leave to remain’ status.

We accept referrals from council and support services, offering accommodation for 12 to 18 months to assist in securing safe, longer-term residences through the ‘Move-on Up’ project. To ensure our Customers’ needs are understood, we use the Big Words interpreter service for those unable to effectively communicate in English, whilst offering on-site and out of hours support services.



## CASE STUDY

### KEEPING CUSTOMERS CONNECTED



Our national Digital Empowerment Project has provided direct support and training to more than 330 Customers in 2021/22. In addition, a further 362 Customers at our supported living Communities now have access to Community WiFi.

We have also worked with our telecoms supplier to secure 300 free SIM cards, enabling our Customers to access essential services and keep connected throughout difficult times.

## CASE STUDY

### INVESTING IN COMMUNITIES, SUPPORTING OUR CUSTOMERS



We have launched the national Community Investment Fund throughout Homes Plus, investing in projects in areas where we own or manage homes.

A total of £947,000 has been invested in 93 local and national projects, supporting hundreds of Customers nationwide. Examples include Shape Linc Line, a national telephone befriending service which is reducing social isolation for our Customers, and the Early Tenancy Support project, which is helping, on average, 10 new Customers a week with support to access essential items including furniture and white goods.

The Community Investment Fund is also supporting a national project with Street Games to deliver doorstep sports in Communities across England. The project team consulted with more than 200 colleagues and Customers to develop activities that address local needs.

### Placemaking

With over 50 years of Placemaking experience, Places for People builds Communities with the physical and social infrastructure required for long term success. From designing our neighbourhoods to ensuring our Customers feel welcomed and supported, creating and managing Communities has always been at the centre of our operations. This supports our commitment to making our Communities healthier, inclusive and more connected.

The Places Foundation, an independent charity supported by Places for People, supported 18 projects in the last financial year. For example, a grant was awarded to Places Leisure to offer free swimming lessons for children from low-income families. In November 2021, we were awarded £1 million as part of a consortium of organisations to deliver the 'Big Sister' project which helps to improve confidence, wellbeing and activity levels amongst teenage girls. The project is delivered by Places Leisure, The Places Foundation, Women in Sport and Hey Girls in areas where we operate leisure centres and manage homes and Communities.

The Still On The Go project has achieved its target of supporting 40 Customers who are aged 55+ to become more active in East Anglia. Customers have been supported through a range of activities including free three-month memberships to local leisure centres (including Places Leisure) swimming lessons, walking groups and Zumba Gold. We will shortly be exploring options for replicating the project in other local areas using direct or third-party funding.

The Places Foundation has an ongoing partnership with Big Issue Invest which provides loans and support to charities and social enterprises across the UK. Over 26 organisations have accessed finance from this partnership including Hey Girls who we are working with to deliver the Big Sister project. In the last year, The Places Foundation has also made an investment in Charity Bank to enable them to grow lending to charities and social enterprises and we continue to partner with the Fair by Design Fund which aims to tackle the poverty premium in the UK.





## CASE STUDY

### CREATING SOCIAL VALUE IN NEW DEVELOPMENTS



We have established a new Social Value Forum to identify activities and resources that can deliver social value across our new developments, supporting affordable housing Customers and wider Communities.

We have also launched the East Wick and Sweetwater Growth Fund, offering loans of between £2,000 and £25,000 to SMEs and social enterprises. Four loans have been granted in 2021/22 to companies including Zhero, a sustainable delivery business operating at the Olympic Park, and Survivors UK, a charity that tackles domestic abuse.

## CASE STUDY

### TRANSFORMING SPACE FOR SOCIAL GOOD



We have been identifying opportunities to use our assets to deliver social value for local Communities. Following an extensive consultation with our Customers in Craigmillar, Edinburgh, this approach saw us repurpose commercial space at our Hay Avenue premises to launch the Craigmillar Community Hub – a unique facility which can be used by the public and Community groups in Craigmillar and beyond.

Following a 15-month closure due to the pandemic, the Hub re-opened in May 2021 and is now home to a wide variety of groups, services and activities which are a lifeline for those living in the area.

At the Hub's heart is the Hays Community Pantry, giving local residents access to healthy, affordable food as well as providing volunteering opportunities and reducing food waste. The pantry's ethos is to provide food with choice and dignity, ensuring the service is accessible to all regardless of their personal circumstances. By the end of March 2022, there were more than 250 registered Pantry users.

Other charities and groups to benefit from free space at the Hub, include Grassroots Clothing, a charity providing men in need with free-to-keep interview clothing; a Syrian Men's Group, which is using the space for socialising and learning; 'Trimmers' a group offering healthy living advice; and Stitch in Time, a tapestry group.

## CASE STUDY

### COMMUNITY HUB ROADSHOW



To overcome the barrier of what can be perceived as intimidating exercise settings, such as leisure centres, we set out to visit local Community settings, to take services directly to individuals. Places Leisure have created a Community hub roadshow, in the form of a van, providing different physical activity sessions in the South Yorkshire area.

These sessions vary from sport specific to multi-sport, depending on the demand within that area, and the audience that attends. We also offer the opportunity for People to take health MOTs that consist of physical tests such as blood pressure, cholesterol and an overall wellbeing review. This health review includes giving guidance and signposting where changes could be made to positively improve the individual's health. The key message of the hub has been 'turn up and take part' to reduce the number of barriers to engagement, such as the need to pre-book, which can cause problems for individuals whose personal commitments can change daily.

Activities so far have included the This Girl Can Weekender in Sheffield, where we engaged with over 100 girls, the 'Big Tennis Weekend' with 207 children in attendance, the baton relay at Sheffield Olympic Legacy Park, and staff health checks at Derwent House.

### Fundraising by our colleagues

Over the past year, our People have engaged in a wide range of fundraising initiatives, supporting charities close to their hearts. Activities have included walking 10,000 steps a day for a month in aid of Cancer Research, through to sleeping out to support a charity for homeless and vulnerable people. To encourage staff fundraising initiatives, Places Impact have provided £9,796 of match-funding donations in the financial year of 2021-22.



[GOVERNANCE]

# GOVERNANCE





# GOVERNANCE

Demonstrating strong corporate governance ensures Places for People can reach its full potential. With conflicting pressures arising between economic, environmental and social priorities, good governance is central to successfully implementing a sustainability strategy. This theme explores our best practice of minimising organisational risks, our decision-making processes and the growth of Equality, Diversity and Inclusion as a priority.

## → Structure and governance

### Regulation

Places for People Group (the Group) is a registered provider of social housing and is regulated by the Regulator of Social Housing (RoSH) (L4236).

Following a stability check and reactive engagement, on 15 November 2022, the RoSH published a regulatory judgment that regraded its previous assessment of the Group's financial viability from V1 to V2 and confirmed its existing G1 grade for governance. The RoSH confirmed it was assured the Group is compliant with the financial viability elements of the Governance and Financial Viability Standard and that its financial plans are consistent with, and support, its financial strategy. The RoSH also confirmed that the Group has an adequately funded business plan with sufficient security in place.

The Group has not been subject to any adverse regulatory findings in the last 12 months that resulted in enforcement or other equivalent action.

### Code of Governance

The Group has adopted the (2018) UK Corporate Governance Code (the Code), and for the financial year ending 31 March 2022 has reported compliance against the provisions of the Code except for Code provisions 3, 4, 18, 36 and aspects of provision 5. Of the areas of recurring non-compliance, the majority (provisions 3, 4, 18 and 36) are because of the nature of the Group.

Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors. The Group does not trade for distributable profit, nor does it have relationships with external shareholders — the Group parent is a company limited by guarantee and does not have external shareholders in the sense contemplated by the Code. Therefore, it addresses the need for scrutiny and evaluation through the Board or an appropriate committee and it engages with investors directly and through an annual investor's forum.

With regards to provision 36, reward schemes at Group level are not designed in a way that promotes long-term shareholdings by executive directors. Within the Group there was a historic growth share scheme linked to the shares of a small number of commercial subsidiaries. No benefit has accrued or been realised through those schemes for the two Group executive directors involved in the year under review or the preceding years. The scheme ended in 2021/2022. The Group also has a dormant Long Term Investment Plan (LTIP) arrangement and there are no awards under it to which any member of staff has any entitlement. Part of provision 5 prescribes the options for workforce engagement. The Board concluded in May 2022 that its multiple methods of engagement (described in the 'People' section of the Annual Report & Accounts 2021/22) are effective and better suited to the Group's needs.

### Not-for-profit structure

The Group is also registered as a company limited by guarantee without share capital (3777037) and does not trade for a profit. There are 8 members and the maximum amount required to be contributed by each member to the funds of the Group Parent is £1. There is one corporate member, which is Castle Rock Edinvar Housing Association Limited (trading as Places for People Scotland). None of the members hold an interest of more than 25 per cent. Membership may not be sold or transferred. Where membership is held by virtue of being a non-executive director, membership is forfeited when the directorship is terminated. There is no distinction between the voting rights of the individual members and the corporate member. These arrangements have the consequence that the Group Parent is not financed through funds raised through its members.

### Managing organisational risks

The Board meets at least five times a year to direct overall strategy and take key financial and business decisions. Given the complex nature of the Group's business, Board members also meet in standing committees or working parties to examine specific areas of operation. The standing committees and working parties are the Remuneration & Nominations Committee, the Audit & Risk Committee, the Development Committee, the Treasury & Investment Committee, and the Pensions Working Party.

The Group faces several external risks across its businesses, including housing management, development, property management, and leisure management. All the Group's risks are monitored closely and managed to an acceptable level through a robust control environment and a high degree of scrutiny.

Ultimately, the Group Board is responsible for the Group's system of internal control. This has been designed to manage, and mitigate as far as possible, the risk of any failure to meet business objectives.

A risk management framework is in place which is supported by a 'three lines of defence' assurance model, risk based internal audit and assurance mapping.

The Board identifies and stress tests strategic risks and each risk is allocated to an accountable individual at a senior management level. The Board's approach to risk management is supported by a structured assurance framework that includes the Audit & Risk Committee.

The Audit & Risk Committee's duties are wide reaching. It oversees reviews and monitors the Group's application of accounting policies, standards and the fulfilment of the Group's corporate governance responsibilities. It also oversees the appointment and remuneration of the external auditors, the external audit process and the preparation and compliance of the Group's Annual Report and Accounts. Alongside the external audit, the Committee also monitors the resources and work programme of business assurance (the internal auditors), the Group's risk management framework and the adequacy of internal control, regarding which the executive directors are responsible for reviewing and maintaining.

During the 2021/22 financial year, the second line of defence was strengthened with the appointment of a Group Chief Risk Officer (CRO) as part of the Executive Team. The CRO leads on risk and compliance matters across the Group. The strategic and key operational risks have also been allocated to a second line of defence director, reporting to the CRO, to ensure there is a groupwide standard and that education arrangements, expected key controls and risk-based checking arrangements are in place. This structure is designed to ensure there is a consistent and integrated approach to risk across the Group while providing the Group Board with the necessary assurance that risks are being managed effectively.

Risk maps are maintained by each business within the Group which set out the key internal and external risks faced by that business. Controls are in place to mitigate each risk and ensure they are documented, as are any further actions considered necessary to reduce risk further. Subsidiary businesses review risk maps at their senior management meetings. These operational level risks are linked to the Group's strategic risks to ensure there is a top-down and bottom-up approach consistent with the requirements of the RoSH.



## → Board and trustees

### Demographics of the board

18% of the Group Board is represented by women, 9% are BAME and 9% have a disability. The average age of Group Board members is 55 years, and the average tenure of a Board member is 4 years. Our Board members have diverse backgrounds in industry and public life, and share a strong commitment to applying their expertise, skills and experience to ensure that the Group's business is sound. All the non-executive directors are independent of management and have access to the Group General Counsel for advice.

The Board has adopted guidelines for the appointment of non-executive directors. Those guidelines include a requirement for there to be a formal role profile in relation to each non-executive appointment.

The Board selects the best candidate for any vacancy. It has no targets for board composition by reference to gender, ethnicity, sexual orientation or any other diversity measurement. For Group Board appointments, the Board is proactive in seeking in interviews, to include one or more candidates whose presence on the Board would add to its diversity. The Board would only use diversity as a decisive criterion in connection with any appointment if two or more candidates were considered to be evenly matched in other respects.

Including the Group Chairman, the Group Board comprises seven non-executive directors (67%), three executive directors (27%) and the Group General Counsel (9%).



# 18%

of the Group Board is represented by women

### Turnover

The turnover for Board and management in the last 2 years was just over 39%.

### Tenure

Non-executive directors are subject to reappointment at intervals of no more than three years and may serve for a maximum of no more than nine years.

### Number of board members on the Audit committee with recent and relevant financial experience

The Chair of the Audit & Risk committee is a qualified accountant and members (all of whom are non-executive directors) have recent and relevant financial experience.

### Current executives on the Remuneration & Nominations Committee

The Remuneration & Nominations committee comprises only non-executive members but is supported by the Group Chief Executive and management, as appropriate.

### Succession planning

The Remuneration & Nominations Committee ensures plans are in place for an orderly succession to Board and senior management positions and oversees the development of a diverse pipeline for succession, considering the challenges and opportunities facing the Group, and the skills and expertise needed on the Group Board in the future. This monitoring role also extends to subsidiary boards, along with the boards of employee nominated members and the Group's defined pension scheme board of Corporate Trustees. Committee members considered succession planning and talent mapping in early 2022 and are set to review this on at least an annual basis.

### External audit

The appointment of the Group's auditors is a matter reserved to the Group Board. The decision is reached with the benefit of a recommendation from the Audit and Risk Committee working alongside the Group Finance Director.

The Audit & Risk Committee holds meetings with the external auditor and the Director of Assurance, and these assist in ensuring that reporting, forecasting and risk management processes are subject to rigorous review throughout the year.

Following recommendations by the Audit & Risk Committee, the Group Board approved the renewal of the audit contract during the 2019/20 financial year resulting in the reappointment of the incumbent, KPMG, for a period of three years with the option to extend by a further two years. Following conclusion of the 2021/22 audit, recognising the requirement to rotate off the audit in the short term and taking account of commercial arrangements and resourcing constraints, KPMG has indicated that it does not wish to exercise the option to continue as the Group's auditor for the 2022/23 financial year. At its meeting in February 2022, the Committee agreed to commence the process for the next audit tender.



## → Board and trustees

### Board effectiveness review

The Remuneration & Nominations Committee reviews the Group's governance framework and advises the Group Board on key governance issues. The Group commissioned an externally facilitated, independently run, board-effectiveness review at the end of 2021, which was adopted by the Board in May 2022. Additionally, each Board member is annually appraised and meets with the Group Chairman at which their contribution, attendance, training needs and possible areas for additional involvement are reviewed. For probity and completeness, the Senior Independent Director conducts the appraisal meeting for the Group Chairman and canvases the views of the other non-executive directors on the Group Chairman's performance. The Chairman regularly meets with the Group's Chief Executive, and non-executive directors have the opportunity to scrutinise management through their attendance at Board meetings and presented reports.

### Chair and CEO

The roles of Group Chairman and Group Chief Executive are undertaken by different individuals.

### Conflicts of interest

The Board requires each director to inform the Group General Counsel if he or she has an interest that ought to be declared. Such interests include offices held in other organisations but also extend to other matters that could affect the individual director's conduct. The Board monitors the independence of individual directors through the register of interests.

### Real living wage

The Group's Remuneration & Nominations Committee considers the policy for reward across the Group — it approves any pay increases, bonus arrangements, long term incentive arrangements and pension arrangements for executive directors and the Group General Counsel. It also sets fee levels for non-executive directors of the Group Board members of subsidiary boards and Customer representative bodies within the Group. Fee levels for non-executives reflect time spent on Group activity and do not include performance-related elements. The Committee is responsible to the Board for ensuring that the Group's total reward strategy for all employees (including executive directors) is appropriate, having regard to the nature and scale of the Group and the markets in which it operates. This is to attract and retain the right talent to each part of the Group. The committee carries out a review of employment terms (i.e. pay and benefits and essential contractual terms) for executive directors and for all other staff in alternate years. The committee determines and agrees the reward policy for the remuneration of executive directors and in that work, it has regard to the desirability of a reward structure that demonstrates clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

Pay and reward was a key focus across the reporting period, and to ensure pay rates were fair, based on the Cost-of-Living, and to effectively attract, retain and reward colleagues in frontline roles, the decision was taken to implement the Real Living Wage from 1 October 2022 across the entire Group.

### Gender pay gap

As of April 2022, the Group's headline mean gender pay gap was 15.1% and the median gender pay gap was 10.4%. These figures have increased slightly since the last report, showing that the ongoing pandemic continued to impact the gender pay gap. Given the size and scope of the organisation, there are some differences between companies within the Group, and we have moved away from a zero gender pay gap compared to previous years. The figures as of April 2021 remain very much impacted by the national lockdowns that began in March 2020 and led to many colleagues being placed on paid furlough leave.

Because most of the colleagues on furlough leave had been excluded from these calculations, it has not been possible to compare these results to previous years in a meaningful way. Despite this, we are clear as a Group that there is still more work to do, and the Gender Action Plan has been enhanced with extended scope and the introduction of a Diversity and Inclusion Plan to further drive gender pay gap values towards zero.





## → Board and trustees

### Median CEO – worker pay gap

Whilst the Group is under no obligation to report on CEO pay ratios, the Group believes that pay transparency and governance is an important principle and we therefore wish to go 'above and beyond' the basic disclosure requirements. This is consistent with the Group's approach to matters of broader corporate governance. The committee therefore considered the pay ratios in year.

For the year ending March 2022, the comparison of the total pay and benefits for the Chief Executive with that of the Group's UK employee population was as follows. For employees who were paid at the 25th percentile (lower quartile), the ratio was 24.1, at the 50th percentile (median) this was 18:1 and at the 75th percentile (upper quartile) the ratio was 14.1.

The regulations require that where there has been more than one Chief Executive at a company during the financial year, the company should use the total pay and benefits paid to anyone undertaking the role of Chief Executive in the relevant financial year. The Group appointed a new Chief Executive on the retirement of the former Chief Executive. In line with the requirements of the Regulations the total pay and benefits for the former Chief Executive for the year to 30 November 2021 and the total pay and benefits for the recently appointed Chief Executive for the part financial year (from his appointment on 1 December 2021) have been aggregated and used in the calculations for the pay ratios.

The remuneration figures for the employee at each quartile were determined with reference to the financial year ended 31 March 2022 and option B was used for the calculations. The committee believed that this approach provided a fair representation of the Group Chief Executive to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational constraints and complexities.

Under this option, the latest available gender pay gap data (i.e., that from April 2021) was used to identify the best equivalent for three Group UK employees whose hourly rates of pay are at the 25th, 50th and 75th percentiles for the Group. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the identified employees reflect the best equivalents for each quartile. A full-time equivalent total pay and benefits figure for the 2021/22 financial year was then calculated for each of those employees. The pay ratios outlined above were then calculated as the ratio of the aggregated Group Chief Executive's total pay and benefits to each of these employees. Each employee's total pay and benefits were calculated using the single figure methodology applicable to listed companies, except for bonuses, where the amount paid during the year was used instead of that earned during the year. Periods where employees were on leave at less than 100% of their normal pay were excluded from the calculations. Small adjustments were made to the total pay and benefits figures to allow for the up-rating of pay elements where appropriate to achieve full-time and full-year equivalent values. No components of pay have been omitted.

This year no special consideration was needed in respect of colleagues being placed on paid furlough, but consideration was given for other periods of leave where pay was reduced. The way 'pay of employees on leave' is treated for the purposes of the Chief Executive pay ratio calculations is primarily a matter for individual companies permitted by the regulations and is consistent with the approach taken last year.

## → Staff wellbeing

### Support for staff

We have continued our focus on wellbeing over the last year and supported wellbeing activities which engage staff and assist with recruitment and retention of top talent. We provide a range of different resources and support mechanisms for colleagues. We have trained over 20 'Wellbeing Champions' across all Group companies who are asked to identify, coordinate, and encourage health-related initiatives in their own businesses. It is also recognised that mental wellbeing is vital to ensuring a healthy and happy workforce. Managers are trained to identify and manage stress in the workplace through leadership training programmes and these have continued throughout the year. In addition, a large cohort of Mental Health First Aiders have been trained across the whole Group to provide support to colleagues which has been very positively received. There have been many initiatives running in individual areas of the Group.

In terms of physical wellbeing, colleagues have the option to access gym memberships through Places Leisure. A comprehensive and mature Employee Assistance Programme is in place, and a substantial amount of health and wellbeing information is available through the Group's occupational health provider. Throughout the period, as a Group we continued to focus not only on employee wellbeing in the workplace, but also on the physical, mental, and social wellbeing of our Customers through initiatives in our places and by embedding wellbeing into the Communities we serve.

**WE HAVE TRAINED OVER 20 'WELLBEING CHAMPIONS' ACROSS ALL GROUP COMPANIES.**

### Average number of sick days (both long and short term) taken per employee

Regarding employee absence, the average number of sick days taken per employee is 0.6.





## → Procurement

### Social value creation in procurement

Our core business operates across the whole of the property value chain from initial procurement of sites, through planning and project management to the delivery of high quality places with supporting infrastructure and strong management. We deliver services to a range of stakeholders including tenants, landlords, house buyers, local authorities, investment fund managers and leisure centre users.



Our large and varied Group business offering is reflected in the breadth and complexity of our UK supply chain that has more than 4,000 established members. We engage with a wide variety of organisations for a broad range of goods and services — primarily corporate, construction and property related, but also some more specialist requirements.

Our supply chain members are diverse not only in the goods and services they provide, but also in the size and structure of their organisations — from the very small, including third sector organisations, to multi-nationals. We encourage smaller businesses to apply to join our supply chain to promote local business initiatives in the UK.

Our business consists of complementary companies that are market leaders in placemaking, property investment, development, leisure and management. Combined, they have the expertise to create and manage entire Communities, providing homes, services and support and infrastructure that enable our Customers and their Communities to thrive. We know our operations have a range of impacts and we have a responsibility to ensure our goods and services have a positive effect in helping to deliver affordable and thriving Communities.



We recognise that our supply chain is a huge source of social value, through which we can achieve wider financial and non-financial outcomes to improve the wellbeing of our Customers. When awarding contracts and selecting supply chain members through regulated procurement projects, we work closely with the Places Impact team as a key stakeholder to ensure that social value is built into our decision-making criteria in a proportionate way. At least one social value question will be developed for each tender and bid responses to the question(s) will also be evaluated by Places Impact colleagues as subject matter experts.

On the successful award of a Group contract, the Places Impact team will also develop a direct relationship with the relevant supply chain members for the life of the contract to support and ensure the delivery of all social value commitments made during the procurement process.

In addition, our Supply Chain Code of Conduct and Sustainable Procurement Policies evidence our commitment to act ethically and with integrity throughout our business relationships and all suppliers, no matter how long-standing, are required to abide by them.

### WE PUBLISH THE CODE TO OUR SUPPLY CHAIN MEMBERS THROUGH OUR ONLINE CHANNELS TO ENSURE THAT ALL SUPPLIERS ARE AWARE OF OUR EXPECTATIONS.

As part of a selection questionnaire when tendering, adherence to the Code is a mandatory requirement for any new suppliers working for the Group.

The Code sets out the main principles, standards, and ethical practices that we expect all suppliers to follow on a range of themes, including those related to environmental issues, social value and not least of all, the requirements of the Modern Slavery Act 2015.



To ensure our activities reflect the changing shape of the Group and the needs of the People and markets we serve in the UK we have reviewed and revised the Supply Chain Code of Conduct to, amongst other things, clearly outline our objectives and how we will work collaboratively with our suppliers to actively identify and manage the collective risk of slavery and exploitation in our supply chains. We encourage supply chain members to demonstrate their commitment to ensuring that slavery is not taking place in their business and set out how they can do this, over and above the minimum legal requirements of the Modern Slavery Act. This includes a mechanism for suppliers to report any instances or issues regarding modern slavery via the Places for People Safeguarding Team.

The review was conducted in conjunction with Unseen UK, a leading charity committed to the abolishment of modern slavery, with the intention of growing our knowledge and driving forward our strategy to test our own thinking to work proactively with our supply chains to combat modern slavery and exploitation. Our work with Unseen UK also includes supply chain risk assessments and modern slavery training for both our procurement specialists and the wider organisation.

Our efforts to mitigate these risks always begin with our legal obligations and the Group complies with the Modern Slavery Act 2015. The Group is required to publish an annual slavery and human trafficking statement for the purposes of compliance with the Modern Slavery Act 2015. The latest iteration of the Group's statement is published via a link on the homepage of our website.

### THE STATEMENT HAS BEEN ADOPTED BY THE GROUP AND BY EACH OF THE SUBSIDIARIES WITHIN THE GROUP THAT ARE REQUIRED TO MAKE A STATEMENT PURSUANT TO THE MODERN SLAVERY ACT 2015.

In accordance with best procurement practices set out by the Chartered Institute of Purchasing and Supply, we also perform audits at random on supply chain partners that includes the reviewing of policies, inspections of their buildings and interviewing staff as to pay and working conditions. We do this as a positive and proactive way to ensure the supply chain are meeting their requirements in relation to the Act.

Our contractual relationship with suppliers includes a requirement to comply with the Supply Chain Code of Conduct and prohibits engagement in any activity that is contrary to the Modern Slavery Act. These provisions now form part of all new contracts with suppliers and all contract renewals, as and when they arise.

## → Supply chain

### Social value creation

As part of the Public Services (Social Value) Act 2012, social value is included in all our contracts. Group Procurement embeds social value commitments into contracts by securing them through the tender process. Social value priorities include; building strong and resilient communities, supporting better health and wellbeing, sustaining tenancies, strengthening financial and digital inclusion, and providing opportunities to access education and employment. During the tender process, we ask contractors to provide narratives for the themes identified, which are translated into contract terms. Our monthly performance indicator acts as a KPI, which is then measured against the target KPI to identify further required efforts. Our monthly Social Value Working Group then exists to regularly measure social value performance. Therefore, our identified KPIs and target KPIs ensure the consideration of social value when procuring goods and services.

### Environmental impact considerations

We take our responsibility for ensuring environmental sustainability through our procurement activity seriously, to minimise the environmental impact of the goods and services we buy wherever possible. Our selection questionnaire for tendering of all new requirements includes standard questions to confirm the environmental standing of suppliers. These have been developed in line with guidance issued by the Government's Cabinet Office, Efficiency and Reform Group on best practice for public sector procurement. We continue to follow procurement policies issued by the Cabinet Office and incorporate this as appropriate in our own policies and procedures.

We have been collaborating with the Group Environmental Sustainability team to develop targets that address key areas of concern in several strategic commodity areas. A similar approach to social value will be adopted whereby the Environmental Sustainability team will become key stakeholders to regulated procurement projects and will ensure that environmental sustainability is built into the tender evaluation criteria proportionately and in line with the Group strategy.

Once a Group contract is awarded and in conjunction with key internal stakeholders for the goods/services, we continually work with successful supply chain members to generate further efficiencies out of their processes and make improvements to the specification of goods and/or services supplied. This includes seeking out and assessing the costs/benefits of more sustainable and environmentally preferable goods and services as alternatives.





## → Sustainable finance framework

Despite the challenging macroeconomic and geopolitical backdrop, Places for People remain resilient in the face of adversity. As a strategic support function, Treasury continues to provide vital funding, ensuring Places for People provides housing and services to our Customers who are wholly reliant on our affordable housing and support functions within their Communities.

In January 2022, we successfully issued our inaugural £300 million unsecured sustainability bond from the recently updated EMTN programme. The sustainability bond re-established Places for People's presence in the public capital markets back in 2017 and was issued at 123 basis points over gilts (the cost of Government debt). The 14-year bond was issued by our Regulated funding vehicle, Places for People Treasury plc and matures in January 2036.

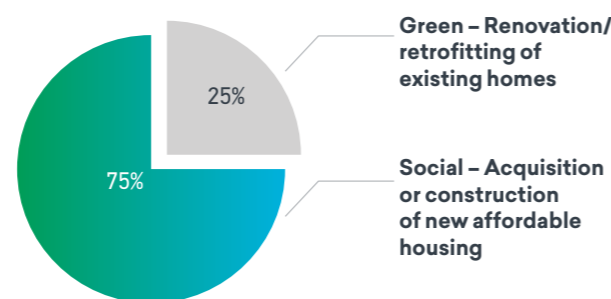
The £300 million issuance marked Places for People's inaugural issuance under the newly established Sustainable Finance Framework ("SFF") and follows on from our transparent ESG disclosure and the Certified Sustainable Housing Label from Ritterwald.

The SFF highlighted our strong commitment to sustainability and received a Second Party Opinion from imug, who independently verified that the Framework aligns with the relevant ICMA and

LMA principles. The framework focuses on Affordable Housing, Green Buildings and Energy Efficiency contributing to UN SDGs 1, 7, 11 and 13. We set an ambitious lookback period of only 12 months for the allocation of proceeds, and in advance of the transaction a portfolio of qualifying expenditures was identified, 80% of which are forward looking as detailed in the original Investor Presentation.

This shortened lookback period (12 months vs usual 36 months), focuses on future expenditures, and robust disclosure representing best-in-class structuring concepts.

Following the January 2022 issuance, we identified a £300m portfolio of qualifying assets, which complies with Places for People's Sustainable Finance Framework. These assets are split 75% between Affordable Housing and 25% Green Projects as detailed below;



Approximately 20% of capital expenditure is backward looking and 80% will be forward looking.

This is in line with Places for People's commitments to growing and improving the quality of our affordable housing stock.

Use of proceeds	Social		Impact Metrics
	Affordable Housing	Construction of new Affordable Housing	- New homes delivered
		Acquisition of Affordable Housing	- Number of existing Affordable Homes benefitting from retrofitting
	Green	Renovation/retrofitting of existing Affordable Housing	- Number of customers positively impacted by the delivery of new homes
Refinancing of existing Affordable Housing		- Lower average rents charged relative to private sector	
Green Buildings	Target population: Low and moderate income households including supported living		
	Construction of new homes with an EPC rating of B or above	- Number of new homes meeting targets	
	Renovation/retrofitting of existing homes to bring them up to a minimum EPC rating of C or above	- Avoided CO <sub>2</sub> emissions	

The proceeds from the sustainability bond were fully allocated within the first year of reporting, as of 7 February 2023 as detailed below.

As such, the proceeds from the £300m bond are now fully allocated. The numbers of homes the bond funding has been allocated to can be seen below.

Considering the number of new homes included within the portfolio of qualifying assets, to which the bond proceeds have been allocated, the table below shows the percentage of Green vs. Affordable homes. 28% of the new homes in the portfolio have been included as Green Buildings.

	New Homes	Existing Homes	Total	% in each category
Affordable Housing	£225,042,435	£ -	£225,042,435	75%
Green Building	£73,381,786	£1,700,000	£75,081,786	25%
<b>Total</b>	<b>£298,424,221</b>	<b>£1,700,00</b>	<b>£300,124,221</b>	<b>100%</b>
<b>% new vs existing</b>	<b>99%</b>	<b>1%</b>	<b>100%</b>	

£300m Bond	New Homes	Existing Homes	Total
Affordable Housing	2,385	0	2,385
Green Building	918	1,425	2,343
<b>Total</b>	<b>3,303</b>	<b>1,425</b>	<b>4,278</b>

£300m Bond	New Homes	%
Affordable Housing	2,385	72%
Green Building	918	28%
<b>Total</b>	<b>3,303</b>	<b>100%</b>

The new homes identified for Affordable Housing have an average rent vs. the private sector of 65%. Homes identified for Affordable Housing have an average rent vs. the private sector of 53%.

Sustainalytics has provided an External Review which has verified that the allocation and impact reporting practices adopted in this report align with the market standards in ICMA's Harmonised Framework for Impact Reporting (HFIR) Handbook and Working Towards a Harmonised Framework for Impact Reporting for Social Bonds (WTHFIR for Social Bonds).



# NEXT STEPS

At Places for People, we consider ourselves to still be at the start of our ESG journey. The publication of our new Environmental Sustainability Strategy this year is an important next step in this journey.

Our ambition is to build on our years of experience in this field, and our unique ability to contribute to placemaking, setting out a new ESG strategy that will:

- **Look across all areas of our business, setting ambitious targets in a consistent and holistic manner;**
- **Rationalise the way we collect and report data;**
- **Manage risk appropriately; and**
- **Embed clear accountability and ownership across the Group.**

We have also launched a sector-wide working group with other registered providers to role model excellence, share best practice and collectively resolve issues.

Continued partnership working within, and outside of, the sector will remain a key focus for us as we progress our new strategy.

This will drive key elements of our agenda forwards, ensuring we are able to face the challenges of the future, meeting and exceeding regulatory expectations, decarbonising our stock, supporting our Customers with diverse and increasing needs and creating Places which truly work for all People.



