

Places for People Group Ltd.

Sustainable Finance Framework – November 2021

Places for People Group Ltd. plans to issue Sustainable Debt Instruments (Green, Social or Sustainability Bonds, or Private Placements) to finance and re-finance projects in the categories Affordable Housing, Green Buildings and Energy Efficiency and has commissioned imug | rating to provide a Second Party Opinion. The findings below are based on our

assessment of the Issuer and of the Issuer's Sustainable Finance Framework (November 2021) in accordance with the voluntary process guidelines outlined in the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) published by the International Capital Market Association (June 2021).



imug | rating is of the opinion that the Sustainable Debt Instruments issued by Places for People are in line with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) (June 2021).

FRAMEWORK



- ✓ Use of proceeds
- ✓ Process for project evaluation and selection
- ✓ Management of proceeds
- ✓ Reporting

ISSUER



- ✓ Sustainability management
- ✓ Controversy check
- ✓ Certified Sustainable Housing Label

OPINION



The Sustainable Finance Framework for the Sustainable Debt Instruments (Green, Social or Sustainability Bonds, or Private Placements) issued by Places for People Group Ltd. or its subsidiaries meets the requirements of the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. Financing and refinancing of Affordable Housing, Green Buildings and Energy Efficiency projects represents a positive contribution to sustainability that promotes three of the United Nations' Sustainable Development Goals (UN SDGs), namely goals 1, 7 and 11. Places for People Group Ltd.'s core business is in the field of property management, development and leisure, particularly in the building and managing of social and affordable housing. The Issuer was involved in a controversy, which took place between 2009 and 2014, closing with a court case in 2019. The issuer is not involved in any controversial areas of business. The issuance of the Sustainable Debt Instruments is in line with the strategic sustainability goal of Places for People Group Ltd.: To create and manage living places that are sustainable – economically, socially and environmentally.

imug | rating
Hanover, December 17th 2021

www.imug-rating.de

1. BACKGROUND

imug | rating has been commissioned to provide an independent Second Party Opinion on the Sustainable Finance Framework of Places for People Group Ltd. (hereafter referred to as “Places for People”, “the Group” or “the Issuer”). The assessment of the Framework was conducted taking into consideration the International Capital Market Association’s Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) (June 2021).

Places for People is one of the UK’s largest property management, development and leisure businesses. Besides building of new homes, the Group delivers services and products to enable its customers with access to essential services, such as new schools, shops, leisure facilities, job opportunities, access to learning and training, or specialist support services. The Issuer provides social and affordable housing with a current management of more than 200,000 homes across England, Wales, and Scotland.

Places for People

Formed in 1965, as North British Housing Association, Places for People Group employs 9,994 people and comprises over 100 companies. The Group’s companies create and manage sustainable communities through strategic partnerships and joint ventures, such as Homes England, Countryside Properties plc, and National Grid Property Holding Ltd.

The Group’s services include new residential development, placemaking and redevelopment, as well as property, recreation and financing management.

Over the next three years, Places for People plans to build 3,900 new affordable homes. In terms of renovations, the aim is to bring all properties up to EPC C by 2030, which corresponds to around 15,000 properties according to an initial analysis.

As a registered provider with the Regulator of Social Housing, Places for People complies with the regulatory requirements, including the rent standard for social and affordable housing and consumer standards for provision of housing service. In this context Places for People has retained the G1/V1 status for governance and financial viability, which is the highest possible rating to be awarded by the Regulator of Social Housing.

This independent Second Party Opinion follows Places for People’s receipt of a “Certified Sustainable Housing Label” awarded by Ritterwald Consulting and certified by imug | rating in October 2021. The “Certified Sustainable Housing Label” is the first tool used to measure the positive impact of affordable housing companies.

imug | rating conducted the assessment from mid-November to mid-December of 2021. Places for People’s management provided all the relevant documents and imug | rating was also in direct contact with the relevant employees. The information we received has allowed us to provide a reasonable opinion on the Framework’s compliance with the above-mentioned guidelines.



2. FRAMEWORK

2.1. Use of Proceeds

imug | rating confirms that the project categories are clearly defined and in line with the Green Bond Principles 2021, the Social Bond Principles 2021, and the Sustainability Bond Guidelines 2021.

The proceeds are used to finance and refinance projects that demonstrate positive environmental and/or social benefits. It is anticipated that these projects will contribute positively to three of the United Nations' Sustainable Development Goals (UN SDGs), namely goals 1, 7 and 11.

Description of the eligible projects

PROJECT FINANCING

- No refinancing
- Refinancing
 - 36 Months
 - 24 Months
 - 12 Months
- Financing

The Issuer does not commit to a maximum share of refinancing for each issuance in its Sustainable Finance Framework. As the Issuer intends to raise finance for new projects, use of proceeds may also be used for refinancing. When allocating existing eligible projects, the Issuer intends a look-back period of no more than 12 months

The net proceeds of the Sustainable Debt Instruments issued under this framework will be used to finance and refinance projects¹ in the following areas:

GREEN PROJECTS

Green Buildings

■ Goals and benefits

- ▶ Construction of new homes with an EPC (Energy Performance Certificate) Rating of B or above
- ▶ Climate change mitigation

Energy Efficiency

■ Goals and benefits

- ▶ Renovation/retrofitting of existing homes to bring them up to a minimum EPC rating of C or above
- ▶ Climate change mitigation

¹ Further details on the eligibility criteria on p.7.

SOCIAL PROJECTS

Affordable Housing

■ Goals and benefits

- ▶ Construction of new social and affordable housing
- ▶ Acquisition of affordable housing
- ▶ Renovating/retrofitting of existing affordable housing
- ▶ Refinancing of existing affordable housing

■ Target group

- ▶ Low and moderate income households including supported living

Places for People bases their definition of Affordable Housing on “low cost rental accommodation”² and “low cost home ownership accommodation”³ in the Housing and Regeneration Act 2008. For rental housing, customers are identified based on local income and local rent levels; for affordable homeownership, customers are also identified based on local home prices. These products are made available to eligible households whose needs are not met by the market.

² <https://www.legislation.gov.uk/ukpga/2008/17/section/69>

³ <https://www.legislation.gov.uk/ukpga/2008/17/section/70>

Eligible assets or projects are likely to contribute to three United Nations' Sustainable Development Goals, namely Goal 1 No Poverty, Goal 7 Affordable and Clean Energy, and Goal 11 Sustainable Cities and Communities.

Description of the SDG contribution

UN SDG 1: No Poverty



UN SDG 1 end poverty in all its forms everywhere. By 2030, the goals are to:

- ▶ ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance ensure access to basic services
- ▶ reduce the number of men, women and children living in poverty

Places for People contributes to UN SDG 1 by using the proceeds from Sustainable Debt Instruments issued under the Sustainable Finance Framework to finance and re-finance Affordable Housing projects.

UN SDG 7: Affordable and Clean Energy



UN SDG 7 aims to ensure access to affordable, reliable, sustainable and modern energy for all. By 2030, the goals are to:

- ▶ increase the share of renewable energies in the global energy mix and promote investment in energy infrastructure and clean energy technology
- ▶ double the global rate of increase in energy efficiency

Places for People contributes to UN SDG 7 by using the proceeds from the Sustainable Debt Instruments issued under the Sustainable Finance Framework to finance and re-finance Energy Efficiency projects.

UN SDG 11: Sustainable Cities and Communities



UN SDG 11 aims to make cities and human settlements inclusive, safe, resilient and sustainable. By 2030, the goals are to:

- ▶ ensure access to adequate, safe and affordable housing
- ▶ enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Places for People contributes to UN SDG 11 by using the proceeds from the Sustainable Debt Instruments issued under the Sustainable Finance Framework to finance and re-finance Green Buildings and Affordable Housing projects.



2.2. Process for Project Evaluation and Selection

imug | rating confirms that the process for project evaluation and selection is in line with the Green Bond Principles 2021, the Social Bond Principles 2021, and the Sustainability Bond Guidelines 2021.

Issuing the Sustainable Debt Instruments helps Places for People to achieve its sustainability goals. The Issuer has implemented structured processes that allow it to identify suitable projects that have benefits for the environment. Furthermore, the underlying process is transparent, structured and spread across several levels of authority. The Issuer also has a process in place to identify and manage any significant risks that may be associated with the projects.

EVALUATION AND SELECTION

Description of the evaluation process

In order to assure a structured process for project selection and evaluation, Places for People has appointed its Sustainability Group comprising the following representatives:

- ▶ Group Chief Executive
- ▶ Group Executive Director – Finance
- ▶ Group Executive Director – Affordable Housing
- ▶ Group Executive Director – Development
- ▶ Group Executive Director – Assets and Investments

The decision on whether the eligibility criteria for the construction of new homes are met rests with the Group Executive Director - Development. The Group Executive Director – Finance, with delegation to the Tax & Treasury Director, is responsible for managing the funds raised and for refinancing of existing assets and the preparation of the reporting to the Sustainability Group. The Group Executive Director - Assets and Investments is responsible for determining whether the acquisition and/or retrofitting of affordable housing meets the Framework's eligibility criteria.

The Sustainability Group's general responsibilities include:

- ▶ Overseeing the implementation of the Framework and reviewing the content, updating it to reflect changes in ICMA principles and guidelines and other regulatory frameworks and taxonomies.
- ▶ Selecting and approving eligible projects under the Framework
- ▶ Monitoring the compliance of the eligible project with the Framework
- ▶ Overseeing any social and environmental risks associated with eligible projects
- ▶ Tracking and reporting on eligible projects

Places for People has a documented and structured process in place to determine how projects fit within the categories identified. Places for People has defined the roles and responsibilities of the Sustainability Group in its Framework.

- The process is clearly defined and documented/appropriately structured
- The selection and evaluation of projects is based on clearly defined responsibilities

- There is a team responsible for the process
- Audit and traceability of the projects is ensured

ELIGIBILITY CRITERIA

Places for People has identified the following eligibility criteria for the selection and evaluation of assets (Affordable Housing, Green Buildings and Energy Efficiency):

- ▶ Assets must be located in England and/or Scotland, within Places for People’s operating geography

Places for People has defined additional eligibility criteria for the selection and evaluation of projects for the respective project categories:

ENVIRONMENTAL PROJECTS

PROJECT CATEGORY	ELIGIBILITY CRITERIA
Green Buildings	▶ Construction of new homes with an EPC rating B or above
Energy Efficiency	▶ Renovation/retrofitting of existing homes to bring them up to a minimum EPC rating of C or above

SOCIAL PROJECTS

PROJECT CATEGORY	ELIGIBILITY CRITERIA
Affordable Housing	<ul style="list-style-type: none"> ▶ Construction of new Affordable Housing ▶ Acquisition of Affordable Housing ▶ Renovating/retrofitting of existing Affordable Housing ▶ Refinancing of existing Affordable Housing

EXCLUSION CRITERIA

Due to the nature of Places for People’s business model, there is no need to define exclusion criteria for the evaluation and selection of projects.

Other assessment aspects

- Evaluation criteria are subject to external review.
- Internal evaluation

Places for People will review the project evaluation and selection on an annual basis to ensure the continued eligibility.

ESG RISK MANAGEMENT

imug | rating believes that Places for People has adequate policies and processes in place to identify and manage the significant ESG risks associated with the projects. Places for People has implemented a risk management system to identify and manage potentially significant ESG criteria.

Description of the policies and processes to manage ESG risks

In addition to positive impacts, there are also certain potential ESG risks associated with the projects to be financed and refinanced. The material risks include health & safety and product safety risks associated with the construction and modernisation of buildings, as well as risks related to biodiversity, supplier and stakeholder management and compliance.

Places for People has implemented several measures to address its ESG risks:

- ▶ **Climate measures:** Places for People commits to reducing its environmental footprint by forming new partnerships to find technologies that can help address climate change. The Group has developed the Environmental Sustainability Strategy and set twelve targets. For example, net zero carbon housing is to be delivered from 2025 and the entire housing stock is to be carbon-free by 2045. An ESG report is published annually. Group companies Touchstone, Derwent FM, Corporate Services and Places Development retained ISO 14001 and ISO 50001 certificates in 2019/20.
- ▶ **Environmental management:** Corporate Facilities Management was accredited to ISO 50001 in 2018. Corporate Facilities maintains an environmental and energy management system to ensure applications to all team operations and projects.
- ▶ **Circular economy:** Places for People has created asset lists to use for life cycle analysis and reporting. The Group states that the corporate facilities have a recovery rate of more than 96 percent. The target is to increase this up to 99 percent by 2022.
- ▶ **Protection of biodiversity:** The “Impact and Aspect register” covers all sites and workplaces under the company’s portfolio. Places for People states to carry out an Environmental Impact Assessment for each development and to consider biodiversity protection as a key area.
- ▶ **Human rights standards:** As a body governed by public law, Places for People complies with the UK government's regulations on procurement processes. The Group has also implemented the Supply Chain Code of Conduct, Group Procurement Strategy and Policy, Sustainable Procurement Policy, as well as Slavery and Human Trafficking statement.
- ▶ **Labour law standards:** Places for People is committed to the Slavery and Human Trafficking statement. When working with industry-leading partners and suppliers, the Group focuses on identifying and mitigating risks in the supply chain. Places for People has the right to mandatorily or discretely exclude suppliers in cases of criminality, human rights abuses, child labour and modern slavery.
- ▶ **Occupational health and safety regulations:** The Health, Safety and Compliance Committee is responsible for monitoring risks and maintaining its health and safety management system. The Corporate Facilities Team conducts the mandatory trainings. Places for People also holds OHSAS 18001 and ISO 45001 certificates.
- ▶ **Product safety and health protection:** All equipment and facilities obtained by the Group comply with industry standards. Corporate Facilities conducts monthly inspections, e.g. on PPE, LOLER, Ladders, etc. Health, Safety and Environmental (HSE) inspections are also carried out on all projects.

- ▶ **ESG aspects with contractors, suppliers and subcontractors:** The Group selects its suppliers based on key aspects of ESG such as CSR, social commitments, environmental aspects, health and safety. Stakeholders are also involved in the selection, evaluation and ongoing management of the potential suppliers.
- ▶ **Dialogue with local stakeholders:** The Group welcomes input from its customers through its website to improve its services. Consultations with local stakeholders are held as well.
- ▶ **Compliance:** Places for People applies the Whistleblowing Policy and the Behaviour at Work Policy, which covers issues such as fraud response, gifts/hospitality and personal interests. The Group also complies with the UK Government's Public Contact Regulations 2015. This ensures transparency of spendings, prevention of fraud and bribery, and competitiveness of supply chains.



2.3. Management of Proceeds

imug | rating confirms that the rules put in place for managing proceeds are in line with the Green Bond Principles 2021, the Social Bond Principles 2021, and the Sustainability Bond Guidelines 2021.

Places for People has established internal rules that facilitate a transparent allocation process.

TRACKING THE PROCEEDS

Description of the allocation process

- Sub-account,
- Sub-portfolio,
- Otherwise tracked

Places for People intends to allocate the proceeds from any Sustainable Debt Instruments to an eligible project portfolio, selected in accordance with the Use of Proceeds section. Eligible projects will be reviewed by the Issuer on an annual basis to ensure continued eligibility, and projects will be substituted if they no longer meet the Use of Proceeds criteria or have been disposed of in the normal course of business. The Group has appropriate accounting and financial management systems in place to track and report on eligible projects and to verify whether the net proceeds have been fully allocated.

Unallocated funds are either held as cash, placed on deposit (in accordance with Places for People's financial policy), or used to maintain optimal overall debt position until allocated to eligible projects.

The Issuer will periodically allocate the balance of the net proceeds to the projects as long as the Sustainable Debt Instruments are outstanding.

The Sustainability Group will ensure that the eligible project portfolio exceeds, or at least is equal to, the net proceeds raised under the Framework.

The Issuer will (periodically) disclose the intended placement to the investors.

The Issuer will disclose the placement of potential unallocated proceeds in the annual allocation report.

The Issuer undertakes the allocation of revenues to projects within a specified time period. For Places for People's Sustainable Debt Instruments, it is expected that an amount equal to the net proceeds will be fully allocated within 24 months following the receipt of proceeds.

External verification



2.4. Reporting

imug | rating confirms that the reporting process is in line with the Green Bond Principles 2021, the Social Bond Principles 2021, and the Sustainability Bond Guidelines 2021.

The Issuer undertakes to report on both the allocation of proceeds and the environmental benefits of the projects.

imug | rating considers the Issuer's commitment to regularly reporting in the future on the use of proceeds and the environmental and/or social benefits to be convincing and reliable.

LEVEL OF REPORTING

- Project portfolio basis
- Project level

REPORTING INDICATORS

Allocation of funds

- Amount of the total proceeds of the issuance
- Amount allocated
- Share of refinancing
- Information on any unallocated proceeds of the issuance
- Project description

Sustainability information

- Demonstration of the sustainability benefits (quantitative)
- Demonstration of the sustainability benefits (qualitative)

Further information

- Reporting on risk management
- Reporting of material changes
- External verification of reporting (Impact Reporting)
- External verification of reporting (Allocation Reporting)

REPORTING TAKES PLACE VIA...

- Website⁴
- Annual report

⁴ <https://placesforpeople.co.uk/>

- Internal channels (to investors only)

FREQUENCY

- Annually
- Semi-annually
- Other

REPORTING PERIOD

- Until proceeds are fully allocated
- As long as the Sustainable Debt Instrument(s) is/are outstanding

DATA COLLECTION AND CONSOLIDATION PROCESS

- The underlying process of data collection and consolidation is clearly structured.
- Disclosure of methodology and/or assumptions
- Subject to external control

ENVIRONMENTAL REPORTING INDICATORS

The Issuer will report on impacts in line with the ICMA with respect to the following indicators:

PROJECT TYPE	OUTPUT INDICATORS	IMPACT INDICATORS
Green Buildings	▶ Number of new homes meeting targets (EPC rating B or above)	
Energy Efficiency	▶ Number of existing homes with an EPC rating of minimum C or above (renovation/retrofitting of existing homes)	▶ Avoided CO2 emissions (tCO2e)

SOCIAL REPORTING INDICATORS

The Issuer will report on impacts in line with the ICMA with respect to the following indicators:

PROJECT TYPE	OUTPUT INDICATORS	IMPACT INDICATORS
Affordable Housing	<ul style="list-style-type: none"> ▶ New homes delivered ▶ Number of existing Affordable Homes benefiting from retrofitting ▶ Number of customers positively impacted by the delivery of new homes ▶ Lower average rents charged relative to private sector rents 	



3. ISSUER

SUSTAINABILITY PERFORMANCE / STRATEGY

Sustainable Debt Instruments issued under Places for People's Sustainable Finance Framework are in line with the GBP 2021, SBP 2021, and SBG 2021 and contribute to the Group's main business objective – providing affordable housing to people in need.

Places for People published its first Corporate Responsibility Report in 2013. Following the publication of the first ESG report in 2020, the Group submitted a second report in 2021, which was aligned with the Sustainability Reporting Standard (SRS) for Social Housing. As part of its overall corporate strategy, the Issuer assesses how best to deploy its resources to create and manage sustainable communities. Therefore, the main focus is on four priorities:

- ▶ Creation of more affordable housing
- ▶ Improvement of the customer satisfaction/ quality of service provided to the customers
- ▶ Improvement of the social impact on communities
- ▶ Improvement of the quality of the assets in the pathway to net zero carbon.

Additionally, the Issuer identified its core ESG topics in relevance to the Group's targeted sustainability development. Findings were shown in a matrix, where the material issues were assessed from the viewpoint of the Company itself and its stakeholders. Compliance on a governance dimension, energy efficiency and internal resource use on an environmental level, as well as affordable rents on a social dimension have been ranked as the most important ESG topics for the Issuer.

Thus, Places for People's goal is to be net zero carbon by 2045 through energy efficiency measures like delivering renewable energy and devices for the reduction of energy consumption at the units.

The Group is also actively engaged with its communities. 21,000 people have been helped through Covid-19 emergency projects. In addition, the Group has aided more than 9,000 people who are homeless or at risk of homelessness, created more than 7,000 opportunities for young people, assisted 1,700 people with training and employment, enabled 1,200 customers to access or use the Internet, and advised 3,300 people on money matters.

Places for People's strategy is consistent with the issuance of the Sustainable Finance Framework.

CONTROVERSIAL AREAS OF BUSINESS AND CONTROVERSIES

imug | rating has examined Places for People in relation to a total of 15 controversial areas of business⁵. Places for People is not active in controversial areas of business. As of November 30, 2021, Places for People was found to be involved in a controversy.⁶

CONTROVERSIES

Between 2009 and 2014, five employees of Places for People Homes Limited, a subsidiary of Places for People Group Ltd., used vibrating power tools to perform grounds maintenance work at sites in Milton Keynes, Rotherham and Hull.

An investigation by the Health and Safety Executive (HSE) revealed that the Company had failed to assess or manage the risks associated with Hand Arm Vibration Syndrome. It also failed to adequately train or health-monitor its maintenance workers, as well as maintain and replace tools that increased vibration exposure.

Places for People Homes pleaded guilty to breaching Section 2(1) of the Health and Safety at Work Act 1974. In 2019, the Company was fined GBP 600,000 and ordered to pay costs of GBP 13,995.06. After an appeal, the fine was reduced to GBP 400,000. imug | rating classifies the controversy as significant according to three levels of severity: insignificant, significant and critical.

Places for People Group Ltd. stated the following in its Annual Report 2020:
“In November 2019, the Health and Safety Executive (HSE) prosecuted Places for People Homes Limited, under the Control of Vibration Regulations 2005, in respect of a failure to manage exposure to vibration in site services employees between [2009] and 2014. Places for People Homes Limited pleaded guilty to the charge and received a fine of £600,000, the level of which is currently the subject of an application by the company to the Court of Appeal. Since the beginning of the HSE investigation there have been significant improvements in the way vibrating tool use has been managed for site services and landscapes staff with investment in new tools and equipment, daily monitoring of vibration exposure and annual health surveillance appointments for staff who use these tools.”

imug | rating confirms that a conscientious approach to manage risks and to implement robust health and safety procedures was integrated by the Group.

⁵ Controversial areas of business are specified in the Methodology section (page 17).

⁶ Controversial business activities are specified in the Methodology section (page 17).

SUSTAINABLE HOUSING LABEL

This independent Expert Opinion follows Places for People's receipt of a "Certified Sustainable Housing Label" awarded by RITTERWALD Consulting B.V. (see Appendix). The "Certified Sustainable Housing Label" is the first tool used to measure the positive impact of affordable housing companies. imug | rating has been commissioned as an independent party to examine and certify the legitimacy of the Certified Sustainable Housing Label awards (see Appendix). The initial evaluation used more than 30 individual criteria in the categories Green and Social to ensure a thorough assessment of the sustainability profile and strategy of a housing Group. In late 2020, Ritterwald added a governance dimension as well as a status ranking for each dimension, ranging from "frontrunner", "ambassador" to "advocate".



The social criteria reflect the tenants' living conditions and the residential structure of the housing company, e.g. affordable housing with a rent level below the local market average and social activities for the tenants. In addition, environmental criteria should be integrated into the lifecycle of the building. This is done, for example, by installing renewable or alternative energy sources and increasing tenants' awareness of energy consumption and reduction measures.

Places for People was ranked as an ambassador in both the environmental and governance dimensions, and was awarded frontrunner status in the social dimension. Places for People's "Sustainable Finance Framework" serves as the basis for this Second Party Opinion, which seeks to assess the Group's suitability in terms of placing financial instruments on the wider sustainable capital markets in accordance with the respective international standards such as the Green Bond Principles and Social Bond Principles.



4. OPINION

Places for People is a UK-based property management, development and leisure company providing social and affordable housing services through construction and management. imug | rating regards the contribution Places for People makes to sustainability as very positive.

The Sustainable Housing Framework, intended to support the Group's financing activities, was thoroughly analysed and assessed to be appropriate to support the Issuance of Sustainable Debt Instruments in general. Under this framework, Places for People can finance and/or refinance eligible projects that are fully in line with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

The Framework for Places for People's Sustainable Debt Instruments is in line with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

By creating and managing living places that are sustainable, Places for People's projects are making a contribution to mitigating ongoing climate change and ensuring access to adequate, safe and affordable housing. Financing Affordable Housing, Green Buildings and Energy Efficiency projects makes a positive contribution that promotes three of the United Nations' Sustainable Development Goals (UN SDGs), namely goals 1, 7 and 11.

imug | rating confirms that Places for People's strategy is in line with the issuance of Sustainable Debt Instruments. Places for People's core business is social and affordable housing. Places for People was involved in one controversy, yet is not involved in any controversial areas of business.

5. METHODOLOGY

The present report was prepared by qualified imug | rating analysts. Our sustainability research is carried out exclusively in accordance with recognised and methodically secured procedures. We have defined strict quality standards for all research activities and customer processes. As early as 2002, imug | rating adopted a Code of Conduct which guarantees the independence, traceability and quality of sustainability assessments. In order to align its research and work processes even more closely with recognized standards, imug | rating underwent an external audit in June 2019 and received certification in accordance with the quality management standard ISO 9001:2015. The initial certifications are reviewed in regular monitoring audits, the last of which took place in June 2021.

Following a detailed examination of the framework, imug | rating confirms whether an issuance complies with the Social Bond Principles (SBP) 2021, the Green Bond Principles (GBP) 2021 and the Sustainability Bond Guidelines (2021), as well as the Social Loan Principles (SLP) 2021 and Green Loan Principles (GLP) 2021.

For a positive assessment, the issuer must report on the following points transparently and implement them in a comprehensible manner: (1) Use of the proceeds, (2) process selection and evaluation, (3) management of the proceeds and (4) reporting. In addition to the framework, discussions with relevant employees of the issuer and publicly available information form the information basis for the present expert opinion. These sources were only used if the information is comprehensible and documented. In addition, imug | rating sends a questionnaire to the issuer in order to thoroughly examine the issuer's ESG risk management in the areas of environmental, social and governance issues.

In addition, imug | rating examines whether an issue is in line with the issuer's corporate strategy or whether appropriate environmental measures have already been implemented in the absence of a strategy.

imug | rating analyses the activities of the issuer in the following controversial business areas: Fossil fuels (including thermal coal or unconventional oil and gas production), production of nuclear energy and strategic products/services for the operation of nuclear power plants, production of conventional and controversial weapons and armaments, factory farms/animal testing, green genetic engineering, gambling, tobacco, alcohol, pornography, and hazardous chemicals. All controversial business activities are listed regardless of a sales threshold.

imug | rating also screens every issuer for other controversial business activities. This includes potential controversies such as violations of internationally recognized sustainability standards, such as the UN Global Compact or the ILO core labor standards. Only those controversial business activities are listed that can be verified by reliable and resilient public sources. The analysis covers the following areas: Environmental damage (loss of biodiversity, etc.), society (human rights, social standards, occupational safety, health protection, etc.) and corporate governance (corruption, tax evasion, cartels, money laundering, fraud, etc.). imug | rating categorizes controversies according to their degree of severity (insignificant, significant and critical). In addition to the severity of a controversy, the frequency of its occurrence is also taken into account.

6. APPENDIX

6.1. Certified Sustainable Housing Label



6.2. imug | rating Certificate



CERTIFICATE

PLACES FOR PEOPLE



imug | rating confirms that PLACES FOR PEOPLE has met in full the requirements for attaining the *Sustainable Housing Label 2021*, and that the certification process was carried out in accordance with proper procedure.

imug | rating has been commissioned as an independent party to examine and certify the legitimacy of the *Sustainable Housing Label* certification awarded by RITTERWALD Consulting B.V.

- imug | rating has conducted a review of the available documents, the documentation used and the company responses. This review has also included random sampling.
- imug | rating has checked that the certification process and the assessment comply with the underlying methodology.

RESULTS OF THE REVIEW

- ✓ The documentation is complete and conclusive.
- ✓ The test process used by RITTERWALD Consulting B.V. is in full transparent, well-defined and coherent.
- ✓ The assessment by RITTERWALD Consulting B.V. is in full compliant with the Sustainable Housing Label methodology.
- ✓ The findings are in full verifiable.



Axel Wilhelm
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 Hanover, October 21st, 2021

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ASSESSMENT SCALES

✓ Requirements met in full
 (✓) Requirements met for the most part

(x) Requirements sufficiently met
 × Requirements not met

Transparency & Disclaimer

Disclosure of the relation between imug | rating and the Issuer: imug | rating has carried out the verification of the Sustainable Housing Label awarded by Ritterwald Consulting B.V. in October 2021 for Places for People in the year 2021. This activity is not related to the present Second Party Opinion. There is no dependency relationship, financial or otherwise, between imug | rating and the Issuer.

imug | rating has prepared this independent Second Party Opinion in accordance with imug | rating's methodology and in strict compliance with its Code of Conduct to avoid conflicts of interest and to meet requirements of objectivity and transparency, independence, integrity and professional conduct.

imug rating GmbH ("imug | rating") is an independent sustainability rating agency and a wholly owned subsidiary of imug Beratungsgesellschaft für sozial-ökologische Innovationen mbH ("imug Beratungsgesellschaft"). imug | rating cannot exclude that the division imug | csr of the parent company imug Beratungsgesellschaft may have provided consulting services for the framework of the issuer prior to the preparation of a Second Party Opinion. In order to avoid any conflict of interest, imug | rating and imug Beratungsgesellschaft have implemented appropriate policies and effective information barriers to prevent any exchange between the consulting and the auditing organizations and employees. Neither imug Beratungsgesellschaft nor any of its employees are informed about the content of the imug | rating Second Party Opinion prior to its publication or dissemination.

In providing the external review, imug | rating adheres to the ethical and professional principles as well as to transparency standards and independency in line with ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews.

In providing its research and rating services, imug | rating acts with due skill, care and diligence and undertakes all reasonable efforts to ensure the accuracy of the information provided.

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