



Abri

Creating communities,
empowering lives

Sustainable Finance Framework

September 2022

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Section 1: Introduction

1.1: About Abri

Abri is one of the South of England's largest housing providers, with 40,000 homes and assets and a turnover of more than £240 million. We work with 37 local authorities and 56 different parliamentary constituencies (with a particular concentration in Somerset 22% and East Hampshire District Council 14%).

As we grow, we want to re-establish our strong local presence, deepening our connection with our customers and communities and providing a really good service to more than 100,000 people. Approximately 92% of our housing properties are social units (as at 31st March 2022). This includes housing for the elderly, homes to buy through schemes such as Shared Ownership and Help to Buy and homes for market rent and sale.

Abri builds, owns, manages, and sells both affordable and open market homes, and we continue to work towards addressing the unmet housing need. We have an ambitious target to deliver 12,500 homes by 2030 and are on track to do this. We'll do this by having a strong pipeline of new land to develop, regeneration of existing housing stock, recycling our own assets and in partnerships with others. These partnerships include joint ventures with local authorities, landlords or other housebuilders and opportunities that arise through Section 106 on major housing schemes. We developed 850 units in FY 2021/2022 and have secured plots for a further 1,087 new homes for our pipeline as at FY 2021/2022. In 2021 Abri secured a £250m Strategic Partnership with Homes England to support our investment of £927.5m to deliver an additional 3,218 affordable homes by 2027/28.

1.2: Purpose and Vision

We believe:

- Everyone has the right to a safe, warm and sustainable home
- Homes and communities are places to belong, grow and thrive
- Equal opportunity must exist for all communities so everyone can have improved life chances

To deliver on these beliefs, we've set out eight clear priorities for the 2020-2025 period in our Corporate Strategy that, following consultation, we have established will make a real difference to our customers:

- Build more homes
- Invest in our homes
- Get really good at customer service
- Create thriving communities
- Make all of our communities more inclusive
- Create a great place to work
- Manage our business to the highest standards
- Climate crisis: creating a sustainable future



1.3: Sustainability Reporting Standards

Abri is an “early adopter” of the Sustainability Reporting Standard for Social Housing (“SRS”)¹ published in 2021 which provides a voluntary reporting framework for housing providers to report on their environmental, social and governance (“ESG”) performance transparently and consistently.

This facilitates the monitoring of ESG performance of housing providers by lenders and investors. It also assists with the identification of ESG risks and opportunities where positive social and environmental outcomes can be achieved. Abri uses the SRS to anchor and guide our ESG initiatives and as a reference point for accountability with regards to environmental, social and governance issues. Abri publishes its Annual ESG report in October².

1.3.1: Our Social Impact

As a social landlord, we are committed to shaping and building communities. We believe in empowering people and communities so that everyone has the opportunity to improve their life chances. Our priority for communities is to invest more, drive change and build social cohesion so the customers and communities we support can thrive. Many of our homes are in deprived communities and our work focuses on partnerships that improve employment, empowerment and health and well-being outcomes.

Security of Tenure - Abri is committed to providing security of tenure for our tenants. An example of this was during the Covid-19 pandemic, where we were one of the first housing providers to publicly state that we would not take any enforcement action for rent arrears caused by Covid-19. Our specialist Tenancy Support Services continue to support our customers to maintain their tenancy.

Lifetime Tenancies - Following a decision by the Group Board from April 2021 to ensure long-term housing security for our tenants, we now offer only life-time tenancies. Upon expiry, all existing fixed tenancy agreements will convert under our new policy to a lifetime secure tenancy.

Fuel Poverty - We are committed to reducing fuel poverty across our portfolio. Rising fuel costs and inflationary pressures are impacting household budgets and increasing fuel poverty rates across the UK. To target our response, we’ve assessed the number of households potentially at risk of fuel poverty across our geography, in line with the UK Government’s Low Income Low Energy Efficiency (LILEE) methodology. Abri will focus on investing in these homes by improving energy efficiency and removing the most inefficient heating systems. We’ll make sure that the measures we undertake to our homes take into account both UK Government energy policy and the impact that new and emerging technologies have on fuel costs.

1 [SRS_final-report-2.pdf \(esgsocialhousing.co.uk\)](#)

2 Link to ESG report to follow

Employment - As a long-term social landlord we are committed to shaping and building the communities we serve. We believe in empowering people and communities so that everyone has the opportunity to improve their life chances.

Our dedicated employment team gives people the confidence and skills to (a) find a job; (b) take that next step on the career ladder; or (c) start their own business. They also help young people discover and realise their career aspirations. We aim to create new pathways into employment, aligning our support and training offer to the green skills revolution required to support a sustainable society.

Welfare support – Our tenancy support services maximise our customers' income, ensuring they claim everything they are entitled to. We know that many of our customers are facing a challenge to keep up with their household bills, especially due to rising inflation and the higher cap on energy prices brought in earlier in the year. As a housing provider, it's important that we continue to protect customers who are vulnerable to the effects of fuel poverty and other rising living costs, by offering practical

support and signposting to useful resources. In November 2021, we also pledged £15,000 to HACT's Energy Hardship Fund to help tackle fuel poverty. HACT aims to distribute £1 million in energy vouchers to over 16,000 homes in the UK through a network of over 160 housing providers. We're creating a fuel poverty action plan to identify the scale of fuel poor customers and those at risk of becoming fuel poor in the future, and mapping out actions to help.

Procurement – We recognise that there is significant opportunity to create social value through our own procurement. We developed a new social value commitment as part of our procurement framework, which launched in 2021/22. We will continue to work closely with our suppliers to implement this within our Community Investment Zones. Through partnership and community-driven projects we combine our resources with those of partner organisations for the benefit of the communities and add value to the local economy as a result.

Community Investment Strategy - Involving communities and empowering residents are vital components of our success. In 2020/21 we launched our five-year £15m Community Investment strategy – our commitment to creating thriving communities. We want to make sure we are driving change where it's needed most and that we are tackling the big issues such as health and wellbeing, employment opportunities, anti-social behaviour, and homelessness. We consulted with our customers, communities, local organisations, and colleagues in 2019-20 to find out how they felt about where they lived and worked. We used this information to collate Community Investment Plans (CIPs), which set out how we will support and work with the community and partner organisations to positively contribute to these themes. It was clear from our research that there were three main areas of focus for our communities: community empowerment, employment and health and wellbeing. (For more information please view our [Community Investment Strategy](#).)

1.3.2: Our Environmental Impact

Addressing climate change is one of Abri's eight strategic priorities and central to our values and purpose as an organisation. We recognise the huge impact the social housing sector can make in both cutting carbon emissions and embedding the behavioural shifts that support long term change. In the spring of 2021, we appointed an interim Executive Director of Assets Assets and Sustainability to help steer this change.

Retrofit

The average SAP rating across our portfolio is 71.2%, and c.75% of our homes have an Energy Performance Certificate ("EPC") of Band C and above. During 2020 we developed our retrofit programme, which will inform our longer-term roadmap to net zero, setting out the approach and phasing Abri would take to ensure all our homes are EPC Band C by 2030 with the aim to complete this by 2028 where possible, and net carbon zero by 2050.

BAND	SAP RATING
A	0.40%
B	25.10%
C	48.20%
D	22.40%
E	3.30%
F	0.60%

New Build

We are targeting a minimum EPC rating of B on all our new properties. The Government's 'Future Homes Standard' requires that new homes are zero carbon ready and comes into force in 2025 and we are committed to adopting this standard at the earliest opportunity.

In addition, Abri will strive to exceed national targets for greater than 10% biodiversity net gain on its development sites.

Floodplain

As well as tackling our carbon footprint, adapting to a changing climate will be a key area of focus for Abri, with flooding and overheating being direct consequences of climate change.

Abri is developing a new design brief that prioritises sites falling outside of floodplains and requires schemes to be developed in accordance with the four pillars of Sustainable Drainage System (SuDS), ensuring (i) a reduction in any rainwater run-off and (ii) water run-off is reduced to mitigate further local flooding impact.³

Abri is exploring geospatial software to accurately map the current risk of flooding and overheating for existing homes, as well as mapping risk based on the long-term trajectory of climate change.

³ Sustainable Drainage Systems (SuDS) are used as a method of managing rainwater. SuDS mimic the natural water cycle and incorporate water storage to reduce the impact of heavy rainfall on surface water runoff and flood risk.

Roadmap to Net Zero

As part of developing our Roadmap to Net Zero we have adopted science-based targets for the reductions in our emissions. We adopted the 'corporate standard' in line with the Greenhouse Gas Protocol⁴ to establish our carbon footprint, as well as undertaking a thorough screening process of all material scope 3 emissions (being indirect emissions from activities of the organisation, which Abri does not own or control).

We achieved a 30% reduction in our scope 1 emissions (direct emissions from assets Abri owns or controls) and scope 2 emissions (indirect emissions from electricity purchased by Abri) during 2020/21 as a result of reduced energy use across our corporate buildings, and reduced travel across our fleet. In 2021/22 the current gross emissions have increased. However, this increase is due to the SECR report previously excluding the electricity and gas consumption in communal areas.



It's really important that we're transparent and accurate in our reporting to ensure we meet our ambition to achieve net zero emissions in our operations by 2030 and net zero emissions across our supply chain and homes by 2050.

Acknowledging that we can't deliver our climate ambitions in isolation, we're working closely with our supply chain partners to encourage them to reduce their emissions by adopting science-based targets. We are also trying to influence wider societal change by encouraging our 100,000 customers and our 1,500 colleagues to reduce their carbon footprint. In 2021/22 Abri, in conjunction with 5 of the UK's leading Housing Associations, launched the Green Futures Partnership to improve the sustainability of our homes.

1.3.3: Our Governance

Code of Governance and Regulatory Performance

Abri Group Limited is an exempt charity registered with the Financial Conduct Authority as a Community Benefit Society and is registered with the Regulator of Social Housing ("RSH") as a registered provider of social housing. We are committed to high standards of governance, which we're able to demonstrate through the adoption of the National Housing Federation's (NHF) 2020 Code of Governance. Our Group Board, acting under the NHF's Code, oversee everything we do. This year, we retained the highest ratings of G1 (Governance) and V1 (Viability) with the Regulator of Social Housing, reflecting our financial strength and our robust governance arrangements.

Corporate Governance

The Group Board is responsible for setting the strategic direction, values and objectives of Abri and its subsidiaries. It monitors our performance, how well we're managing our finances and is responsible for ensuring effective governance across the business. The Board achieves this with the support of the Executive Board, Corporate Directors, advisory panels and the five committees listed below. The committees meet at least quarterly and have responsibilities that have been delegated to them by the Group Board:

- Audit and Risk Committee
- People and Culture Committee
- Customer Service and Performance Committee
- Treasury Committee
- Development and Assets Committee

Age of Board Members	
33-44	3 (23%)
45-64	9 (69%)
65+	1 (8%)
Gender of Board Members	
Male	5 (38%)
Female	8 (62%)
Ethnicity of Board Members	
BAME	3 (23%)
Non-BAME	10 (77%)

The Executive Board is responsible for the day to day running of the business. It meets monthly and receives assurance from the operational panels, which include:

- Development and Asset Panel
- Performance Committee
- Equality, Diversity & Inclusion Committee
- Information Security Forum
- Resident Scrutiny Group

The Sustainable Finance Framework ("the Framework") will be administered and monitored by the Development and Asset Panel.




Climate Governance awareness

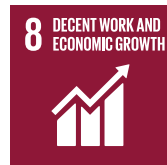
During 2021 Abri adopted the principles of the World Economic Forum (WEF) Climate Governance Initiative which developed a set of principles for boards of directors, with a view to supporting non-executive directors (NEDs) to gain climate awareness and embed climate considerations into board decision-making. As a result, we have delivered a comprehensive climate change programme for our Board and our Executive Directors, making sure that we have sufficient awareness and understanding of the ways in which climate change may affect our business and our communities.

1.4: Alignment with UN Sustainable Development Goals (“UN SDGs”)

The United Nations has identified 17 key goals to be achieved by 2030 to address the key challenges facing the world today. These goals form an international blueprint to achieve a better and more sustainable future for all and include, by way of example, fundamental issues such as tackling climate change and poverty across the globe.

Abri recognises that we have a role to play in the achievement of the UN SDGs and making a positive impact upon the communities in which we operate is embedded within our corporate strategy. The following goals summarised are those where we feel we can make the most impact given our vision and purpose.

US SDG	ALIGNMENT
 <p>1 NO POVERTY</p>	<p>We see eliminating poverty as an intrinsic aspect of our work as a housing association. As our customers struggle to deal with the financial consequences of the cost of living, rising inflation and energy prices, we will do all we can to support them. Fuel poverty is a key issue for us and in 2021/22 our welfare and benefits team worked with customers to secure an additional £3.2m in income.</p> <p>We’re now working with our Resident Scrutiny Group to create a fuel poverty action plan to identify how many customers are fuel poor and who is at risk of becoming fuel poor in the future. Last year we also pledged £15,000 to the Housing Associations’ Charitable Trust (HACT) Energy Hardship Fund. We’ve launched a pilot with Cenergist to offer water-saving devices to around 4,000 customers’ homes in the Southern Water area, helping our customers to reduce their water usage, save on bills, and protect the planet. In the last year, we also helped 2,500 people into sustainable employment.</p>
 <p>2 ZERO HUNGER</p>	<p>Our work as a social landlord goes beyond providing a home to helping people if and when they struggle to put food on the table. It means doing all we can to ensure access to safe, nutritious and sufficient food. Our Tenancy Support Services have supported 160 customers at risk of losing their tenancy with things like food and fuel vouchers, supporting families with items such as mattresses and bedding, furniture and white goods, food and fuel vouchers, and preventing £155,000 of appliance poverty.</p> <p>We also support our customers through community initiatives such as the Round About Café, a not-for-profit community café in Southampton which provides locally-sourced food and drink at affordable prices. In 2021, the café was refurbished to include a community pantry and has helped customers facing rising food costs access food at cheaper prices than supermarkets.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We aim to help provide our staff and customers with a nurturing environment that facilitates and enhances physical and mental wellbeing. Crucial to that is our placemaking work. One example is the creation of our new wildflower labyrinth on the Hawker Hill outdoor area in Longwood Park, Slough. The labyrinth in front of Linden House increases biodiversity in the area and looks to support customers’ mental health.</p> <p>We’ve created a new development toolkit that underpins our commitment to placemaking, health and well-being, sustainability, quality, and skills.</p>



We look to provide our colleagues the best environment within which to flourish – promoting productive employment and decent work for all.

One of the ways we did this in 2021/22 was by launching our Elephant in the Room campaign, a series of conversations focused on traditionally 'off limit' topics. The aim of this is to improve our colleague's well-being. This work was done alongside our Employee Assistance Programme (EAP). We have a wellbeing working group and action plan and also a personalised wellbeing app (87%) which has been made available to colleagues, offering support from our dedicated Wellbeing Ambassadors. Colleagues also have access to an abundance of online courses, workshops, fitness classes and offers through the wellbeing centre on ROAR (our Rewards, Opportunities and Recognition portal) and through LEAP (our Learning, Education and Performance platform).

We believe our decent working environment results in happier staff who will work harder, helping with our growth and service development. Financial security is important to our staff and this is why we pay all our colleagues the Real Living Wage of £9.90 per hour as a minimum.



Here at Abri, inclusion and belonging are our top priorities. We actively seek to empower and promote the social, economic and political inclusion of our customers and our staff.

For this reason, we have made ourselves accountable by creating an annual Inclusion and Belonging report aimed at helping to reduce inequalities across staff and customers alike. In 2022/23 we'll be collecting EDI data from our customers so we can improve and adjust our services to meet customer needs. We know how important it is for our customers to be able to put down roots, feel secure in a home, and be part of a community as it makes a huge difference to a person's life chances.

Our Inclusion and Belonging report and EDI approach also includes fair pay. We stay engaged with our colleague representative group, ConneXus, to ensure we address the gender pay gap and offer equal opportunities across our organisation.

We are aiming to reduce our Gender Pay Gap from its current level of 9.8%. To do so we have taken a number of steps including establishing a women's network and putting in place policies to support women experiencing bullying and harassment in the workplace.





Our core purpose is to create thriving, inclusive and sustainable communities with more opportunity for all. We are committed to delivering 12,500 new homes by 2030, helping to address the housing crisis, providing people with much-needed homes and helping to shape communities.

Developing new homes will always have an impact on the environment, which is why we are continuously improving the energy efficiency of our existing stock while aiming to make new builds as sustainable as possible.

Our Environment and Climate Strategy 2022-26 sets out how we will build more energy efficient new homes. We've launched the Abri Standard, which builds upon the Future Homes Standard, and will see us aiming to reduce carbon emissions in new homes by between 83-85%. We are increasing our focus on Modern Methods of Construction (MMC) to meet the demands of both the housing and climate crises.

We will invest £55.6m in existing homes while phasing out the most inefficient heating systems within our homes.



We are adopting more sustainable practices as an organisation and reducing our waste generation.

We know we need to work with like-minded suppliers to help us to become net zero by 2050. We support the World Economic Forum (WEF) initiative for decarbonising supply chains, which seeks to address the barriers associated with supply chain decarbonisation. Our major suppliers have pledged social value commitments, with contractual obligations to source more sustainable materials. We're now working with our wider supply chain to embed circular economy principles, where possible eliminating waste by encouraging reuse, repurposing, and recycling.

Our Environment and Climate Strategy 2022-26 will be crucial in our decision-making process going forward as we decarbonise our homes, build more energy efficient new homes and adopt more sustainable practices as an organisation. In 2021/22, we delivered £5m of social value to our communities. We have worked to secure a joint materials tender with three external organisations to exclusively source materials. We expect to build on this relationship with suppliers to help our supply chain achieve our target of £2.5m of social value by 2025.



Taking action against the climate crisis and creating a sustainable future are integrated into our strategy as one of eight core behaviours.

2021/22 marks our first year reporting scope 3 emissions and our third consecutive year showing scope 1 and 2 and Streamlined Energy and Carbon Reporting (SECR). Last year we also followed the Task Force on Climate-Related Financial Disclosure (TCFD) to understand our readiness for climate change related risks.

As part of our work to improve education and awareness, in June 2021, we launched a Carbon Academy and made Carbon Literacy training available for all colleagues. This work also extends to our customers, such as through our initiative with eco chef, Tom Hunt, to create podcasts, cook along videos, online Q&As, and a customer guide packed with recipes and tips to eat in a climate-friendly way.

We've also worked with our residents to make their homes more efficient and in February 2022 were allocated £264,000 of funding via the government's Social Housing Decarbonisation Fund (SHDF).



We are taking significant action to reduce the degradation of natural habitats and prevent the loss of biodiversity. We have welcomed the integration of biodiversity values into national and local planning and development processes – and already produce Biodiversity Net Gain (BNG) assessments into all new developments - but we want to go further.

Promoting and improving green spaces will be a key feature of our strategy going forward.

We will commit to the Task Force on Nature-Related Financial Disclosures (TNFD) framework for businesses to report and act on nature-related risks. In preparation for this, we undertook a major project exercise in 2021 to establish best practice in relation to biodiversity, water resources, and pollution.

This resulted in our Biodiversity Action Plan, which we are forming in the 2022/23 financial year and will set out specific actions to further promote and protect biodiversity in our work and integrate biodiversity targets into our developments. This includes maximising 'nature-based solutions' to protect and enhance biodiversity in our developments but also through our supply chain.



1.5: Regulatory Framework for Affordable Housing

Registered providers of social housing must comply with a regulatory framework established by the UK Government's regulatory body for registered providers: the Regulator of Social Housing (the Regulator). The 2015 regulatory framework⁵ for social housing in England comprises:

- **Regulatory Requirements:** sets out specific expectations and obligations with which registered providers must comply
- **Codes of Practice:** assists registered providers in understanding how compliance might be achieved
- **Regulatory Guidance:** provides further explanatory information on the regulatory requirements and includes information on how the regulator will carry out its role



The standards are classified as either 'economic' or 'consumer' and serve to ensure social housing providers comply with specific expectations in running their businesses. There are three economic standards and four consumer standards with which Abri must comply as set out below:

Economic Standards:

- **Governance and Financial Viability Standard** – how well is the organisation run and is it financially viable
- **Value for Money Standard** – does the provider make the best use of the resources it has to meet its objectives
- **Rent Standard** – are rents set in accordance with Government policy for social housing rents.

Consumer Standards:

- **Home Standard** – quality of accommodation and repairs and maintenance
- **Tenancy Standard** – how properties are allocated/exchanged and terms around tenure
- **Neighbourhood and Community Standard** – issues around neighbourhood and communal areas and anti-social behaviour
- **Tenant Involvement and Empowerment Standard** – customer service and complaints, tenant rights and involvement.

The RSH issues regulatory judgements which give an indication on how well providers are meeting these standards as outlined above. Abri was given the highest ratings as a result of its latest RSH review in November 2021.

1.6: Rationale for Sustainable Finance Framework

The need for organisations with our mission of delivering more affordable housing with a focus on building communities for those in need has become increasingly apparent in the prevailing economic climate. Affordable housing tenures are at least 75% of Abri's development pipeline. Building new, affordable homes is one of our top priorities, and doing it in a way that is mindful of the environment and smart in design is really important. However, providing housing is only part of our purpose because we're also on a mission to create thriving communities where equal opportunity is a reality. Customers are at the core of everything we do.

We also note the UK government's climate change related initiatives which will impact our industry including the UK's net zero carbon emissions target by 2050, the requirement for all properties to be EPC C or above by 2030 and the Future Homes Standard. As outlined above in sections 1.3.1 – 1.3.3, we have endeavoured to create an ESG Report which includes sustainability initiatives which not only comply with all regulatory requirements but prepare us to meet or exceed them in advance wherever possible. We are addressing this through, amongst other initiatives, minimum EPC new build requirements and retrofitting programmes.

To achieve the purpose, vision and priorities and prepare for the anticipated legislative landscape Abri will need to secure finance using the most effective means available to it. With the recent growth in the sustainable finance market, the development of a Sustainable Finance Framework in line with industry standards enables Abri to align its financing strategy with its corporate ESG strategy through the issuance of sustainable finance.

A Sustainable Finance Framework provides investors and stakeholders with assurance that funds will be allocated to environmentally and socially sustainable purposes. This Sustainable Finance Framework can be used to govern finance raised by Abri including, but not limited to, public bonds, private placements, revolving credit facilities and bank loans and sets out the allocation of the net proceeds of such finance to eligible projects.



Section 2: Sustainable Finance Framework

2.1: Framework Overview

This section describes the methodology by which Abri will approach projects addressing a combination of both environmental and social objectives which will be delivered by the finance raised. The Sustainable Finance Framework aligns with the following principles/guidelines published by the International Capital Markets Association (“ICMA”) and Loan Market Association (“LMA”) for the issuance of sustainable finance debt instruments, as may be amended from time to time:

- The Social Bond Principles – June 2021 (“SBP”)⁶
- The Sustainability Bond Guidelines – June 2021 (“SBG”)⁷
- The Green Bond Principles – June 2021 (“GBP”)⁸
- The Green Loan Principles – February 2021 (“GLP”)⁹
- The Social Loan Principles – April 2021 (“SLP”)¹⁰
(Being together the “Principles”).

The Framework applies the four core components of the Principles as its basis, adapted as appropriate to the type of instrument issued, being:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

6 [Social-Bond-Principles-June-2021-140621.pdf \(icmagroup.org\)](#)

7 [Sustainability-Bond-Guidelines-June-2021-140621.pdf \(icmagroup.org\)](#)

8 [Green-Bond-Principles-June-2021-140621.pdf \(icmagroup.org\)](#)

9 [Green_Loan_Principles_Feb2021_V04.pdf \(lma.eu.com\)](#)

10 [Social_Loan_Principles.pdf \(lma.eu.com\)](#)

2.1.1: Use of Proceeds

The Sustainable Finance to be raised pursuant to this Framework will be exclusively applied to finance, or refinance, in part, or in full, new, or existing, eligible Social Projects and/or Green Projects as defined by the Principles (the “**Eligible Projects**”).

Abri’s identified Eligible Projects will comprise of Affordable Housing, Employment Generation, Socioeconomic Advancement and Empowerment, Green Buildings, Energy Efficiency, Renewable Energy and Clean Transportation.

Dependent on the nature of the project, the investment in the Eligible Projects can be measured through asset value (refinancing existing assets), capital expenditure (“Capex”) or operating expenditure (“Opex”). For capital and operating expenditures, a look-back period of up to 36 months prior to the time of debt issuance will be applied. Abri Group intends to allocate the net proceeds (or an amount equivalent to the net proceeds) raised according to this Framework to Eligible Projects within 24 months of issuance.

Abri has committed to reporting annually against Sustainability Reporting Standards for Social Housing (SRS) and may further update or expand this Framework to align with other emerging market standards and best practices.

Identification of Target Populations for Social Projects

To comply with the Social Bond Principles and the Social Loan Principles (the “Social Principles”), the eligible Social Projects must be made available to particular categories of persons defined as “Target Populations”.

The categories of Abri customers that fall within the acceptable Target Populations under the Principles are as follows:

Principles - Target Population	Abri Customer Categorisation
Excluded and/or marginalised populations and/or communities	Those on local authority housing waiting lists
Living below the poverty line	Those currently living in affordable rented housing and / or in receipt of government support
Underserved, owing to a lack of quality access to essential goods and services,	Those on local authority housing waiting lists
Aging populations and vulnerable youth	Housing for older people and tenants aged between 16 – 24 years old
Other vulnerable groups, including as a result of natural disasters	Those on local authority housing waiting lists or homeless

1) Affordable Housing

As a registered provider of social housing and developer of affordable housing, Abri’s activities fall within the description of eligible Social Projects under the Social Principles.

Expenditure relating to affordable housing (including its construction, refurbishment, modernisation, and acquisition) under this Framework aims to achieve positive social outcomes of a safe, warm and sustainable home for our Target Populations.

2) Employment Generation

Employment generation is considered an eligible Social Project under the Social Principles. Abri’s programmes include helping people from Target Populations into employment and training, employability support and apprenticeships.¹¹ Through our Create programme with French and English partners, we research new ways of promoting self-employment opportunities. Collectively we have helped over 2,000 people so far with more to come in 2022-23.¹²

In particular, decarbonising homes in the UK presents huge opportunities for jobs, growth and levelling up and we want to drive social value out of the decarbonisation agenda.

We’ll use our own investment and partnerships to drive green growth and employment opportunities within local economies. We aim to create new pathways into employment by aligning our support and training offer to the green skills revolution required to support a sustainable society.

¹¹ <https://communityimpact.abri.co.uk/achievements/what-did-we-achieve>

¹² <https://www.abri.co.uk/services/enterprise-investment/employment>

3) Socioeconomic Advancement and Empowerment

Abri's central mission is to create thriving communities and empower lives. This was made even more vital because of Covid-19. More people than ever needed support, and our communities responded. We've seen first-hand how communities, in their time of need, came together and supported each other, and we've learnt how we can be a part of the difference they make, whether through funding support, advice, guidance or just someone to talk to. Abri has focused on bringing Health and Wellbeing to the forefront and brought people and communities together to support each other. We are working with lots of organisations to help our Target Populations with this including the NHS, the public, private and third sector. For more information about our Community Impact please visit - <https://communityimpact.abri.co.uk/>

4) Green Buildings

Abri's construction of new build homes which are at least rated EPC B fall within the framework set by the Green Principles. We are targeting a minimum EPC rating of B on all of our new properties and where possible will target a rating of A. The Government's 'Future Homes and Building Standard' will make sure that new homes produce 75-80% less emissions than homes delivered under current regulations.

We want to make sure that our new build programmes do not add to our retrofit requirements in the longer term, which is why we will adopt the Future Homes and Building Standard where possible on new build schemes ahead of 2025.

These projects meet regional, national, or internationally recognised standards or certifications for environmental performance and have a positive impact, amongst other things, in terms of reducing greenhouse gas emissions.

5) Energy Efficiency

In line with the Government's target, all our new build homes will have at least an Energy Performance Certificate (EPC) of B or above and we have a comprehensive asset management strategy to ensure by 2030 that all our properties are at least EPC C or above with the aim to complete this by 2028 where possible. In 2020/21, we completed fabric improvements on 329 properties, improving energy efficiency and lowering fuel costs for customers.

179 new Quantum heating systems were installed which give homeowners a low-cost, low-carbon, electric heating system. The system offers significantly improved running costs and will use decreasing amounts of carbon over its lifetime.

6) Renewable Energy

During 2020/21, 317 new build properties were developed with solar PV systems. These initiatives fall within the Renewable Energy category of the Green Bond Principles. Our goal is to decarbonise our offices and depots by 2030, reduce energy demand, maximise the use of renewables and transition to 100% renewable electricity by 2030.

7) Clean Transportation

To contribute towards the national net zero carbon target by 2050, Abri will increase investment into low emission vehicles, charging points and bike storage, categorised as Clean Transportation under the Green Bond Principles. Our goal is to transition to a full electric (EV) fleet by 2030, with EV pilots commencing from 2022.

The following table outlines our seven Eligible Project Categories, describes examples of how proceeds will be allocated to each and proposes target criteria to measure the impact of each category.



Description of Eligible Project Criteria:

Impact	ICMA eligible social green project categories	Description	Reference Financial Line Item	Example impact metrics	Relevant UN SDGs
Social	Affordable Housing	Construction of new Social and Affordable Housing in the UK	Capex	Number and cost of homes built or acquired which comply with Government definition of affordable housing ¹³	1 10 11
		Refinancing of existing social and affordable housing in the UK	Asset Value	Number of people housed in newly built affordable housing from local authority waiting lists Average rent on rented new build homes as a proportion of Local Housing Allowance	
	Employment Generation	Delivery of programmes designed to prevent and/or alleviate unemployment	Opex	Number of people supported into sustainable employment Number of traineeships or apprenticeships offered	1 4 8 10
	Socioeconomic Advancement and Empowerment	Supporting equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality	Opex	Gender, ethnicity, and disability pay gaps for Abri employees (%) Number and value (£) of procurement contracts offered to small and medium-sized, woman-owned and/or minority-owned enterprises Number of community organisations / projects supported and value (£) investment	5 10

Environmental	Green Buildings	Construction of new homes with a minimum EPC Rating of B	Capex	Number and cost of new homes built which achieve an EPC rating of 'B' or 'A', in line with our long-term ambition	7 11 13
		Re-financing of existing homes, subject to a minimum EPC rating of B	Asset value		
	Renewable Energy	Financing the installation of renewable energy (including production, transmission, appliances, and products)	Capex	GHG emissions avoided or reduced (tCO2E) Amount invested in renewable energy sources and total capacity of renewable energy installations (kWh) Proportion of purchased energy from renewable energy sources (%)	7 11 13
	Energy Efficiency	Improving the energy efficiency of our existing homes by at least two EPC bands Investing in energy saving technologies in the delivery of new homes in a way that not only reduces building costs, but also reduces our impact on climate change e.g. Modern Methods of Construction (MMC)	Opex Capex Opex Capex	Number of and expenditure on existing homes to improve EPC rating by at least two bands Progressive annual targets of new homes started onsite, using offsite construction methodologies measured by how many MMC completions take place	9 12
Clean Transportation	Financing the development and promotion of clean transportation access for employees and residents, investment in low emissions fleet vehicles, installing electric vehicle charging points and cycling infrastructure	Opex Capex	Amount invested in clean transportation facilities and number of homes and residents receiving access to the facilities Number and proportion (%) of low emissions fleet vehicles Number of installed electric vehicle charging points Number of secure cycle parking spaces provided	3 11 13	

2.1.2: Process for Project Evaluation and Selection

Projects will be evaluated and selected by Abri's Development and Asset Panel (the "DAP"), which will meet monthly to consider and opine on proposals. The Director of Treasury and Financial Planning will present all projects submitted for approval and DAP will identify and quantify the expected outputs and outcomes, in line with the Use of Proceeds criteria for this Framework.

DAP will be responsible for the governance and allocation of sustainable finance raised under this Framework including:

- the documentation of the evaluation and selection process to facilitate external verification (if required)
- the selection and approval of Eligible Projects
- the continual overseeing of the Eligible Projects portfolio
- the exclusion of any Eligible Projects no longer complying with the Framework or that have been disposed of and are to be replaced on a best-efforts basis
- the investment of net proceeds received from the issuance of Use of Proceeds debt instruments
- the tracking of and reporting on net proceeds
- the ongoing monitoring of the content of the Framework, with the intention of updating to align to developments in the market standards referenced within the document on a best-efforts basis

The decision to approve Eligible Projects will consider the following parameters:

- Compliance with Abri Group's Strategic objectives
- The criteria of Eligible Projects as set out in this Framework
- Exclusion criteria as a method to identify and manage material environmental and social risks
- Compliance with any applicable environmental law, social standards, and regulations (inclusive of those issued by the regulator of social housing)
- Alignment with applicable national and international standards, reporting frameworks and taxonomies
- Identification and management of potentially material ESG risks associated with projects, via the Groups risk management system

DAP is chaired by the Chief Financial Officer. The Director of Treasury and Financial Planning will provide a quarterly assurance report to the Executive Board ("EB"), to which it is accountable. **Members and attendees of the DAP Group are currently as follows, and may be amended from time to time:**

- Chief Financial Officer
- Executive Director of Development & Strategic Asset Management
- Executive Director of Operations
- Interim Executive Director of Assets & Sustainability
- Company Secretary

2.1.3: Management of Proceeds

We recognise the importance of separately managing and monitoring the proceeds issued under the framework. Eligible projects will be matched to proceeds under the Framework by DAP.

DAP has a structured process to determine how projects fit within the categories identified, and how the proceeds will be matched to, and monitored in relation to, specific eligible spending of projects.

Amounts equivalent to the net proceeds from sustainable financing instruments issued under the framework will be:

- Separately accounted for, reconciled, and reported
- Reported through DAP

Unallocated proceeds issued under the Framework will be held as cash deposits or in sterling denominated money market funds in line with our Treasury Management Policy or used for short-term repayment of other debt facilities before allocation to Eligible Projects.

Amounts equivalent to the net proceeds issued under this Sustainable Finance Framework will be used to finance or refinance, in part or in full, new, or existing Eligible Projects, which include both construction and refurbishment building projects. Where the net proceeds are utilised for the construction or renovation of Eligible Projects, these will be originated within 36 months prior to, or 24 months after the specific debt instrument proceeds are received.

If an asset is no longer eligible under the criteria included in section 2.1.1, it will be removed from the Eligible Project portfolio. In such a scenario, we will strive to replace the asset with another Eligible Project as soon as reasonably practicable.

New properties with an EPC rating of EPC C or below and those, developed for open market sale or rent at market rates, are not considered to be eligible and are excluded from the Framework. Proceeds will not be allocated to these projects.



2.1.4: Reporting

The organisation will annually, and until full allocation of the Sustainable Finance debt instrument, publish an ESG Report on its website ESG Report (abri.co.uk). The report will cover, amongst other things:

Allocation Reporting

- Net proceeds outstanding from the Sustainable Financing
- Amount of proceeds allocated to Eligible Projects
- Split between Social and Green allocation
- Amount of unallocated proceeds (if any) and where it is held
- A complete list of Eligible Projects financed

Impact Reporting

Included within our annual ESG report, we will publish metrics demonstrating the ongoing environmental and social impact Abri has on its Target Population, as outlined in column five of the Eligible Projects table. These are qualitative and quantitative and are identified as the core requirements to demonstrate strong ESG performance. They also align with the Sustainability Reporting Standard for Social Housing. Within this report, we will also publish updated information on Abri's broader social and environmental impact activities and include case studies on Eligible Projects developed or invested in.

TCFD Framework Reporting

Where appropriate and possible we'll use the TCFD framework to prepare ourselves for the Government's mandatory sustainability disclosure regime, reporting on our climate-related financial impacts in a consistent and comparable way to improve transparency for investors.

2.2 External Review

Abri Group Limited Sustainable Finance Framework has been reviewed by DNV who confirms that the SFF is aligned with the stated definitions of green bonds within the GBP 2021, social bonds within the SBP 2021, sustainability bonds as stated within the SBG 2021, green loans within the GLP 2021, and social loans within the SLP 2021.

A link to the Second Party Opinion is available [here](#)

Case Studies

Living Well

We commissioned YouGov research which reveals that many UK adults want to make a positive contribution to fighting climate change but feel ill-equipped to do so. So, we teamed up with chef Tom Hunt to launch our Living Well campaign to make positive climate action accessible to everyone through climate-friendly eating habits. He made a guest appearance at our Millbrook Good Grub Club to share a new recipe focusing on sustainability.



“Today was the best day out with the kids. We really enjoyed Tom cooking the South African curry, it was really delicious!”



“My favourite part of today was eating Tom’s curry. It was really nice to see a chef in action.”

“Watching Tom cook was the best part of today. I’ve never had peanut butter in curry before and it was lovely!”

Helping Connor back into work

Connor, from Waterlooville, had been out of work for over a year and faced additional challenges accessing opportunities because he is on the autistic spectrum. He attended our Abri Work Academy with Service Supply Network (SSN), where he got to meet the employer, receive support from our Employment Services, and secured a permanent role. [Read more here.](#)

Supporting young SEND people into Avon and Somerset Constabulary

We're working with local employers, schools, colleges and support agencies to secure supported employment opportunities and outcomes for our young people with Special Educational Needs and Disabilities (SEND) in Somerset.

We are also working with Avon and Somerset Constabulary to break down barriers to participation and creating an incentive to engage and create innovative supported employment pathways.

Woodgate

Woodgate is a joint venture between Abri and Thakeham to create 619 new homes in a new country community. A state-of-the-art new £4m primary school opened at Woodgate in September 2021, and future amenities will include a community hub and café opening in Autumn 2022, together with a community-managed village shop. Extensive open space includes a new village green with surrounding play areas, trails, pathways and cycle routes linking the development to the 370-acre Tilgate Forest. Together with Thakeham we're building a truly bespoke new community that offers many opportunities and investment in the area. This includes more than £2million of funding for the future development of a secondary school, £312,000 towards healthcare in the area, highway improvements at the Pease Pottage junction, and more than £615,000 formal sport contribution towards a village pavilion. We've also made joint contributions over £2m with Thakeham for a modern 24 bedroom facility at Woodgate for local charity St Catherine's Hospice who care for patients and families affected by life-shortening conditions.



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