

**Thriving Investments**

**Responsible Value-Driven  
Investment Policy  
2025**

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## 1. Introduction

Thriving Investments is the first FCA-regulated investment manager that is a wholly-owned subsidiary of a not-for-dividend social enterprise. Our parent company, Places for People, is a Regulated Provider of Social Housing and leading UK social enterprise.

Leveraging the Group's expertise in property management, development and social value creation, we bring our own FCA-regulated investment management expertise and our award-winning specialist sustainable development platform, igloo Regeneration, to offer investors strong returns and ongoing value growth.

We believe that by investing our clients' capital responsibly, we can help to protect and enhance asset value and drive improved investment performance over the long-term. As a socially conscious investor, we recognise that our investment decisions have a profound and lasting impact on the environment, communities, and future generations.

This policy sets out the framework governing Thriving Investments' responsible investment approach. It outlines how Environmental, Social, and Governance (ESG) opportunities and risks are integrated in our investment processes. These are in alignment with the UN Principles for Responsible Investment (UN PRI), to which we have been a signatory since 2019, and reflect our commitment to contributing to the achievement of the UN Sustainable Development Goals (SDGs)

Our policy applies to all our managed investments. We currently manage four Living strategies, which invest in real estate across the UK:

- Market rented homes, being pre-dominantly single family housing (SFH) in suburban locations (often referred to by investors as Build to Rent (BTR) housing);
- Affordable rented homes targeting key workers;
- Shared ownership homes; and
- Urban regeneration projects delivered through our B-Corp certified igloo platform, creating mixed-tenure communities that include both sale and rented homes.

We recognise that the environmental, social and governance (ESG) agenda continues to evolve rapidly, and our own strategy and capabilities must evolve and advance alongside this. We are committed to further developing this Responsible Investment (RI) Policy and our ESG capabilities and have made various commitments in this respect below.

The Board have chosen to name this document a '*Responsible Value-Driven Investment Policy*' (RVDI) to underline our belief that, beyond it being the right thing to do, there is inherent value in prioritising sustainability, targeting decarbonisation of our investments, and delivering positive social impact outcomes for our customers across the Living sector.

## 2. Policy Objectives

Framed by the urgent need for responsible and value-driven investment, the objectives of this policy are to:

- Establish a clear and cogent basis for the application of our Guiding Principles and the integration of relevant responsible investment considerations into our strategic planning, investment management procedures, investment decisions and the advice we give to clients.
- Consider the material risks taken, and outcomes achieved, on behalf of our investors, including those related to environmental and social issues, and their impact on risk-adjusted returns profile.
- Be transparent and engage proactively with investors and financial stakeholders regarding the environmental and social performance of their investments.
- Instill within the Thriving Investments team a clear understanding of the roles and responsibilities required of them to embed the implementation of our Guiding Principles.
- Set out clear expectations of our partners and supply chain – including property managers, agents and other service providers we appoint – in responding to and ensuring the effective implementation of our RVDI policy in a collaborative and accountable spirit.
- Continuously assess, monitor and mitigate material ESG risks within our portfolio, whilst also seeking out opportunities to improve sustainability attributes and performance.
- Contribute positively to the responsible, sustainable and impact investment agendas through advocacy, collaboration with our peers, and participation in relevant industry endeavours to drive better investment practices and standards.

The pursuit by Thriving Investments and its partners of these objectives supports the overarching aim of supporting capital raising and retention, delivering growth in assets under management and optimising risk-adjusted investment performance for our clients.

## 3. Guiding Principles

We believe that the investments we manage on behalf of our clients are delivering significant social value and impact for residents and communities. The environmental and social issues that arise from developing and managing residential assets and regeneration projects mean that integration of sustainability and ESG considerations into our responsible investment strategy and processes is fundamental.

We are guided by four overarching principles in the delivery of RVDI and the specific management of ESG issues within all of our investment strategies. We use these principles to determine appropriately tailored approaches and objectives for each fund strategy and their underlying assets.

1. Bringing institutional capital to help tackle the housing crisis

We help address the housing crisis in the UK by enhancing the supply of affordable homes through a mix of tenures in places where it is needed.

2. Developing and nurturing thriving communities

We have an established track record in developing and managing residential property and understand the needs of our residents and other local stakeholders. This helps us to create and steward thriving communities.

3. Supporting the health and wellbeing of residents and communities

We strive to ensure the homes we manage and the services we provide support the health, comfort and financial security of our residents and offer meaningful social impact in the communities in which they live.

4. Protecting the environment and restoring natural capital

We recognise that investment and management decisions can have a significant impact on the environment both locally and globally. We intend to minimise our adverse environmental impacts and, wherever possible, deliver a net positive outcome for the environment.

## 4. Policy Implementation

We integrate sustainability and ESG considerations throughout all stages of our investment decision-making processes in alignment with the UN Principles for Responsible Investment (UN PRI) to which Thriving Investments has been a signatory since May 2019, and with the wider UK regulatory requirements around responsible investment and reporting.

We are continually evolving our performance measurement and benchmarking to ensure maximum transparency and disclosure and will be gradually adding further detail on our evolving policies and processes as they are approved and implemented.

Our policy and processes address but are not limited to the following areas:

- Strategy and capital raising
- Sustainability-linked finance
- Origination, due diligence and acquisition
- Portfolio management, including asset management, lettings renewals and expiries, property management and customer engagement
- Development, refurbishment and retrofitting
- Responsible exit
- Investor reporting at fund and house levels

Action undertaken in each of these areas is clearly communicated to our people, partners, customers, investors suppliers and key stakeholders with clarity on the standards that Thriving Investments expect to be adhered to, the relevant information to ensure changes can be effectively adopted and adequate training provision for any specialist requirements.

Thriving Investments benefits from the integration of Touchstone, a leading property management company within the PfP Group, which manages the majority of our homes across the UK. This vertical alignment between investment, asset and property management teams drives transparency and reporting for our investors. It also enables us to leverage broader PfP Group policies and customer benefits, and to influence Touchstone's operational practices in support of the RVDI commitments set out in this policy.

We recognise that industry frameworks, standards and examples of best practice are constantly evolving. We are committed to keeping our policies, procedures and guidance documents updated and aligning ourselves to best practice where possible within our investment mandates.

We also acknowledge that climate change presents both an immediate and systemic risk, with material implications for the resilience, performance, and long-term value of our portfolio. The built environment contributes approximately 25% of the UK's carbon emissions<sup>1</sup>, making our sector central to the net zero transition. In 2025, we are establishing emissions baselines to inform the creation of a decarbonisation roadmap that will guide our emissions reduction efforts towards a low-carbon economy.

We note the recent introduction by GRESB in April 2025 to its current Real Estate assessment structure to include criteria covering the circumstances of residential investment entities and their portfolios. We will monitor how this progresses and are committed to engaging through our participation in relevant industry bodies, including AREF (Association of Real Estate Funds) and BPF (British Property Federation).

## 5. Transparency and Disclosure

Thriving Investments is committed to delivering transparent, consistent, and high-quality ESG and impact reporting. We disclose our ESG performance and impact in line with recognised industry standards and regulatory requirements, including the following:

- An annual portfolio-level Responsible Value-Driven Investment (RVDI) report aligned with our Guiding Principles and ESG impact metrics as recommended by best-practice industry guidelines.
- As a signatory to the UN Principles for Responsible Investment (UN PRI) since 2019, we report to the UN PRI on an annual basis.
- We disclose our portfolio emissions in line with the PCAF (Partnership for Carbon Accounting Financials) standard.
- FCA Sustainability Disclosure Requirements. The New Avenue Scotland Fund adopted the FCA's Sustainability Disclosure Requirements (SDR) Sustainability Impact label from the implementation date of the regulation, on the 31<sup>st</sup> of July 2024.
- We collaborate with clients to tailor ESG reporting to their specific requirements, including additional agreed impact and ESG criteria and objectives.

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<sup>1</sup> UK Green Building Council (UK GBC) (online: <https://ukgbc.org/our-work/topics/whole-life-carbon-roadmap/>)

In addition, we continue to monitor progress of the real estate industry's adoption of the Taskforce for Nature Related Financial Disclosures (TNFD) framework.

## 6. Leadership and Governance

### Investment Oversight

Responsible investment and ESG decision-making and accountability at the overall platform level sit ultimately with the Board and, by delegated authority of the Board, to the Chief Executive Officer (CEO). These responsibilities include setting the ESG Strategy for Thriving Investments, overseeing the development and implementation of investment processes and corporate activities for the purpose of integrating ESG considerations into, and outcomes from, our work.

The CEO is responsible for leading the organisation in accordance with its vision and is accountable to our stakeholders for our delivery of social value and impact through high-quality affordable housing and urban regeneration.

Our Board includes Non-Executive Directors with a significant collective breadth of ESG and sustainable built environment expertise and experience as well as deep expertise around capital markets and real estate investment.

We additionally seek advice from specialist external ESG advisers where appropriate.

### Investment and Sustainability Committee

The principal role of the Committee is to assist the Board in fulfilling its oversight of investment strategies and investment decisions for funds or vehicles to which Thriving Investments Limited acts as the AIFM and oversee the sustainability and social impact activities of the Company. All members of the Committee are independent non-executive Directors. The Board has determined that, by virtue of their experience and expertise, members collectively have the competence relevant to the sector in which the firm operates.

The Committee's primary responsibilities regarding sustainable and social impact activities are:

- In approving the above investment activities, the Committee will take into account the sustainability and social impact of the investment based on the agreed sustainability policy adopted by each product, including any product or client investment restrictions and the requirements of the Thriving Investments Responsible Investment policies and ESG investor reporting policies.
- Consider whether and which benchmarking is appropriate for Thriving Investments on an annual basis.
- Participate in the decision to accept proposed formation of new products, as per the Thriving Investments Schedule of Delegations.
- Review of the Responsible Investment and Market Risks and recommend to the Board.
- Review the Responsible Investment Risk and Market Risk Appetite Statements to the Board.

## **Our People**

Every member of our team is assessed for performance annually. We are in the process of incorporating sustainability goals within performance matrices at every level, and have currently implemented a new Long-Term Incentive Plan (LTIP) for the Board and the Senior Management Team Directors

## **Diversity, Equity & Inclusion (DEI)**

We actively support many DEI efforts and initiatives, including through the wider 'Inclusion and Belonging' programme of the Places for People Group, as well as through the specific activities of Thriving Investments. These include mentoring, apprenticeships and developing our recruitment approach to develop career pathways for individuals from diverse backgrounds, including socio-economic disadvantage.

A priority for us is to communicate the breadth and the impact of these activities more comprehensively and regularly to our investors and other stakeholders, particularly through our sustainability reporting.

## **Our Partners, Suppliers and Service Providers**

Thriving Investments has long understood the value of commercial partnerships with organisations which align with our vision and inspire us and has a strong track record of successful joint venture partnerships.

We also recognise the importance of having a systematic approach to integrating sustainability and ESG considerations into our supplier policy to inform the selection, monitoring and remuneration of – as well as our engagement with – agents, property managers and developers acting on our behalf.

Beyond our primary supplier relationship with Touchstone we will engage with all our key stakeholders and utilise the PfP Group sustainable supplier policy that underpins and formalises our RVDI commitments.

## **Policy Approval and Review**

The Board is ultimately responsible for the contents and implementation of this RVDI Policy. This will include reviewing the adequacy of the policy on an annual basis, as well as keeping under review its interpretation and implementation across each of our investment strategies. The Investment and Sustainability Committee will maintain in-year oversight of appropriate implementation of the commitments in this policy.

**This RVDI Policy was approved by the Thriving Investments Board at its meeting of 16<sup>th</sup> June 2025.**