JUST.

GREEN / SUSTAINABILITY BOND FULL ALLOCATION REPORT

MARCH 2023

JUST GROUP AT A GLANCE

Our purpose: We help people achieve a better later life.

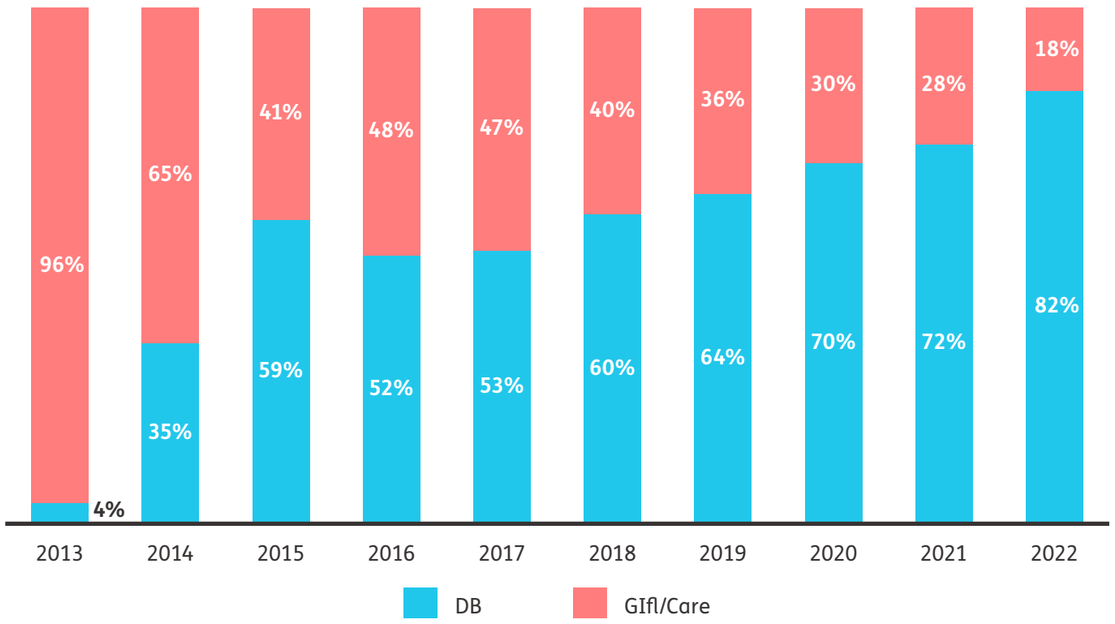
Just has a compelling, clear purpose, to help people achieve a better later life by providing financial advice, guidance, competitive products and services to those approaching, at and in-retirement.

We are a specialist in our chosen markets serving four distinct groups with products and services.

- Defined benefit de-risking solutions ("DB")
- Guaranteed Income for Life ("GIfL")
- Care Plans ("Care")
- Lifetime mortgages ("LTM")
- Delivering technology, broking and advice solutions for corporate clients and pension schemes via HUB. HUB Financial Solutions is the UK's largest GIfL broker.

Investment case: Growth through pricing discipline and prudent capital management, structurally growing retirement markets, innovation and positive disruption, and a leading distribution franchise.

Sources of premium: 2013 – 2022 (%)



JUST GROUP'S APPROACH TO SUSTAINABILITY

Annual Report and Accounts 2022

"Just has a strong social purpose: we help people achieve a better later life. We help our customers achieve security, certainty and peace of mind.

We achieve our goals responsibly and are committed to a sustainable strategy that protects our communities and the planet we live on. I am very proud that over the last three years we have reduced our operational carbon intensity per employee by 81%, but the most material impact we can make to reduce carbon emissions will be achieved through the decisions we take with our investments portfolio.

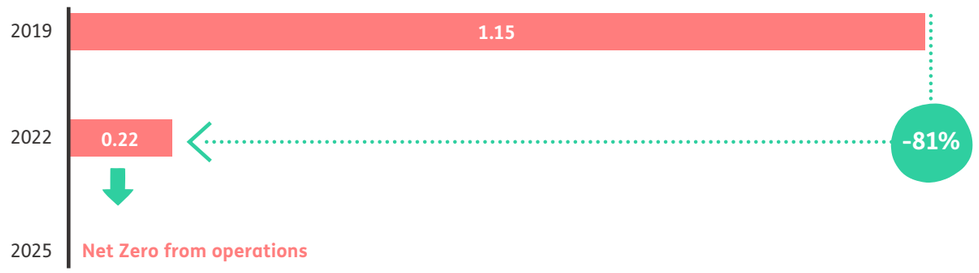
During 2022, we originated £279m of eligible green and social assets (2021: £146m) in accordance with our Sustainability Bond Framework. By the end of 2022, we completed our total £575m green and sustainability bond investment commitments, well ahead of schedule."

Sustainability bond – September 2021

"Just continues to be a market innovator with a strong social purpose and so we are delighted to launch this Sustainability RT1 Bond - the first of its kind in the UK and European insurance sector. We were very pleased by the high level of investor interest, which has allowed us to further optimise Just's capital structure, whilst improving organic capital generation. This will help to support profitable and sustainable growth for many years to come."

David Richardson,
Group Chief Executive Officer

tCO_2e per full-time employee, updated: 2019-2022, 2025 target



Green bond – issued October 2020

- 1st UK and 5th European insurer to issue a green bond
- £250m Tier 2, maturing in March 2031, with a 5.5 year call option
- Commitment completed in February 2022 via nine renewable energy investments and one green building

Sustainability bond – issued September 2021

- The 1st Sustainability RT1 bond issued by a UK/European insurance company
- £325m RT1, perpetual, callable from March 2031
- Commitment completed in December 2022 via 13 green and social investments

TRANSITION TO NET ZERO

Just Group's sustainability strategy is built on three pillars:

Making a positive impact

Leaving a responsible footprint

Creating a fair world

The strategy is also aligned to the United Nations Sustainable Development Goals in line with other similar organisations. Further details of our commitments and sustainability strategy, including our sustainability report – Taking Steps to a Fairer Future - are available on our website www.justgroupplc.co.uk/about-us/sustainability. These pages, along with a short film and infographic have been designed to provide an overview of our sustainability work to date and future plans.

In 2022, our carbon footprint per employee had fallen by 81% in the three years since 2019, and we are on track to achieve net zero from operations by 2025. This reduction is due to a broad range of initiatives including a near halving of the property footprint, moving to a renewable energy tariff for purchased electricity, significantly reduced business travel, and a number of facilities improvements and upgrades.

In March 2023, we published our initial transition to net zero plan. The net zero plan aligns to our commitment to net zero from investments and supply chain by 2050, with an intermediate 50% reduction by 2030 in line with the Association of British Insurers ("ABI") climate change roadmap.

Now operating with a flexible working environment, we are encouraging colleagues to make more climate-friendly choices in their homes by using the Pawprint app.

Furthermore, working with EcoTree, a certified B Corporation company and regulated by the financial authority (AMF) and independent forestry experts (FSC, PEFC and EFF), we will plant a tree for every new customer over the next five years, or an estimated c250,000 trees. EcoTree will plant a mixture of cedar, chestnut, douglas fir and oak as mixed species are important in preventing the spread of disease and creating a varied habitat that encourages biodiversity.

Just Group's sustainability credentials are firmly established as a member of the FTSE4Good index series, as well as being the first UK insurer to issue a green bond (Tier 2, October 2020) and the first UK/European insurer to issue a Sustainability RT1 bond (September 2021).

Below is a summary of the external initiatives/organisations we are members of that are supportive of our wider sustainability goals.

Initiative/ organisation	Description
United Nations Principles for Responsible Investing (the "PRI")	A signatory of the UN Principles of Responsible Investment ("UNPRI") since September 2018, becoming the first UK asset owner to do so.
Association of British Insurers ("ABI")	Just is a member of the ABI and we aim to align our climate objectives with the ABI roadmap, actively engaging in a number of working groups.
Asset Owners Diversity Charter ("AODC")	Just joined the AODC in 2022 as a signatory and working group member, supporting with developing the forward-looking strategy and direction of this initiative.
Partnership for Carbon Accounting Financials ("PCAF")	Just joined this initiative in 2022 to aim to align with its methodology calculating proxy emissions given the lack of available data for certain sectors and asset classes.
Financial Institutions Focus Group for the Net Zero Data Public Utility ("NZDPU")	Just joined the NZDPU in 2022, a Glasgow financial alliance for net zero led initiative focusing on challenges and opportunities for financial institutions in relation to climate-transition data.
Net Zero Asset Owners Alliance ("NZAOA")	Just has joined this United Nations convened initiative to maintain best practice and to align our decarbonisation commitments.
Science Based Targets initiative	In 2022, Just signed up to the Science Based Targets initiative. With our formal transition to net zero plan now published, we will be presenting our target to SBTi for official validation. SBTi is a global movement of companies committed to aligning their business with the most ambitious target of the Paris Agreement to limit the global average temperature increase to 1.5°C above pre-industrial levels.
UK Stewardship Code	In line with our ambition to continuously improve and deliver transparency, we are committing to apply to become a UK Stewardship Code signatory in 2024.

Climate change

To assess, map and mitigate emerging risks, including climate change, we need accurate data and effective measurement systems. To achieve our net zero commitments, we have invested in training to develop the capabilities of our colleagues, developed our organisational capabilities and are evolving our data quality and information sources.

Looking to the future, enhancing our approach to climate risk management is a key priority to ensure we can effectively manage these risks based on current available data and scientific evidence. Improvements and updates to our broader strategy framework will continue, including focusing on our stewardship activities, which is vital to our forward looking plan. We are committing to apply to the UK Stewardship Code in 2024. Furthermore, we will continue to regularly engage with our external asset managers to monitor and challenge them on the way they consider fundamental and ESG factors as part of their investment decision making process and stewardship activities.

The Bank of England prudentially regulates and supervises financial services firms through the Prudential Regulation Authority ("PRA"). The PRA required firms to have fully implemented their plans for identifying and managing the financial risks from climate change by the end of 2021. Our conduct regulator, the Financial Conduct Authority ("FCA") expects premium-listed firms (including Just Group plc) to comply with the recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures ("TCFD") in their 2021 and beyond annual reports. Just Group's TCFD disclosures are available in the 2021 and 2022 annual reports, both available on our website www.justgroupplc.co.uk/investors/results-and-presentations

SUSTAINALYTICS ESG INDUSTRY TOP RATED 2023

8th out of 306 global insurers. Risk rating: 13.0

MSCI ESG RATINGS A

CCC B BB BBB A AA AAA

FTSE4Good

CDP DISCLOSURE INSIGHT ACTION

B rated

Leaving a responsible footprint

During the year we set carbon budgets to monitor travel and are looking at ways to reduce the remaining carbon to Net Zero.

91% of our purchased electricity is from renewable sources (REGO[1] Certified)

13% reduction in market based buildings emissions in 2022

561 new habits formed by employees to reduce their footprint

8,108 self-declared actions taken by our colleagues to reduce their impact on climate change

Creating a fair world

Creating a fair world is directly influenced by the way we carry out our business and also the way we treat each other, namely colleagues, customers, suppliers, or members of society at large.

44% of our Board are women

30% of senior leadership are women, target of 33% by December 2023

18% of senior leadership are from a Black, Asian or minority ethnic background, target aligned with 2021 UK census data

£55k donated to charity by the business and our colleagues in 2022

858 number of hours of volunteering recorded in 2022

INVESTING THE JUST WAY

Just has a compelling purpose: we help people achieve a better later life, and this purpose shapes our approach to how we invest.

Just has developed a Responsible Investment Framework to formally integrate ESG considerations into the analysis and decision making processes that underpin the shape of our investment portfolio. Every existing investment and all new investments are regularly screened to ensure that they meet our ESG criteria as part of the credit review process, which helps us maximise the positive impacts from our investments and minimise the ESG risks. We believe that ESG risks translate into financial risks and therefore affect the performance of our assets.

As well as incorporating externally provided ESG ratings on investee companies, we have developed our own internal scoring system to provide a consistent approach when assessing the responsible credentials of an investment. This scoring system is an input to the investment decision, alongside other factors including fundamental credit quality and pricing. Our overall investment strategy approach is driven by a "buy and hold to maturity" approach as we cashflow match our liabilities with an optimal mix of liquid and illiquid assets within our risk tolerances, limits, capital and shareholder return requirements. Given the predictable nature of our guaranteed income cash flows, life insurers such as Just are ideal providers of long-term project finance.

In our view the best way to create a positive impact through our investment portfolio is by actively seeking more investment opportunities in sustainable assets. Our framework will evolve over time to adapt to changing requirements. During 2021, we refined our investment approach to the mining sector and utilities, with no new investment in companies that use coal for the majority of their power generation.

As at 31 December 2022, on an IFRS valuation basis, Just Group ("Group") increased its investments in dedicated green and social investments[2] to £1,532m, representing 11% of the £13.9bn bond portfolio. In 2022, we originated a total of £279m of eligible green and social assets comprising four renewable energy investments in Germany, UK, Chile and USA, funding the construction of a green building (BREEAM, Excellent) for NHS medical students and providing a loan to a social housing provider that was used to purchase 160 supported housing units to provide accommodation for rough sleepers and victims of domestic abuse. This compares to £146m of eligible green and social assets originated in 2021.

These investments contributed towards completion of our full £575m green and sustainability bond investment commitments, a little over a year since the sustainability bond was issued in September 2021. Nevertheless, we expect to further increase our allocations as we aim to invest £250m a year in green and social assets (included as part of 2022-24 management incentive plan).

Investment model

Our overall investment approach is driven by our ability to cashflow match our liabilities with a mix of investment grade liquid and illiquid fixed income assets through an enhanced "buy and maintain" strategy. The long-term retirement income promises, which provide peace of mind and certainty to our customers, are backed by long-term income producing assets, which are split between liquid public investments comprising cash, government and corporate bonds, the majority of which are managed in-house, and illiquid private investments.

To achieve its optimal mix of assets backing new business, and to further diversify its investments, the Group originates illiquid assets including infrastructure, real estate investments and private placements. In particular, income producing real estate investments such as ground rents and income strips are typically much longer duration and the cashflow profile is very beneficial to match defined benefit deferred liabilities. We invest in emerging market social finance as a short term illiquid and social asset to fund the commodity value chain in second and third world countries, and the transportation of these soft commodities to end markets.

We have built a panel of 15 specialist external asset managers, each carefully selected based on their particular areas of expertise. The opportunities originated by the managers are then assessed by our in-house investment team who select the most suitable investments to pass through our internal screening process. We work in partnership with our asset managers and include features to improve the credit through structuring and features e.g during the design phase to retro-fit an existing commercial building, we collaborated with our asset originator to include a coupon step down feature as an incentive to achieve a green building certification. To date, Just has invested £3.3bn in illiquid assets, representing 16.0% of the total financial investments portfolio (31 December 2021: 12.6%). We expect that over time, illiquid assets will account for 25% of the financial investment portfolio as we execute our growth ambitions and write substantial levels of new business in the future.

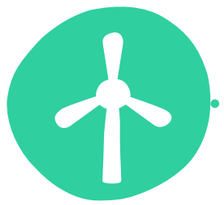
We are very pleased with the government's consultation response to the proposed reforms of the Solvency II capital regime, published in November 2022. We anticipate that reforms to the capital rules that insurers must adhere to will broaden the matching adjustment eligibility criteria, which creates opportunities to invest in line with the Government's various agendas including increased investment in infrastructure, science and research and decarbonising the economy. Many of the illiquids are invested in a range of ESG assets including renewable energy, social housing, commercial buildings providing community and healthcare services, care facilities, and green buildings. When implemented, these reforms could unleash tens of billions of pounds of investment in the UK economy as insurers can provide the long term capital to underpin economic growth and productivity as part of the government's "Build back better" programme.

Our £3.3bn of illiquid assets is further added to the Group's substantial investment in lifetime mortgages (£5.3bn, representing 26% of the financial investments portfolio), which help customers achieve a better later life, through releasing equity tied up in their home. Lifetime mortgages fulfill an important social purpose by providing an option to customers to supplement their pension income or to fund larger outgoings such as home improvements and or gifting to children and grandchildren, often to help them get on the housing ladder themselves. By releasing equity from their home, the customer can remain in their home, close to friends and family, rather than downsizing and moving elsewhere.

To summarise, as ESG investors, Just benefits from further asset diversification, while supporting the transition to a low carbon economy via renewable energy, clean transportation and green building investments. Our ambition is to ensure that our investment portfolio has a positive impact on society and the environment.

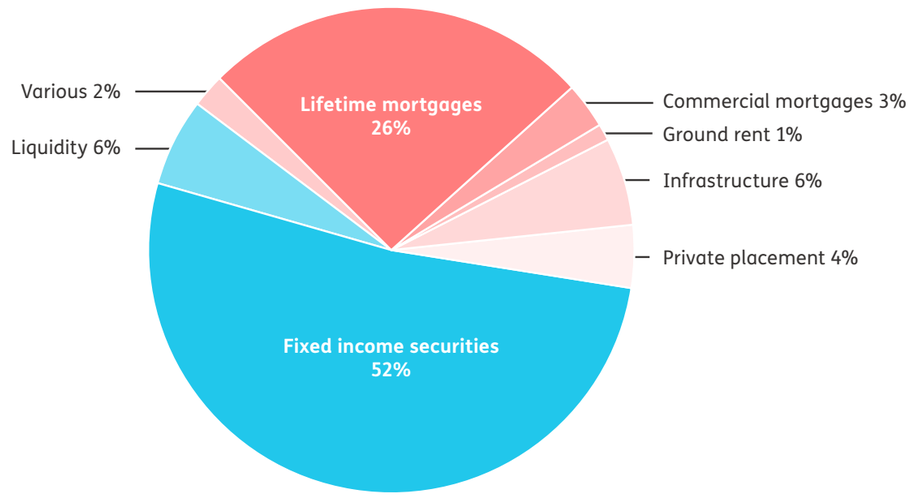
Sustainalytics have reviewed the 13 green and 10 social investments which have been allocated towards the £575m investment commitment to confirm their eligibility in line with our Sustainability Bond Framework. These investments total over £700m included over-allocation and limited by pre-issuance caps. Their review commences on page 20, with a verified list of eligible green and social investments contained on pages 16-19.

Andy Parsons,
Group Chief Financial Officer

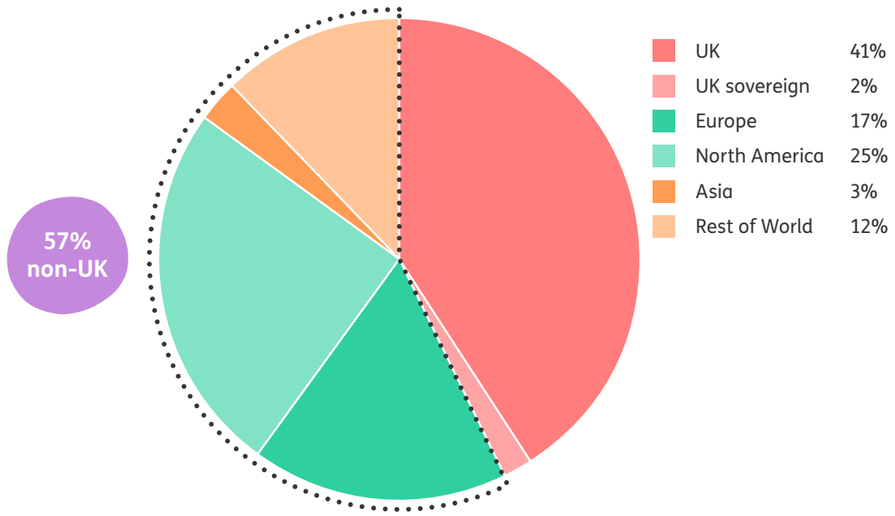


JUST GROUP ASSET PORTFOLIO AS OF 31 DECEMBER 2022

£20.3bn asset portfolio: Liquid and illiquid split



£13.9bn corporate/govt portfolio by geography



This portfolio is comprised of fixed income / private placement bonds, infrastructure, commercial mortgages and Various (£458m). It does not include liquidity, lifetime mortgages and derivatives & collateral. The IFRS valuation basis is one whereby the assets are marked and stated as their market value on the Group's balance sheet. Assets have fallen in value during 2022 due by higher interest rates and wider credit spreads.

Dedicated ESG assets (IFRS valuation basis)	31/12/19	31/12/20	31/12/21	31/12/22
	£m	£m	£m	£m
Renewable energy - wind	308	381	334	287
Renewable energy - solar	67	146	172	342
Local authority loans	200	221	221	135
Social housing - private placements	92	121	193	129
Green buildings			21	42
Eligible under Sustainability Bond Framework	**667**	**869**	**941**	**935**
Social housing - public	106	502	533	393
Emerging market social finance	53	79	105	120
Other social assets				84
Total dedicated ESG assets	826	1,450	1,579	1,532
Bond portfolio	11,860	12,982	15,277	13,887
As a % of total bond portfolio	7.0%	11.2%	10.3%	11.0%

Investments pre issuance (2 year look-back)	Category	£m Invested	Currency	Investment date	Maturity	CO_2 avoided (kt CO_2e/year)	Renewable energy generation (MWh)	Capacity renewable energy plants (MW)	Brief description
Green 1	Renewable - offshore wind	118	GBP	Nov-18	Mar-36	3,717	5,258,000	1,218	Offshore wind farm located in the North Sea.
Green 2	Renewable - solar	8	EUR	Oct-18	Dec-36	300	424,000	250	Portfolio of five solar plants located in the southwest of Spain.
Green 3	Renewable - solar	7	EUR	Nov-18	Jun-41	24	61,686	43	Portfolio of 10 solar plants located across Spain.
Green 4	Renewable - solar	24	EUR	Mar-19	Dec-38	9	37,459	24	Portfolio of 10 solar plants located across Spain generating more than 20 MW.
Green 5	Renewable - solar	29	EUR	Apr-20	Jun-40	13	19,000	10	Portfolio of one solar plant located in the southwest of Spain.
Total		**186**				**4,063**	**5,800,145**	**1,545**	
Cap at 50% of £250m proceeds		125							

Investments post issuance	Category	£m Invested	Currency	Investment date	Maturity	CO_2 avoided (kt CO_2e/year)	Renewable energy generation (MWh)	Capacity renewable energy plants (MW)	Brief description
Green 6	Renewable - solar	15	USD	Nov-20	Sep-44	254	890,000	307	Portfolio of 10 solar plants located in the US (Arizona, California and Delaware).
Green 7	Renewable - solar	28	EUR	Dec-20	Dec-38	31	130,130	81	Portfolio of 13 solar plants located across Spain.
Green 8[3]	Green building	25	GBP	May-21	May-24	301	tbc	tbc	A premier business park in the Thames Corridor, rated BREEAM "Excellent", with a unique coupon step down feature on certification.
Green 9[4]	Renewable - solar	52	EUR	Sept-21	June-42			tbc	Multi-year commitment to fund upfront costs of installing 10,000 residential roof-top solar panels.
Green 10	Renewable - solar	42	GBP	Feb-22	Mar-35		342,266	365	UK portfolio comprising 24 assets. All assets are accredited and are entitled to receive Renewables Obligations Certificates (ROCs) for 20 years.
Total		**162**				**586**	**1,362,396**	**753**	
Total eligible investments		**287**							
Total commitment		**250**				**4,659**	**7,162,541**	**2,298**	
Over-allocation		37							

Investments pre issuance (2 year look-back)	Category	£m Invested	Currency	Investment date	Maturity	Brief description
Sustainability 1	Social housing	30	GBP	March-20	Feb-37	The UK's largest builder of social rented homes, active across 19 local authority areas. It is also one of Scotland's leading care providers.
Sustainability 2	Social housing	26	GBP	June-20	July-55	A regulated Welsh housing association operating in Cardiff.
Sustainability 3	Social housing	20	GBP	Aug-20	May-37	This housing association provides "part buy – part rent" affordable housing in the UK through a program called Shared Ownership ("SO").
Sustainability 4	Social housing	25	GBP	Aug-20	Sep-43	An award-winning housing and regeneration community association in East London.
Sustainability 5	Social housing	21	GBP	Nov-20	Dec-43	Housing association active across Bedfordshire, Buckinghamshire, Northamptonshire and Hertfordshire. Identified pipeline of over 1,200 new homes, with >90% of these being affordable.
Sustainability 6	Access to Essential services	4	GBP	Dec-20	Nov-70	Provision of financing to a ringfenced company which will purchase a portfolio of social housing properties from a housing association and subsequently enter into a long-term lease with the local council as tenant.
Sustainability 7	Social housing	54	GBP	Apr-21	Mar-46	As per Sustainability 3.
Sustainability 8	Social housing	12	GBP	May-21	June-59	A mid-sized Welsh housing association aiming to develop 1,000 new social homes by 2025.
Total		**192**				
Cap at 50% of £325m proceeds		162.5				

Investments post issuance	Category	£m Invested	Currency	Investment date	Maturity	Brief description
Sustainability 9	Social housing	9	GBP	Oct-21	Dec-51 to Dec-56	A social housing provider that owns and manages more than 6,400 affordable housing properties across seven local authorities in Suffolk.
Sustainability 10	Social housing	19	GBP	Oct-22	Oct-41	Funding to provide accommodation to rough sleepers under the Greater London Authority accommodation programme (140 units) and victims of domestic abuse (20 units).
Sustainability 11	Green building	27	GBP	May -22	Jul-51	Forward funding to the NHS Tunbridge Wells & Maidstone to develop a 144-bedroom purpose-built student accommodation, academic learning hub and ancillary plant/services.
Sustainability 12	Renewable energy - wind/solar/hydro	27	USD	Aug-22	Jul-36	Investment into a Chilean renewable energy portfolio consisting of solar, hydroelectric and wind power generation consisting of: - 332 MW wind / 158 MW hydroelectric / 119 MW solar generation respectively.
Sustainability 13[4]	Renewable - solar	82	EUR	Funding in 2023	2042	A follow on investment to Green 9. As part of a wider debt financing, this investment will fund the installation of a further 30,000 new solar systems, storage units and EV chargers (present run rate is 2,000 per month). This investment has multiple positive impacts including contributing towards the decarbonising of energy production, security of energy supply and cost of living benefits as consumers seek alternative electricity sources to expensive fossil fuels.
Total		**162.5**				
Total eligible investments		**325**				
Total commitment		**325**				
Remainder		0				

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Just Group Plc

Type of Engagement: Annual Review
Date: February 24, 2023
Engagement Team:
Pauline Horng, pauline.horng@morningstar.com
Vedang Kulkarni, vedang.kulkarni@morningstar.com

Introduction

Just Group Plc ("Just Group") issued a green bond in October 2020 ("Green Bond") and a sustainability bond in September 2021 ("Sustainability Bond"), both under the Just Group Sustainability Bond Framework (the "Framework")[1] to finance or refinance projects aimed at supporting the transition towards a low-carbon economy and generate positive social outcomes. Sustainalytics provided a second party opinion on the updated Framework in August 2021.[2] In January 2023, Just Group engaged Sustainalytics to review the projects funded with proceeds from the Green Bond and the Sustainability Bond and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Framework. This is Sustainalytics' second annual review of Just Group's Green Bond and Sustainability Bond, following a previous review in 2021.[3]

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the Green Bond and the Sustainability Bond based on whether the projects and programmes:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category outlined in the Framework.

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Green Buildings	Investments in real estate that have received or are expected to receive: • BREEAM certification (Outstanding or Excellent) • LEED certification (Platinum or Gold) • EPC labels A & B	tCO_2e avoided
Renewable Energy	Investments relating to the construction, development, acquisition, maintenance and operation of renewable energy projects/facilities/companies including, among others, solar and wind power	tCO_2e avoided
Clean Transportation	Investment relating to the development, construction, acquisition, maintenance and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation: • For passenger transportation, where carbon intensity of transportation is less than 75 gCO_2e/passenger-km • For freight transportation, where such transportation does not involve fossil fuels Investment relating to the development, construction, acquisition, maintenance and operation of Electric Vehicle infrastructure.	tCO_2e avoided
Affordable Housing	Investments in Registered Housing Providers, known as Housing Associations, engaged in the construction, maintenance and refurbishment of affordable homes.	Number of affordable housing units added to supply
Access to Essential Services	Investments in Local Authorities engaged in the provision of essential services as a public good, accessible to all, including: **Housing** • build, buy and lease dwellings to help minimise homelessness and to provide low earning/unemployed individuals with accommodation • provide loans for the repair and improvement of dwellings within the area • offer tax credits and grants to the elderly/disabled to make their homes more suitable to their needs **Healthcare/childcare** • provision of foster care for vulnerable children • provision of adult social care **Education** • promote high standards of education and ensure fair access to education • provision for suitable home to school travel arrangements for children of ages 5-16 • provision of school meals for children from lower income families • delivering school improvements and ensuring schools are of a decent standard • establishing an action plan if a school fails an OFSTED inspection and is deemed unsatisfactory **Community** • provision of facilities and services related to artistic, cultural, sports, recreational and leisure • maintenance of public libraries/museums, improvements to the local environment/heritage protection • provision of small business support – advice on legal matters, HR, finance, etc.	Number of beneficiaries

[1] Just Group Plc, "Environment, Social, Governance: Sustainable Bond Framework - print version", at: Just Group Sustainability Bond Framework August 2021 - print version.pdf (justgroupplc.co.uk)
[2] Just group Plc, "Environment, Social, Governance: Second Party Opinion from Sustainalytics", at: Just Group Sustainable Bond Framework Second-Party Opinion FINAL 23 August 2021.pdf (justgroupplc.co.uk)
[3] Just Group Plc, "Environment, Social, Governance: Green T2 and Sustainability RT1 bond full allocation report - March 2023", at: Just Group Green and Sustainability bond allocation report October 2021.pdf (justgroupplc.co.uk)

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Issuer's Responsibility

Just Group is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from Just Group's Green Bond and Sustainability Bond. The work undertaken as part of this engagement

included collection of documentation from Just Group and review of said documentation to assess conformance with the Just Group Sustainability Bond Framework.

Sustainalytics relied on the information and the facts presented by Just Group. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Just Group.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,[4] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Just Group Sustainability Bond Framework. In August 2022, as part of its scoring review, Just Group disclosed to Sustainalytics that the proceeds from the Green Bond were fully allocated by February 2022, while the proceeds from the Sustainability Bond were fully allocated in December 2022.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the Green Bond and the Sustainability Bond to determine if projects aligned with the use of proceeds criteria outlined in the Just Group Sustainability Bond Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the Green Bond and the Sustainability Bond to determine if impact of projects was reported in line with the KPIs outlined in the Just Group Sustainability Bond Framework. For a list of KPIs reported, please refer to Appendix 1.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

[4] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix 1

Appendix 1: Impact and Allocation reported by eligibility criteria[5]

Green Use of Proceeds Categories	Environmental Impact reported by eligibility criteria					Amount Allocated (GBP million)
Renewable Energy	**Technology**	**Projects and assets**	**Certification achieved**	**Added capacity (MW)**	**CO_2 avoided ($ktCO_2e$/year)**	
	Wind power	Project 1	N/A	1,218	3,717	118
		Project 2 (a)	N/A	332	196	14
		Total (A)	**N/A**	**1,550**	**3,913**	**132**
	Solar power	Project 3	N/A	250	300	8
		Project 4	N/A	43	24	7
		Project 5	N/A	24	9	24
		Project 6	N/A	10	13	29
		Project 7	N/A	307	254	15
		Project 8	N/A	81	31	28
		Project 9	N/A	-	-	52
		Project 10	N/A	365	-	42
		Project 2 (b)	N/A	119	70	5
		Project 11	N/A	-	-	82
		Total (B)	**N/A**	**1,199**	**701**	**292**
	Small scale hydro power	Project 2 (c)	N/A	158	93	7
		Total (C)	**N/A**	**158**	**93**	**7**
Green Building	N/A	Green Building 1	BREEAM (Excellent)	-	-	25
		Green Building 2	BREEAM (Excellent)	-	-	27
		Total (D)	**BREEAM (Excellent)**	**-**	**-**	**52**
Total (A) + (B) + (C) + (D)				**2,907**	**4,707**	**483**
Total Green amount invested						**483**

[5] Data as of 14 February 2023

Social Use of Proceeds	Projects and assets	Social Impact Reported by eligibility criteria	Amount Allocated (GBP million)
Access to Essential Services	Sustainability 1	**Brief description of project**	
		Provision of financing to a ringfenced company which will purchase a portfolio of social housing properties from a housing association and subsequently enter into a long-term lease with the local council as tenant.	4
Affordable Housing	Sustainability 2	The UK's largest builder of social rented homes four years in a row, and active across 19 local authority areas. It is also one of Scotland's leading care providers.	30
	Sustainability 3	A regulated Welsh housing association operating in Cardiff	26
	Sustainability 4	This housing association provides "part buy – part rent" affordable housing in the UK through a program called Shared Ownership ("SO").	74
	Sustainability 5	An award-winning housing and regeneration community association in East London, who, with partners, are leading a £2.5bn place-shaping programme.	25
	Sustainability 6	Housing association active across Bedfordshire, Buckinghamshire, Northamptonshire and Hertfordshire. Identified pipeline of over 1,200 new homes, with >90% of these being affordable.	21
	Sustainability 7	A mid-sized Welsh housing association aiming to develop 1,000 new social homes by 2025.	12
	Sustainability 8	A social housing provider that owns and manages more than 6,400 affordable housing properties across seven local authorities in and around the Suffolk County region	9
	Sustainability 9	A registered provider of social housing, for the purpose of providing accommodation to rough sleepers under the Greater London Authority accommodation programme (140 units) and victims of domestic abuse (20 units)	19
		Total social amount invested	**220**

Total amount invested (green + social)	**703**
Amount of net proceeds allocated	**575**
Percentage of net proceeds allocated	**100%**

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The Green Bond Principles
The Social Bond Principles

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[1] Renewable Energy Guarantees of Origin ("REGO").

[2] Dedicated green and social investment includes renewable (wind and solar) energy, social housing, local authority loans and commodity trade finance ("CTF"). CTF is not part of the Just Group Sustainable Bond Framework, but is counted as a social asset as the proceeds are used in part to fund seeds, fertiliser and farm machinery purchases in second and third world countries, and the transportation of soft commodities from those countries to end markets. The monies are invested via INOKS Capital, an alternative asset manager based in Switzerland, specialising in financing the commodity value chain in emerging economies to generate a positive impact, and thus contributing towards sustainable commodity markets worldwide.

[3] Just Group has committed £25m investment to retro-fit an existing building. At the design stage, and with various technical advisors, the objective is to achieve an Excellent or Outstanding BREEAM certification on completion. As part of the legal terms and conditions of investment, Just are offering a coupon step down as an incentive to achieving such a certification, which is expected. Should the certification not be achieved, Just has already over-allocated its commitment to take into account that the investment is due to mature before the Green bond call option prior to the coupon reset in April 2025.

[4] The Green 9 investment is a £52m German roof-top solar investment commitment originated in September 2021 which funded during 2022. Subsequently, in December 2022, Just Group made a second investment of €150m (£82m of which is Sustainability 13, £47m not allocated to this bond), also to be drawn down in stages as the solar systems were installed. This investment is expected to fully fund in 2023 within the Sustainability bond three year investment commitment period, subject to operational rollout proceeding as expected.

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