

# REFURBISH REPURPOSE REVIVE

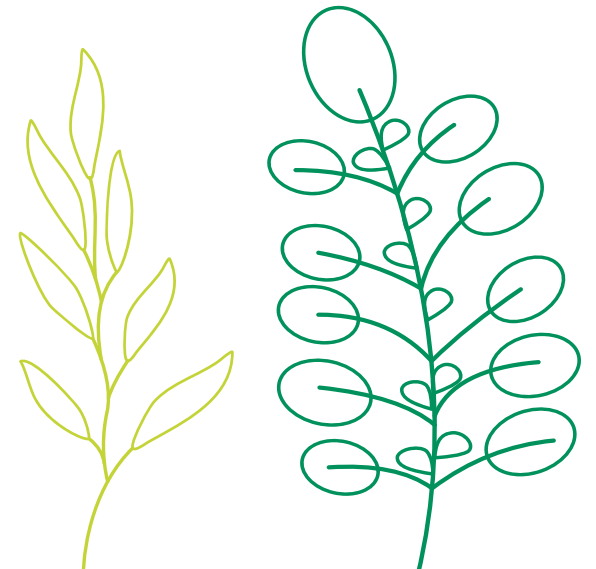
ESG PERFORMANCE REPORT 2021/2022





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# CEO'S STATEMENT

**Since I joined Annington in May 2021, the business has taken positive steps towards understanding and improving its position on Environment, Social and Governance matters. The results of these first steps are covered in this report which I am delighted to share with you.**

## OUR APPROACH

Our journey to understanding our ESG strengths and weaknesses began during the summer of 2021 when we undertook our first ever externally administered ESG assessment. The timing of this important piece of work came as the UK continued to battle with the impact of COVID-19 and as more and more attention was being given to climate change ahead of the 2021 UN Climate Change Conference of the Parties (COP26). Since then, the cost of living crisis, the aftermath of BREXIT, supply chain issues, various social movements and the war in Ukraine have all shone a light like never before on the role and responsibilities organisations must play in helping to deliver a more equitable society. We have not been immune to these issues and neither are we immune from close scrutiny of our own approach to ESG - and how we intend to help, not hinder, progress towards a fairer, more sustainable future.



## OUR PROGRESS

The assessment required us to open our business to close scrutiny with a pledge that we would listen to the findings and seriously consider how best to implement the resulting recommendations. We were made to question our own attitudes and address key issues and I am particularly proud of the resulting work undertaken around alignment with Taskforce for Climate-related Financial Disclosures (TCFD) and the UN Sustainable Development Goals (UN SDGs).

A key piece of work has been completion of our first carbon footprinting exercise, the results of which are included [later on in this report](#). In November 2021, we partnered with a national waste facilitator. We now more closely understand our waste streams and are able to monitor and report all activity on site. This new arrangement has also allowed us to set our first diversion-from-landfill target of 95%. In another first, we have committed to refurbishing 57 former military homes in Windsor in line with BREEAM Refurbishment of Domestic Buildings and are aiming for a 'Very Good' accreditation. Electric heating systems coupled with solar panels are being introduced at a development in Norfolk and more broadly the installation of solar panels and electric vehicle charging points is being implemented at a project in Oxfordshire. We took a close look at our community engagement and charitable giving strategy and as a signatory to the Armed Forces Covenant pledged to ensure that at least 90% of our charitable budget would go towards supporting and nurturing armed forces families, their children and veterans.

## THE JOURNEY AHEAD

As we look towards 2050 and beyond, we recognise that before we return homes to the national housing stock, we must refurbish in such a way that ensures they will stand the test of time. We know we must fully consider the impact of our operations on the environment, the needs of the communities in which we operate and to our staff, investors and other stakeholders.

Progressing our ESG ambitions is now a key focus and each and every one of our 55 strong staff are involved. Our Board is focused on how we can play our part and ESG is a standing agenda item for Board meetings, prompting discussion and challenge. We are keenly aware that we must take steps to reduce our carbon footprint and this will be a key consideration over the next 12 months. Progress will be reflected in our TCFD reporting which is now in its second year.

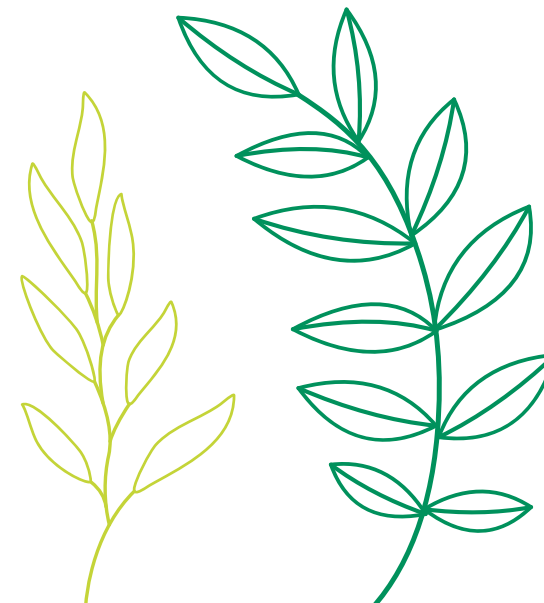
Another key piece of work will see us working with external advisors to help understand more fully the typical energy loss and thermal performance challenges of former MoD homes. We will be looking more closely at the impact of introducing extra renewable energy solutions throughout our refurbishment programmes. The project will help us determine a potential base-line refurbishment strategy as we continue to refurbish and return these homes to local communities. Given the age of these properties, this is a significant piece of work but we are determined to fully understand and assess the results and recommendations.

Our success in delivering these objectives relies on our staff and to them I owe a special note of thanks. They have grasped the seriousness of the task ahead, embraced the challenges and are helping us work through the issues we face. Our track record on providing excellent training and CPD opportunities will be key - indeed our success in tackling the issues ahead depends upon it.

We are at the beginning of a transformation, both of the homes we refurbish and more widely, our business. This report aims to explain where we currently are, the road ahead, the areas where we believe we can and must make the most impact, and how we intend to get there.

I hope you find it of interest.

**IAN RYLATT**  
CEO





# ABOUT US

**In 1996, we became one of the largest providers of privately rented housing in the UK when we purchased the MoD's Married Quarters Estate (MQE). The original portfolio numbered over 55,000 properties located in England and Wales. Today, our portfolio numbers 39,940 homes.**

We are privately owned by two funds - Terra Firma Special Opportunities Fund 1 and Terra Firma Special Opportunities Fund 2. Both are managed by General Partners that are ultimately owned by Terra Firma Holdings (Guernsey), the parent entity. Our headquarters are in London and we have offices in Bath and Cranfield. Further details about us can be found at [\\_\\_\\_\\_\\_](#)

This report covers the reporting period 1st April 2021-March 31st 2022 and aligns with our financial reporting. Our report has been prepared using best practice guidance informed by the Global Reporting Initiative (GRI) standards. In future years, we will further expand our disclosures in accordance with best practice ESG frameworks. This report was published on 1 December 2022. Any questions or queries about reported information should be directed to: [\\_\\_\\_\\_\\_](#)

## WHAT WE DO

Our primary mission has always been and remains the refurbishment and return of valuable family accommodation back into local communities – either for sale or for rent - quickly, efficiently and with keen regard to the minimisation of the impact of our activities. Wherever possible, a key focus is on the affordable segment of the property market. The work we do has sustainability at its core and plays a part in addressing the UK's well documented housing shortage.

To date our refurbishment programme of former military homes has seen us repurpose and return over 17,000 properties to the UK housing market, often providing key workers, military personnel and others with the opportunity to become home owners for the first time.

Read more in our [\\_\\_\\_\\_\\_](#)



**17,000+**  
PROPERTIES  
RETURNED TO THE  
UK HOUSING  
MARKET



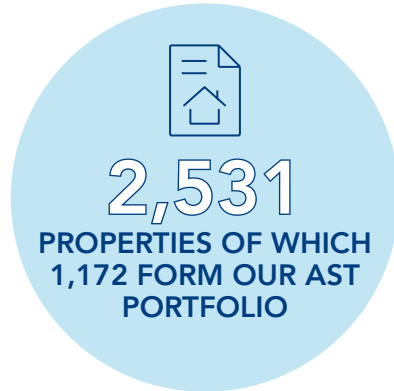
**39,940**  
HOMES CURRENTLY  
IN OUR PROPERTY  
PORTFOLIO

**HOMES FOR  
YOUNG PEOPLE,  
KEY WORKERS  
AND MILITARY  
PERSONNEL**

## ANNINGTON AT A GLANCE



Our business is unique. There are 39,940 properties in the portfolio of which 37,398 form part of the MoD's Married Quarters Estate (MQE). Importantly, under the terms of the MoD lease, all responsibility pertaining to the operation, maintenance or repair of the MQE portfolio lies with the MoD. This report, therefore, covers all our activity excluding operation and maintenance of the MQE which is the subject of the MoD's own reporting. It also excludes properties rented or leased on bulk let agreements ie to Housing Associations or local authorities.



Our non-MQE portfolio comprises of 2,531 properties of which 1,172 form our Assured Shorthold Tenancy (AST) portfolio (2021/22). The remainder are rented to the MoD and local authorities. During the reporting period a further 11 newly developed units were held for sale.



Once refurbished, we return these properties to the national housing stock. We can sell them - either to private individuals or in bulk to Housing Associations or local authorities. Or we can retain them for our non-MQE rental portfolio and offer them to private tenants for rent.



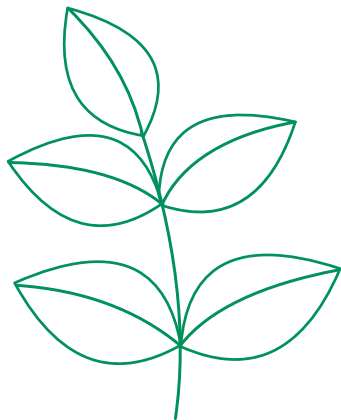


## REFURBISH, REPURPOSE, REVIVE

We have always had a strong sense of our purpose and the role we play in the UK housing market. Whilst we have no influence or responsibility in how the homes rented from us by the MoD are maintained, it is the work we undertake when the MoD no longer needs these properties that forms a key part of our story. It is at this point we have the opportunity to consider the needs of home owners, both present and future. Indeed this process is at the heart of our Refurbish, Return, Revive ethos.

Before we return properties to the UK housing stock for sale or rent, we undertake refurbishment programmes, often extensive in nature. Sadly, it is not uncommon for properties to be returned to us in very poor states of repair. However, the work we do allows us to breathe new life into these properties, repurposing and reviving homes that very often have been empty for months, if not years.

This often results in properties built in the 1980s, 1970s or even earlier being refurbished in line with current regulatory requirements. Whilst this is not without its challenges, particularly in regards to improving energy efficiency, we take great pride in returning these properties to the national housing stock, often in areas of the country where there is generally a shortage of affordable housing.



THE MOD IS COMMITTED TO  
RETURNING A TARGET OF  
**375**  
PROPERTIES  
A YEAR

### OUR RELATIONSHIP WITH THE MOD

The MoD is committed to returning a target of **375 properties** to us every year. We have no influence as to the geographical location of these properties. The release schedule can see us take possession of just one property or a whole Estate.






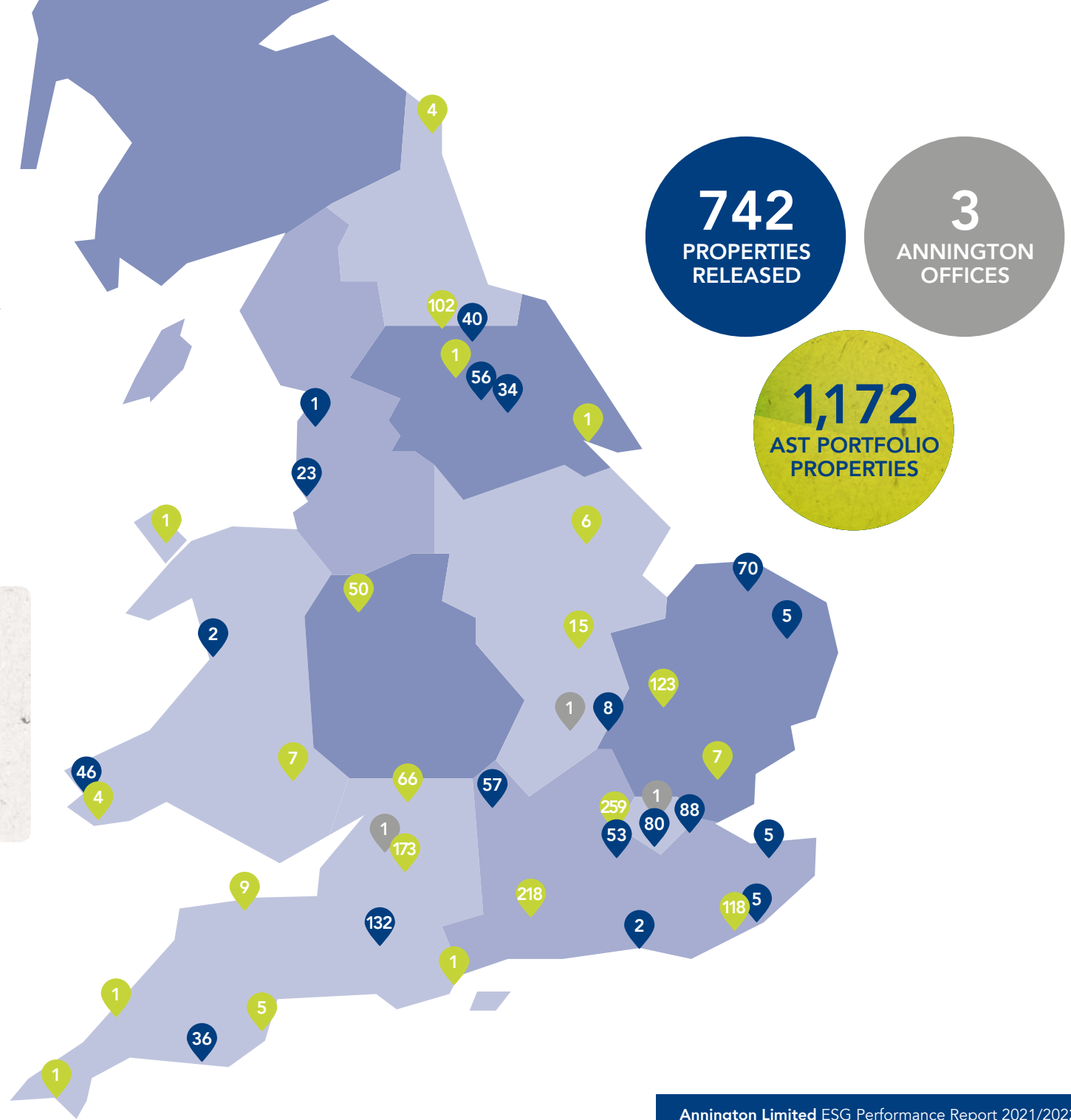
## WHERE WE WORK

In the reporting period the MoD released 742 units to us, across 22 sites. At the end of the reporting period, the non-MQE estate comprised 2,531 units of which:

- 1,172 formed our AST portfolio
- 530 were bulk let to Housing Associations, local authorities or the MoD
- 829 were undergoing refurbishment or in the process of being sold on the open market or let as an AST.

Not included within the above are an additional 11 new build units awaiting sale on the open market.

-  ANNINGTON OFFICES
-  PROPERTIES RELEASED DURING 2021/22
-  AST PORTFOLIO PROPERTIES







## WHAT DRIVES US

Our homes, whether offered for sale or rent, are usually in demand. This is because - on average - they have larger rooms, larger gardens and more green space than equivalent new build properties. They also often benefit from good transport links and access to local amenities.

The redevelopment or refurbishment of dilapidated housing provides us with the opportunity to:

- Provide modern, family-centric, energy efficient dwellings designed with both environmental and economic considerations in mind;
- Revitalise the immediate communities in which these properties sit;
- Revive neighbourhoods by investing in or develop assets or projects for the use of the wider community.

## OUR COMPANY VALUES

Our primary focus remains to refurbish and revive valuable family accommodation before returning them to the UK housing stock. We aim to do this efficiently and with keen regard to the minimisation of the impact of our activities and with a focus on reviving communities in which they sit. Wherever possible, a key focus is on the affordable segment of the property market.

**Our company values** – The F.A.C.E. of Annington are embedded within the business and these values set guidelines for our behaviours to make sustainable decisions.



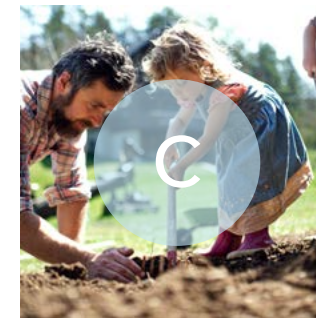
### FOCUSED

We are focused on acting responsibly and making a positive difference through our work in local communities



### APPROACHABLE

We are approachable and open in how we work



### CARING

We are caring as we value our people, our customers, our partners and our shareholders and treat them fairly



### EXPERIENCED

We are experienced as we employ the best people and work with the right partners to do the best job.

# OUR APPROACH TO ENVIRONMENT SOCIAL AND GOVERNANCE (ESG)

## OUR APPROACH TO ESG

**We work hard to make a positive impact on the communities where we work, the customers we serve, the world we live in and the people who work for us.**

ESG has been a consideration within all aspects of our business since 2016 and in the last 12 months, we have reviewed and evaluated our processes to ensure we continue to future proof our business and create benefits to the environment and society.

We partnered with an external ESG consultancy who have helped us understand our current position and have highlighted where improvements or further work is needed. This assessment programme touched every part of our business and every member of staff has been directly or indirectly involved in helping us begin to shape the future of ESG at Annington. Teams are now engaged in our ESG journey as never before and whilst the Board have the final say, we are proud of how our people both individually and collectively have responded to the challenge. Targets and objectives have been allocated internally and progress is reported to the Board on a quarterly basis.

The ESG review process audited us against 10 reporting frameworks and standards including the Task Force on Climate Related Financial Disclosure ('TCFD'), Sustainability Accounting Standards Board ('SASB'), Global Real Estate Sustainability Benchmark ('GRESB') and the United Nations Sustainable Development Goals (UNSDGs). It made 26 recommendations across Environment, Social and Governance and has shaped our strategy and the resulting KPIs. These recommendations will be implemented across a 6-18 month timeframe.

## OUR HEADLINE ACHIEVEMENTS FROM 2021



We invested £1,245 in training per employee



To date, 88% of our Assured Shorthold Tenancy (AST) portfolio are at EPC rating C or above



In response to requests by Assured Shorthold Tenants, we have implemented a policy of installing Vehicle Charging Points where feasible



The refurbishment of 57 former military homes in Windsor will seek to achieve 'Very Good' under BREEAM 'Refurbishment of Domestic Dwellings'



We set our first diversion-from-landfill target of 95% for 2022/23



We donated £527K to charitable organisations and community programmes across the UK

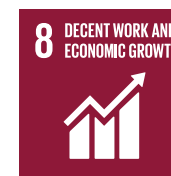


We have maintained 99% compliance with statutory regulations across our Assured Shorthold Tenancy (AST) rentals portfolio



## BUILDING OPPORTUNITIES SUSTAINABILITY STRATEGY

Bringing together all this work, we developed the Building Opportunities Sustainability Strategy, which consists of three pillars and the following targets.



Pillar	Narrative	Targets
<p><b>Caring for Our People</b></p>	<p>We care for our people and foster their personal and professional development and in turn they deliver our business goals.</p>	<ul style="list-style-type: none"> <li>• 90% of staff complete training annually</li> <li>• We actively engage with and monitor staff views and opinions and seek a response rate of 90% to our Annual Staff Survey</li> <li>• We require recruitment consultants to present a diverse selection of candidates</li> </ul>
<p><b>Respecting Our Environment</b></p>	<p>We consider the environmental impact of our operations. We work closely with our partners on the sites we refurbish, the properties over which we retain control and our offices to minimise our environmental impact.</p>	<p><b>Rentals</b></p> <ul style="list-style-type: none"> <li>• 100% of rentals portfolio to have EPC rating of C by summer 2024</li> <li>• Approve 90% of tenants' requests, where feasible, for retrofitting of electric vehicle charging points by 2023</li> <li>• Service 100% of solar panels annually</li> <li>• 100% of boiler replacements to be Combi Boilers as opposed to less efficient 'Heat Only' or 'Back Boiler' systems by 2023</li> </ul> <p><b>Property</b></p> <ul style="list-style-type: none"> <li>• 95% diversion-from-landfill target for waste resulting from our refurbishment programme</li> <li>• Convert 10% of communal space to re-wilding during refurbishment, where feasible</li> </ul>
<p><b>Valuing Our Stakeholders</b></p>	<p>We work with partners and suppliers who share our business standards and values. We treat them fairly, and in doing so meet our customers' needs by providing refurbished homes for sale or rent in environments in which people want to live. Our support of military charities, projects and organisations helps contribute to thriving and sustainable communities.</p>	<p><b>Rentals</b></p> <ul style="list-style-type: none"> <li>• Respond to 100% of complaints within 24 hours</li> <li>• Settle all tenants' complaints within 28 working days</li> <li>• Receive a minimum 90% rating in our tenant-rated contractor performance reviews every quarter</li> <li>• No more than 3% of the portfolio to have outstanding maintenance requests exceeding 6 months in length</li> <li>• Achieve a minimum of 95% compliance against all statutory checks</li> <li>• Engage with 100% of AST tenants at move in and move out</li> </ul> <p><b>Property</b></p> <ul style="list-style-type: none"> <li>• Resolve 100% of customer service complaints within 28 days</li> </ul> <p><b>General</b></p> <ul style="list-style-type: none"> <li>• As a signatory to the Armed Forces Covenant, donate 90% of our corporate giving to support the UK's military community</li> </ul>

We are reviewing our approach, and hope to have a more ambitious targets in the future.

## OVERVIEW OF ESG WORK GROUPS



### Communicating to Employees

- Job descriptions and Personal Development Plans have been amended to reflect ESG responsibilities for key staff.
- ESG matters are a standing item on the CEO's weekly briefing to staff.



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

We believe that business has an important role to play in helping to deliver the UN SDGs. The results of an UN SDG mapping exercise determined that we are most strongly aligned to SDGs 4, 7, 8, 11 and 12. However, we believe we need to also look at where we may be impacting negatively and the materiality assessment planned for next year will help us understand the views of our stakeholders and inform further work in regards to supporting the SDGs.

### GOAL 4: QUALITY EDUCATION

#### How we are aligned:

- We have long championed the importance of education as evidenced by our active support of a number of specific organisations dedicated to improving the educational outcomes of military children, a group with a very particular set of challenges not experienced by their non-military peers.
- We have a full and inclusive schedule of technical and non-technical training and Continued Professional Development for all staff and dedicate resources ensuring that the entire staff body continue their education, regardless of where they are in their careers.



### GOAL 8: DECENT WORK AND ECONOMIC GROWTH

#### How we are aligned:

- We are committed to providing a safe working environment. Both our own and our contractors' safety management systems comply with UK Health and Safety Legislation.
- We have instigated measures which go over and above legal requirements to ensure our contractors maintain our high Health and Safety standards.



### GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

#### How we are aligned:

- We are taking active steps to understand and improve how we ensure the sustainable and efficient use of natural resources.
- We have updated our [sustainable procurement policy](#) and also have stringent processes in place for the disposal of chemicals and hazardous waste which can be found on former MoD sites.
- Waste generation and the recycling of materials is a key focus and we have set our first diversion-from-landfill target of 95%.



### GOAL 7: AFFORDABLE AND CLEAN ENERGY

#### How we are aligned:

- Energy efficiency and affordability for future residents is becoming a key consideration when we refurbish former military homes. Most require significant thermal upgrades and energy efficiency measures that meet both regulatory and end user expectations. But we know we can do more and have commissioned further research into the current energy and thermal performance of typical MQE properties. This research will allow us to consider carefully the energy efficiency measures we implement as standard as part of our refurbishment programmes going forward.
- Greater focus is now being given to the integration of renewable energy across our refurbishment and rentals operations including electrification of homes, installation of heat pumps, increasing the number of photovoltaic (PV) panels being fitted and increasing the number of electric vehicle electric vehicle (EV) charging points.



### GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

#### How we are aligned:

- The refurbishment of former military homes returns much needed property back into the UK housing stock. Our properties are often within the reach of first time buyers.
- The management of waste that results from our operations is a primary concern and we have taken active steps to understand our impact and mitigate accordingly. Targets have been set and will be reported annually going forward.
- The provision of green public space is a major consideration during planning stages of a project and we are advocates of the importance of reinstating these amenities for use by all.



## REFURBISH, REPURPOSE, REVIVE: A CASE STUDY

Our site at Bordon St Lucia Park was our largest ever single site at 200 2,3 and 4 bedroom ex MoD homes and illustrates the very essence of our Refurbish, Repurpose, Revive ethos. Many had been empty since 2011 and were eventually returned to us in 2019. The homes were in an extremely dilapidated state of repair and required a full internal and external refurbishment programme. Sales launched on the site in November 2019 and the site was entirely sold or let by August 2021. Given the importance of the site, we asked Lichfields to conduct a socio-economic assessment of our work. Their findings can be found by clicking the button below.

### WHAT DID WE DO?

- ✓ New external wall insulation system
- ✓ New doors and windows throughout
- ✓ Minor reconfiguration internally
- ✓ New bathrooms
- ✓ New kitchens
- ✓ New floor finishes throughout
- ✓ Full redecoration
- ✓ New garden fences
- ✓ New on plot parking formed
- ✓ New play area installed for the wider estate/ community
- ✓ Major overhaul of the site roads and communal areas including new landscaping



15

FTE SUPPORTED JOBS  
FROM INCREASED  
EXPENDITURE IN  
LOCAL AREA



97

FTE SUPPLY  
CHAIN JOBS



£7.9M

RESIDENT EXPENDITURE  
WITHIN LOCAL SHOPS  
AND SERVICES PER  
ANNUM



£1.1M  
FIRST OCCUPANT  
EXPENDITURE



80

FTE DIRECT  
JOBS DURING  
CONSTRUCTION



£412,000  
COUNCIL TAX  
REVENUES PER  
ANNUM

## WIDER ECONOMIC AND SOCIAL VALUE BENEFITS



Bringing key sites (Ministry of Defence facilities) back into productive use



Supporting a range of opportunities across different trades and skills within the house building industry



Supporting a third of buyers to reach the property ladder as first-time buyers



Delivering high-quality open green space and children's play space







Giving back to the community by donating £10,000 to the Phoenix Theatre & Arts Centre in Whitehill & Bordon

Source: Lichfields Bordon Socio-Economic Impact Report August 2021



## STAKEHOLDER ENGAGEMENT

Engaging with individuals, special interest groups and organisations who have an interest in our work is important to us. We have four main key stakeholder groups:

Stakeholder	Why do we engage?	How do we engage?
 <b>Staff</b>	They are key to our continued success and their views and expectations of us are important.	<ul style="list-style-type: none"> <li>• Biennial staff survey. This is due to become an annual event from 2022 onwards</li> <li>• Annual All Staff meetings</li> <li>• Weekly CEO briefings</li> <li>• Regular departmental meetings</li> <li>• Annual staff appraisal and training reviews</li> </ul>
 <b>Investors</b>	Their insights and perspective on issues that affect us ensures we maintain alignment with their goals and objectives.	<ul style="list-style-type: none"> <li>• Primarily via the Board which comprises independent Non-Executive Directors, Terra Firma Directors and Executive Directors who are able to consult with Shareholders in real time</li> <li>• Further to this, members of the Board are in regular contact with Terra Firma representatives through informal meetings and formal events such as conferences and scheduled management meetings</li> <li>• We also conduct annual investor update calls for all of our bond investors where we provide an update on the business and take questions</li> </ul>
 <b>Customers</b>	Regular and meaningful engagement with our tenants and buyers allows us to continually demonstrate our commitment to them and deliver value at every stage of their interaction with us.	<ul style="list-style-type: none"> <li>• Tenants are surveyed at the start of new tenancies during which we ask them to rate their experience of various things including the agent, marketing, viewing experience, check in process and property standard. Low scores are reviewed and circumstances investigated. We keep a keen eye on any trends that may need addressing</li> <li>• At the end of a tenancy, tenants are surveyed again asking them to rate their experience renting an Annington home, maintenance, communication, the check-out process and again, low scores are reviewed and investigated</li> <li>• Tenants who raise maintenance issues are also invited to complete a short survey of their experience of the contractors and satisfaction that the job is complete</li> <li>• Tenants complaints are logged and reviewed weekly until resolved. In-person property visits are offered where we deem it necessary</li> <li>• We manage the sales process through regular engagement with agents and solicitors, aiming to ensure all buyers receive a consistent, fair and timely process</li> <li>• Where appropriate, buyers are offered the Annington Seal of Approval incentive. This provides reassurance that the electrical, heating and internal water systems have been professionally checked and serviced and that, should they fail within the 28 day period from legal completion, we will repair them free of charge</li> </ul>
 <b>Charity Partners</b>	The impact of deployment of a serving parent on families, frequent house moves, issues around spousal employment and the impact of military life on children's education are features of life as a military family. As a signatory to the Armed Forces Covenant, we have pledged our support to this key group.	<ul style="list-style-type: none"> <li>• We engage both directly with military communities and those families living in our homes and also work with credible stakeholder representatives, most notably key military charity partners. Engagement happens at both organisational level and site level and we offer both human resource and financial support. For further information, see <a href="#">Our Communities</a> section</li> <li>• During the reporting period, in light of the findings of the MoD commissioned <a href="#">'Living in Our Shoes' Report</a> we realigned our community engagement and support strategy against the report's recommendations to ensure it was relevant and targeted where most needed</li> </ul>



# CARING FOR OUR PEOPLE

4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



The health and welfare of our staff is and always has been a primary concern and we are very proud of our low staff turnover. We have been through some challenging years with COVID-19, but we have ensured we have engaged with our people, and that their safety was never compromised.







**We are focused on the following priorities to ensure that we are Caring for Our People:**

**ENSURING EVERYONE IS IN A HEALTHY AND SAFE ENVIRONMENT**

**ENCOURAGING DIVERSITY**

**ENGAGING WITH STAFF AND PROVIDING TRAINING**

## MANAGEMENT APPROACH

**Policies** are in place that address everything from parental leave to dependent's leave and we offer a substantial package of benefits for those who find themselves unable to work due to ill health. Private health insurance is available to all staff, regardless of role, and everyone has direct access to advice, information and counselling services 24 hours a day.

We also consider our contractors to be part of our wider family; indeed a number of them have been partners since the very beginning and we take their wellbeing seriously too. We have expanded our series of monthly briefing notes on health and safety matters to include our contractor partners which they are encouraged to disseminate to their staff and sub-contractors working on site.

## LIVING WITH COVID-19

The positive impact of the UK's vaccination programme and the removal of all remaining COVID-19 related restrictions allowed us to welcome staff back to the office from 18 August 2021. Moving forward we introduced hybrid working which now sees staff splitting their work week between office/site and home working on a 60/40 basis.

The measures put in place to support staff during the Pandemic continued during the reporting period ensuring that all employees had the necessary equipment to do their jobs safely and securely from the relevant work location. We updated our IT infrastructure and issued all members of staff with mobile telephones. All staff with roles that see them potentially working alone on site or in one of our offices were encouraged to utilise the Stay Safe app which is specifically designed for the safety of lone workers.



## HEALTH, SAFETY AND WELLBEING

### Why is health, safety and wellbeing important?

Caring for people is at the heart of our business. Their welfare, experience and energy is central to our mission and ongoing success. Our company values - **the FACE of Annington** - enshrines the belief that looking after our people is a cornerstone of our responsibility as an employer. Staff, regardless of whether they are working on site or not, are required to complete yearly basic health and safety training, including for those who wish, more comprehensive first aid training. All staff are also obliged to undertake Automated External Defibrillation training and each office has at least one defibrillator.

When the MoD return properties to us, we undertake comprehensive risk assessments which are designed to capture all areas of potential risks on any particular site. These are shared with anyone visiting the site, be that staff, contractors or other visitors. Office risk assessments are conducted annually and we have separate fire and evacuation plans in place. During the reporting period, the COVID-19 specific risk assessments undertaken in 2020 were updated and then subsequently included into the overall risk assessments for each of our offices.

	2022
<b>Contractor Incidents</b>	1
<b>Incidents reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations</b>	Nil
<b>Employee work incidents</b>	Nil

## WELLBEING INITIATIVES

- Our Lunch and Learn wellbeing initiative was originally introduced in 2019 as monthly, in-office sessions delivered by external experts. Subjects included everything from the importance of sleep, gut health, meditation to chair-based yoga. The sessions were well attended, and as the country went into Lockdown and staff worked from home, we decided to make the sessions weekly. The sessions helped both with general staff wellbeing but also helped maintain company morale. The programme continued into the first half of the reporting period before being phased out as staff returned to the office.
- We promote healthy eating habits by providing free fruit to all employees across all three offices.
- Looking ahead, we will be participating in the Cycle to Work scheme.

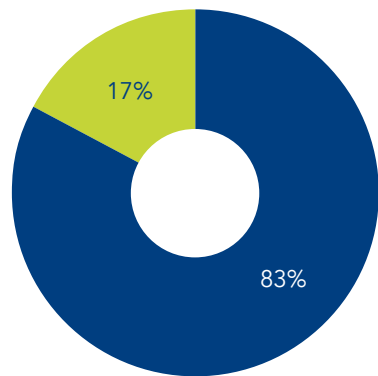


## EQUALITY, DIVERSITY AND INCLUSION (EDI)

### Why is EDI important?

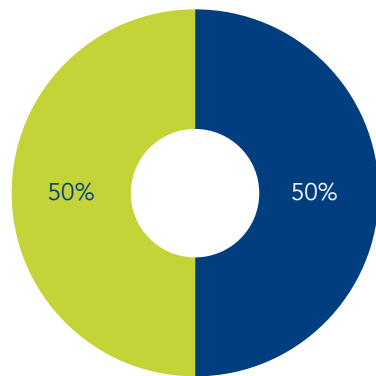
We believe that a workforce needs to be representative of the wider population and we embrace diversity in all its forms. Our culture and working environment is consistently identified by our staff as key to our success as an employer and we pride ourselves on nurturing an environment where everyone is treated equally. It helps us keep and attract talented people who bring fresh perspectives which are vital to helping us drive the business forward. We have a suite of [policies](#) in place and all staff receive training and refresher courses covering EDI.

### EDI Breakdown



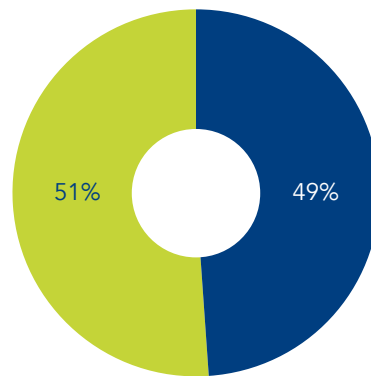
**THE BOARD**

■ Men  
■ Women



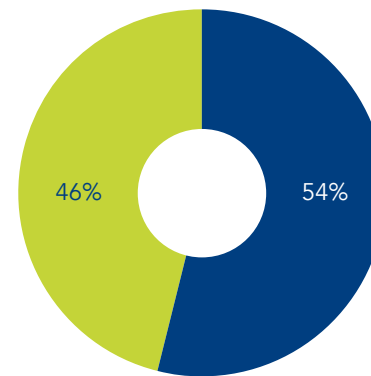
**SENIOR EXECUTIVE TEAM  
(EXCLUDING BOARD)**

■ Men  
■ Women



**ALL EMPLOYEES**

■ Men  
■ Women



**FULL-TIME**

■ Men  
■ Women

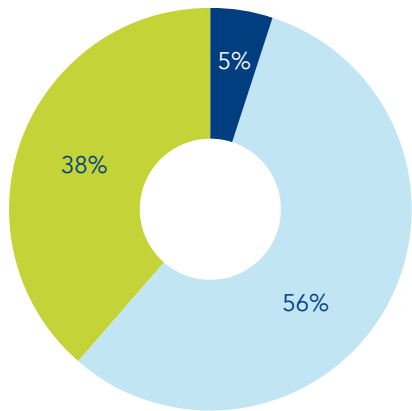


**PART-TIME**

■ Men  
■ Women

## EMPLOYEE GENDER AND DIVERSITY DATA

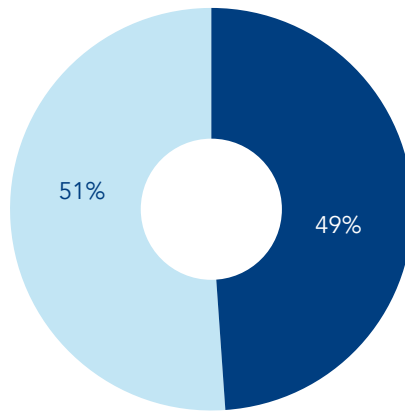
### Equal Opportunities Reporting



#### AGE RANGE

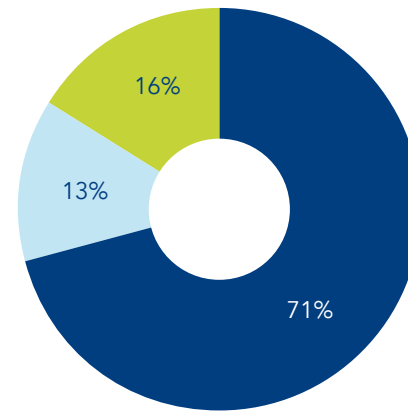
- Under 30
- 30-50
- Over 50

**Average Age: 46**



#### GENDER SPLIT

- Male
- Female



#### ETHNICITY

- White
- Asian/Black/Mixed
- Other or not disclosed

NUMBER OF REPORTED INCIDENTS OF HARASSMENT AND/OR DISCRIMINATION IN THE WORKPLACE

# ZERO

EMPLOYEE TURNOVER RATE FOR THE REPORTING PERIOD WAS

# 11%

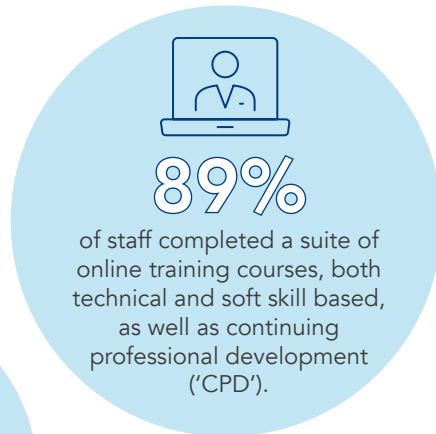
Although we are not required to report our gender and diversity pay gaps, we understand this is an important measure to show how we are addressing gender inequality in the workplace, and we will be measuring this in future reports.



## DEVELOPING EXPERTISE

Developing expertise and investing in training of our staff is key to our on-going success and we are fortunate to employ and retain people who both appreciate the importance of the training we offer and value the opportunities we provide. Training is both technical and soft-skill focused and a number of training courses are mandatory, regardless of role. These include GDPR, Fire Safety and First Aid. We are proud to have supported a number of junior staff progress through a range of professional qualifications including Association of Accounting Technicians (AAT).

Employees are actively encouraged to identify courses and qualifications that they feel will help with their roles and can do so at any time of the year, not just during their annual Personal Development Review.



## TRAINING CASE STUDY: MARK GREENLAND, COMPLIANCE & PROPERTY MANAGER



"My role is key to ensuring our tenants safety and it's my responsibility to ensure that all our non-Married Quarters Estate properties are fully compliant. The NEBOSH Fire Certificate Level 3 course provided me with the opportunity to

improve my knowledge and understanding of the increasing legislation and responsibilities around fire safety and has equipped me with the knowledge to suitably protect our tenants and our properties from fire hazards . The course focuses on identifying fire risk and hazards and the ability to put in place a range of fire prevention measures to combat the identified risk. Thanks to the course, I am now able to undertake Fire Risk Assessments and have the knowledge to understand the deeper theory behind fire risk management. The course included a week of intense in-person training, followed by another 100 hours of further self-study, with assessment in the form of a 3,000 word case study and an officiated examination. As well as equipping me with the knowledge needed, it's also given me the tools to implement a culture of undertaking both best practice and ensuring that the business adheres to the ever changing landscape of required legislation. This qualification is playing a significant role in helping to avoid the damaging and sometimes catastrophic losses that can result from fire and Annington were very supportive throughout. I was given study leave to undertake the week's full time course off site, as well as allowing me time off to undertake additional self-study in order to complete the case study and sit the final examination."

## ENGAGING WITH EMPLOYEES

Historically, we have conducted staff surveys biennially with the last being in December 2020. We have realised the importance of hearing from our employees and including them on our ESG journey and as a result, our staff survey will become an annual event with the next planned for December 2022.

### Headline take-outs from 2020:



We had a response rate of

**94%**



**100%**

said they would recommend Annington as an Employer



**96%**

said they were proud to tell people they worked for Annington



**100%**

said Annington had taken the necessary steps to look after employees during the pandemic

## OUR CONTRACTORS

Prior to works beginning on site, we discuss the construction phase plan with our contractor partners. This process allows us to outline the considerations for the working environment and assurance that works can be executed in a safe and considered manner. This document is reviewed and approved by our Principal Designer prior to commencement on site.

On active sites, we monitor and assess the implementation of our policies and systems through monthly independent health and safety checks, in addition to requiring contractors, as part of their contractual obligations, to undertake their own regular health and safety checks. In addition, during the reporting period, to augment our monthly health and safety checks on active sites, a league table approach was introduced whereby all contractors are assessed using a points system.

Where our health and safety inspections highlight a breach, contractors are required to write to us to formally confirm steps being taken to address it. Substantiation is required and can include a signed and dated copy of a 'Toolbox Talk' training document. Future contracts are only awarded to those with consistently high performance. Further initiatives during the reporting period saw the piloting of Site Safety Boards. Designed with labelled sleeves, the boards contain all relevant site specific safety information, unit by unit, including the location of any asbestos found, Accident Book and First Aider details.



# RESPECTING OUR ENVIRONMENT

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We are working to reduce our environmental impact, and are also developing our understanding of how we can contribute to the UK's goal to be net-zero by 2050. We acknowledge the importance of acting now to reduce the effects of climate change. We have undertaken our first carbon foot-printing exercise and now have a clearer understanding of how to operate more efficiently to drive positive change across the business.







## RESPECTING OUR ENVIRONMENT

**When undertaking our refurbishment work, we are focused on the following priorities to ensure that we continue to respect the environment:**

**MAKING THE MOST OF OUR RESOURCES**

**REDUCING OUR ENVIRONMENTAL IMPACT**

**ENHANCING NATURE AND IMPROVING BIODIVERSITY, WHERE REQUIRED**

## FACING UP TO THE CHALLENGE

The built environment is one of the most significant contributors to climate change, and whilst actions are in place to reach net zero by 2050, significant advances need to be made to ensure a bright future for all communities. Given that 80% of the homes that will exist in 2050 have already been built, the importance of effective refurbishment and retrofitting is clear.

However, it is a significant task. Private homes represent such a large proportion of the building stock across the UK and the nation's 30 million homes account for more than 21% of the UK's total carbon emissions, with three-quarters of this coming from heating systems. 85% of UK homes are on the gas network, using fossil fuels and producing large quantities of carbon emissions. To reach net zero by 2050 all homes will need to achieve an EPC rating of C or above; however most currently have an EPC rating of D. Therefore retrofitting homes to use low carbon heating systems is a major challenge which we must address to reach net-zero emissions by 2050.

This combined with the fact that British homes lose heat up to three times faster than those across Europe requires addressing urgently. The project we have planned for 2023 which will look at thermal efficiency issues of former MoD homes will give us the opportunity to meaningfully and effectively implement refurbishment programmes that will address both these issues. More broadly it is hoped that it will demonstrate how we and others – both private individuals and larger landlords – can tackle the challenge of retrofitting and in doing so contribute to the UK's net-zero goals.

(Source: Energy Saving Trust – Retrofitting the UK's housing stock to reach net zero)



## MANAGEMENT APPROACH

We are still in the process of fully understanding our impact on the environment. Our policies help us manage our impact and cover a wide range of environmental responsibilities, from being transparent and open about energy use and carbon emissions, to sourcing sustainable materials and products.

- Our **Environmental Policy** guides our management and employees to reduce the consumption of utilities and materials, as well as minimising the amount of waste produced on our sites.
- Our **Sustainable Procurement Policy** guides our purchasing decisions to ensure we are sourcing low impact materials. As new development or dilapidation work is undertaken, we investigate opportunities for the use of recycled materials and products.

A number of key recommendations resulted from the ESG assessment and their implementation has impacted every area of our business. Our Staff Forum in July 2021 had an ESG theme and those departments key to the delivery of our sustainability agenda gave overviews of the various work-streams. As the recommendations of the ESG assessment were published, staff have been briefed accordingly and all are engaged, to a greater or lesser extent depending on role, in helping deliver or implement the necessary changes. The CEO's Weekly Report which is disseminated to all staff includes ESG matters as a standing item.

## GREENHOUSE GAS EMISSIONS, DECARBONISATION AND NET-ZERO

We welcome the recommendations of TCFD and recognise the impetus this will provide for companies and stakeholders. This our second year implementing the TCFD recommendations, and we are committed to further developing our approach in order to meet the recommendations in full and in line with emerging legislative requirements.

Action is needed to reduce the effects of climate change and to limit global warming to 1.5°C by 2100. For us this starts with understanding our carbon footprint. Our first carbon footprint project has helped us understand where our carbon hotspots sit with our value chain and we will be considering closely the ways in which we can reduce our impact going forward. Further advice will be sought on how we can set a science-based Net Zero aligned target. Science-based targets provide companies with a clearly-defined path to reduce emissions in line with Paris Agreement goals – limiting global warming to well below 2° above pre-industrial levels and pursuing efforts to limit warming to 1.5°.

Over the past two years, we have calculated our Scope 1 and 2 emissions and this year have expanded our Scope 3 topics. This year we are exploring the indirect greenhouse gas (GHG) emissions across our value chain; this will allow us to identify where the most significant Scope 3 emissions are located. We can assess where we produce the most emissions and set emission reduction targets for all Scopes that are realistic and ambitious.



## OUR MEASURED CARBON FOOTPRINT FY 2022

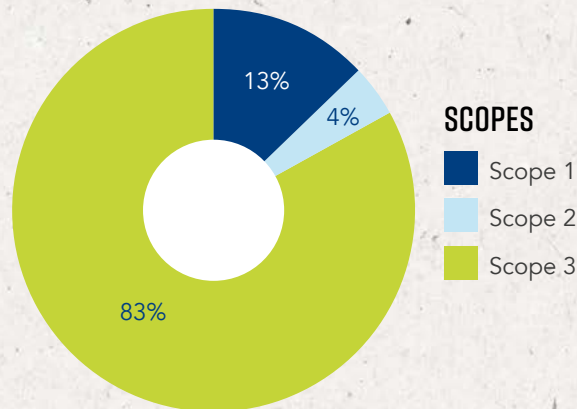
### OUR PERFORMANCE

In 2022, we expanded our reporting beyond the mandatory carbon reporting requirements set out in the Streamlined Energy and Carbon Reporting (SECR) regulations. Using the best practice framework Greenhouse Gas Protocol, we have calculated a more detailed carbon footprint for our 2022 financial year. We captured more emissions categories, including emissions across our value chain.

The activities included in our carbon footprint are:

- **Scope 1:** fuel, natural gas and refrigerants
- **Scope 2:** electricity
- **Scope 3:** business travel, energy and fuel-related activities, purchased goods and services, and waste generated in operations.

The Scope 3 categories have been selected as relevant to our operations and are reported based on their contribution to the overall footprint and data availability. We aim to expand our reporting scope in future reporting periods.



In FY 2022, our footprint totalled 3,086 tCO<sub>2</sub>e for our Scope 1, 2 and 3 emissions. To put that into perspective, our measured carbon footprint is equivalent to approximately 16,260 return car journeys between our sites in Plymouth and North Yorkshire.

#### Scope 1 = 408 tCO<sub>2</sub>e

Scope 1 emissions accounts for 13% of our measured carbon footprint. These are direct emissions from natural gas used to heat our offices, by homes undergoing refurbishment, by those under our direct control prior to being rented/sold to third parties, fuel consumed by company-owned vehicles, and any refrigerant leakages reported to us.

#### Scope 2 = 116 tCO<sub>2</sub>e

Location-based scope 2 emissions totals around 4% of our overall measured carbon footprint for FY22. This is from purchased grid electricity consumption for our offices, by homes undergoing refurbishment or those under our direct control prior to being rented/sold to third parties. Market-based emissions were not calculated for scope 2 due to data availability.

#### Scope 3 = 2,562 tCO<sub>2</sub>e

Like most companies, our scope 3 emissions account for the majority of our carbon footprint. These are also the most difficult to reduce as they fall outside our direct control.

Emissions from the full lifecycle of the goods and services that we purchase are the most significant of our scope 3 emissions – totalling 64%. Labour, timber and concrete are the largest contributors, totalling 28% of the overall carbon footprint.

Data is collected from the business and across the value chain. When data is not available, assumptions are made to help produce the carbon footprint. These assumptions include estimations of resource use based on floor space in offices or spend on products and goods.

### FORWARD APPROACH

**In order for us to align with climate science and contribute to the UK's net zero targets, we will continue to work on the following areas:**



**Improve data quality:** Through supplier engagement, we are working to capture a full inventory with improved data collection.



**Decarbonise:** We are improving energy and resource efficiency in order to reduce emissions from the refurbishment and development of our properties. We hope to embed circular economy practices throughout construction as well as office energy efficiency.



**Increase carbon disclosures:** We are expanding the scope of carbon emissions categories in the carbon footprint to align to climate science and to understand our approach to contributing to a net zero economy.



**Embed carbon knowledge:** We are embedding climate knowledge and understanding of greenhouse gas emissions into every aspect of the business through training and continuous professional development.



## INCORPORATING LOW CARBON AND ENERGY-EFFICIENT MEASURES INTO HOMES

More often than not, we are refurbishing older buildings that are not energy efficient; this means they have a bigger impact on the environment and have higher fuel bills. Our aim is to provide homes that have a smaller impact on the environment and are cheaper for our customers to run. Work is underway to better understand typical energy-loss challenges of standard MQE properties and the results of this project will inform a planned future energy efficiency strategy designed to improve thermal efficiency and energy use in regard to all future MQE homes released to us for refurbishment.

A key focus of our environmental pillar is the Energy Performance Certificate (EPC) of the homes in our AST rentals portfolio. Our goal is that by 2024, 100% of properties within the portfolio will have an EPC rating of C or above. Remedial works are underway on those properties at D or below and to date 88% of the portfolio are currently at EPC rating of C or above.

For information on the minimum energy efficiency standards, read this [Guidance for landlords of domestic private rented property](#).

### Remedial works include:

- Upgrading loft insulation to a minimum of 275mm
- Replacing lighting in the property to ensure it is energy efficient
- Upgrading heating controls - we install modern HIVE wireless controls which tenants can control from an App on their phone
- Upgrading the thermostatic radiator valves (TRVs)
- Upgrading the heating system where required i.e. heat only boiler to a combi boiler

7 AFFORDABLE AND CLEAN ENERGY



## CASE STUDY – ENERGY EFFICIENCY IN OUR HOMES, SDG 7

In line with SDG7, we are aiming to utilise more renewable energy sources and to improve energy efficiency in our homes through the upgrading of insulation, both internal and external.

As part of this plan, we are aiming this year to obtain a Building Research Establishment Environmental Assessment Method (BREEAM) 'Very Good' accreditation to measure the environmental performance of 57 former military homes being refurbished in Windsor.

**BREEAM** is a globally recognised scheme which demonstrates developers' commitment to creating sustainable environments that enhance the well-being of the people who live in them and help protect natural resources. Scoring is based across 33 targets from 8 categories.

### BREEAM CATEGORIES:



Management eg. interaction with locals



Health and Wellbeing eg. natural light, ventilation, noise pollution, provision for bike racks



Energy eg. light fittings, renewable energies



Water eg. Water saving devices, reuse of grey water, etc.



Materials eg. Procurement of substantial materials



Waste eg. % diverted from landfill



Pollution eg. Carbon footprint of labour and materials movement to and from site during construction period



Innovation eg. innovative steps taken to show consideration for the environment

### OTHER PROJECTS:



#### Swanton Morely, Norfolk

Installation of solar panels and high retention storage heating will bring 70 former MoD homes to an EPC rating of C.



#### Abingdon, Oxfordshire

Electric vehicle (EV) charging points and solar panels being installed at 12 former Army homes.



#### Twickenham, London

Potential district heating network under consideration for refurbishment project of two blocks of flats formerly occupied by Army families.

## CHANGES TO CLIMATE-RELATED RISK AND OPPORTUNITIES

We appreciate the importance of data and the use of frameworks to help us understand climate-related risks and opportunities, and the importance of communicating risk to external stakeholders. We are working to disclose our governance around climate-related risks and opportunities, as well as set emissions reduction targets.

For the past two years, we have disclosed against the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and we recognise the importance of understanding climate-related risks and opportunities.

We also acknowledge the importance of ensuring we have appropriate risk management in place. Each year we are adapting and improving our approach to meet the recommendations in full and align with emerging legislative requirements.

As the UK transitions to a low-carbon economy, we are working to better understand typical energy-loss challenges of standard MQE properties. The results of this project will inform a planned future energy efficiency strategy designed to improve EPC ratings and thermal efficiency in regard to all future MQE homes released to us for refurbishment.

In 2021, we built on efforts to reduce emissions from our car fleet by replacing petrol and diesel vehicles with hybrid models, bringing the total percentage of leased hybrid vehicles to 85% from 78% in the previous reporting period.

## WASTE

We aim to respect our environment by using fewer resources, producing less waste, and trying to design out waste by become a circular economy.

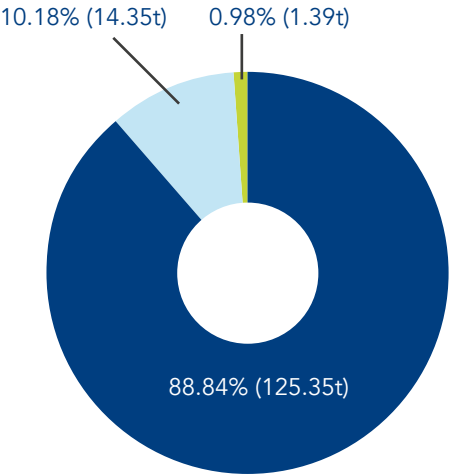
Refurbishing and redeveloping former MoD housing produces a number of different waste types – for instance our redevelopment work frequently requires the removal of significant quantities of old Unplasticized Polyvinyl Chloride (UPVC) windows and doors. These can be segregated on site and recycled into pellets for reuse.

This year, we have made significant strides in understanding our waste data. In November, we partnered with a nationwide waste facilitator who is not only helping us choose the most suitable waste contractors for each of our sites but is helping us improve our understanding of our waste streams and providing greater clarity around our waste data.

We set ourselves a diversion-from-landfill target of 95% annually and in the period November 2021-March 2022 achieved 99%. This figure includes 10% for Recovery.

Recovery is defined as turning waste into a fuel for manufacturing processes after the removal of all components that can be recycled. Recovery routes can be via RDF (Refused Derived Fuel) or SRF (Solid Recovered Fuel).

The residual materials from our sites are recovered using SRF. SRF is a high quality alternative to fossil fuel and is produced mainly from commercial waste including paper, card, wood, textiles and plastics. SRF goes through additional processing to improve the quality and has a high calorific value. It is used in facilities such as cement kilns.



**OUR WASTE DATA  
NOVEMBER 2021-MARCH 2022**

- Recycled
- Recovered
- Landfill

**Total tonnes of waste removed: 141.09**



## WORKING WITH OUR SUPPLIERS

Collaborating with our suppliers is critical to achieving our environmental targets and ensuring material specifications for our projects are aligned with our resource use ambitions. We incorporate sustainable design principles in all our projects to reduce the negative impacts on the environment as far as possible, minimising waste and reducing the consumption of non-renewable resources and creating healthy, productive environments.

If we are undertaking modifications, adapting a home or extending it, we work to ensure that sustainability is considered at the design stage to reduce the impact on the environment both during the construction period and also for the end user. When we replace existing mechanical or electrical components, we seek to install more energy efficient solutions. When a project is live, we reduce waste by actively looking to recycle and re-use materials onsite such as crushing concrete and masonry for re-use as hardcore for new parking. We segregate waste to actively reduce the percentage going to landfill. Where possible, we ensure our materials are procured from a sustainable source. The vast majority of our projects include new landscaping and here we try and improve biodiversity onsite.

In 2022, our [Sustainable Procurement Policy](#) has been reviewed and updated to ensure we align with best practice for ethical sourcing and assessing the environmental impact of materials and products.

## BIODIVERSITY

One of our environmental principles is developing communities, and we want to ensure that through our work we help plan, build and create spaces with communities in mind. We consider the ecology and biodiversity of an area before we begin any refurbishment project. Indeed, a hallmark of an Annington development is the retention and often the regeneration of neglected green space associated with the site.

We are excited to be in the early stages of working with an external consultant to help us understand how we can meaningfully contribute towards the UK's Biodiversity Net Gains (BNG) ambitions. Biodiversity Net Gain is an approach to development that leaves biodiversity in a better state than before.

Following the formation of the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) in July 2020, we engaged a leading biodiversity and environmental consultancy to run a pilot project at Bordon to further consider the issues around BNG. The project's recommendations are being studied to ensure we are in a position to understand and respond to the potential impacts of nature on financial performance.





# VALUING OUR STAKEHOLDERS

8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



We believe that to be successful in the long-term we need to work with and take into account the interests of all stakeholders, not just our investors. Our staff, our customers, our investors and our charity partners represent our key stakeholder groups and are important to us because they help to keep us focussed on our mission, purpose and objectives.



## OUR CUSTOMERS

**The MoD** is our biggest customer. Whilst the homes we lease to the MoD are operationally outside of our control, we regularly talk, meet and share information that is beneficial to both parties.

**Buyers** – for anyone buying a refurbished home from us, we strive to make the process as straight forward as possible.

- We manage the sales process through regular engagement with agents and solicitors, aiming to ensure all buyers receive a consistent, fair and timely process.
- Where appropriate, buyers are offered the Annington Seal of Approval incentive. This provides reassurance that the electrical, heating and internal water systems have been professionally checked and serviced and that, should they fail within the 28 day period from legal completion, we will repair them free of charge. We have a target of responding and dealing with any customer service issues arising within 14 days. In the reporting period, we achieved this in 62% of cases which reflects difficulties caused by ongoing COVID restrictions.
- When we build new homes we abide by the Consumer Code for Home Builders to make the home buying process fairer and more transparent for buyers.
- We continued to assist customers by participating in the Help to Buy scheme. As an example, 62% of purchasers at the development at Brize Norton utilised the scheme.

**Tenants** – our AST tenants are managed by a third party with whom we have a long-standing relationship. This relationship is closely monitored and we measure customer satisfaction.

- Tenants are surveyed at the start of new tenancies during which we ask them to rate their experience. Low scores are reviewed and circumstances investigated. We keep a keen eye on any trends that may need addressing.
- At the end of a tenancy, tenants are surveyed again asking them to rate their overall experience including how issues around maintenance have been dealt with. Low scores are reviewed and investigated.
- Tenants complaints are logged and reviewed weekly until resolved. In-person property visits are offered where we deem it necessary.



## ARMED FORCES COVENANT

Since 1996, we have provided discounts to armed forces personnel wishing to buy a former MoD property. Furthermore, support to this important group of stakeholders has also been provided in the form of numerous charitable donations to a variety of military charities. In October 2018, we formalised our commitment to the armed forces community by signing the Armed Forces Covenant. Importantly our Covenant pledges include a range of incentives to service and ex-service personnel wishing to buy or rent one of our homes, as well as:



- continuing to support service personnel and their families living in services' communities and ex-service personnel in the community;
- providing for the recreation and general needs of members of the services who live in services' communities and in particular for the improvement of the recreational facilities in the interests of social welfare and with the object of improving conditions for such families;
- providing support for activities and organisations with a connection to the armed forces; and
- maintaining a close relationship with the services by engaging representatives from the Forces' Federations

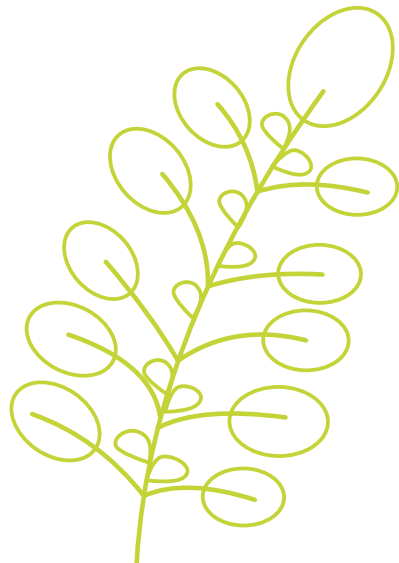


## OUR PARTNERS

Our partners include contractors, suppliers and organisations that represent military families including charities and other organisations. Our supply chain is managed by our contractors who adhere to our [Sustainable Procurement and Responsible Sourcing policies](#). We have a close relationship with Travis Perkins with whom we work to ensure that products utilised on site meet environmental and sustainability standards.

## OUR INVESTORS

Our Board comprises independent Non-Executive Directors, Terra Firma Directors and Executive Directors which enables us to consult with shareholders in real time. Further to this, members of the Board are in regular contact with Terra Firma representatives through informal meetings and formal events such as conferences and scheduled management meetings.





## OUR COMMUNITIES

Those that call an Annington property home are important to us. Whilst maintenance and operation of the homes are outside of our control, we believe we have a role to play in supporting the wellbeing of this important group and as a signatory to the Armed Forces Covenant, we have pledged our support to the UK's military.

We dedicated the entirety of our charitable giving to supporting projects and initiatives that are being delivered by credible third party organisations and charities working with military families, military youngsters and veterans. Whilst the spread of the MQE is such that our properties are based entirely in England and Wales, we recognise that frequent house moves to other areas of the UK are a key aspect of military life and as such we include Scotland and Northern Ireland in our work, wherever possible.

In 2021/2022 our Charity Committee made corporate donations totalling £527,000 to the following organisations and charities.



**The Outward Bound:** our flagship project The Annington Challenge sees military youngsters apply for places on Outward Bound Courses run through the summer holidays. The courses are designed to help those youngsters who would benefit from an experience proven to improve self-confidence, self-esteem, team-working and resilience.



**Scotty's Little Soliders:** the only UK charity that supports bereaved military children. Our funding has enabled the charity to establish a much needed new role – Head of Support.

## WATERLOO UNCOVERED

**Waterloo Uncovered** – founded by a former Cold Stream Guardsman diagnosed with PTSD after a tour of Afghanistan, Waterloo Uncovered helps veterans achieve milestones in mental and physical recovery, health and wellbeing, transition to civilian life, education and employment.



## READING FORCE

One of our longest standing partners is Reading Force, the tri-service shared reading charity founded by army wife, Dr Alison Baverstock. Reading Force was inspired by Alison's own family's experience of the impact of separation on Service children and the charity provides free books and scrapbooks to aid family cohesion through the power of shared reading. It has proven to be hugely effective at helping families feel connected, despite the absence of the serving parent. The huge explosion in the numbers of military families taking part in Reading Force triggered by the Pandemic continued. In 12 months, the charity's small team distributed over 5,000 books, 15,000 scrapbooks and engaged 8,500 more military families. In the reporting period, we nominated Alison for a Soldiering On Award in the Education, Wellbeing and Development category. Having been named as a finalist, Alison went on to win the coveted Patron's Special Recognition Award which is given for expertise in a specialist field and for influence in the Armed Forces community.



**Commonwealth War Graves Commission** – the CWGC honours the 1.7 million men and women of the Commonwealth Forces who died in the two World Wars. Our support of the Eyes On, Hands On project provided funding for a nationwide volunteer programme aimed at managing and maintaining the scattered graves of war dead across 12,000 sites in the UK. A total of 1,855 volunteers were recruited with retention rates of 96%. Between them they inspected 94,320 headstones.



**ABF the Soldiers' Charity** – our headline sponsorship of the ABF's FrontLine Walks 2021 helped the charity raise £262,081.033.

### Looking ahead we will also be supporting the following military charities and organisations:

**SSAFA** – the tri-Service military charity's Short Breaks programme provides week long holidays for military families with a child with an additional need or disability. It offers children a chance to play and grow, and families the opportunity to relax knowing their loved one is safe and enjoying themselves

**Royal British Legion Industries** – LifeWorks is the RBL's award-winning employability programme which provides vocational assessment and personal coaching aimed at getting veterans back to work.

**Service Children's Progression Alliance (SCiP)** – We are proud to be funding further research into the area of military children's educational attainment. The results will inform the way educationalists, Local Authorities, military charities and the MoD consider the educational needs of the military child.

**The Lord Kitchener National Memorial Fund** – Since 1916 the Fund has provided scholarships to children of military personnel wishing to study at University.

## COMMUNITY INITIATIVES

We launched a new initiative designed to benefit the huge numbers of military children living across the MQE. We partnered with Playing Out, a social change organisation that promotes the benefits of outdoor play, to establish the first ever #Forces Playday on 4th August 2022. An offshoot of the annual PlayDay national awareness day, the campaign aimed to promote the benefits of outdoor play for Forces youngsters and saw nearly 8,500 take part on more than 70 Army, Navy and RAF bases nationwide.

Our funding of £16,000 enabled every participating military base to purchase traditional toys and games plus additional equipment. Our donation also provided training from Playing Out to Service personnel and volunteers tasked with delivering the outdoor play sessions, as well as covering the cost of producing special 'Road Closed' signs – manufactured for the event by 'Britain's Bravest Manufacturing Company', RBL's social enterprise and employer of disabled veterans – to enable safe outdoor play.





## CLOSING STATEMENT

As we look back over the past 12 months it is with a sense of achievement. We've come a long way since we commissioned our first ESG Assessment and we've learnt valuable lessons about our business and what we need to do to ensure we continue to deliver homes fit for purpose and create communities where people thrive. I am grateful to everyone at Annington – they have embraced the ESG journey wholeheartedly and are helping us move the business forward.

We recognise that we can and must continue to build on the achievements made this year and we are excited about what that means – both for the business but also for the wider communities in which we operate.

We have assessed the EPC ratings of all of the properties in our AST portfolio and initiated a programme of remedial works designed to increase EPC ratings to C and above by summer 2024, ahead of the regulatory deadline of 2025.

Plans are already in place to further assess a range of ESG initiatives across our refurbishment programmes and as already outlined, we intend to do more to evaluate the typical energy-loss challenges of standard MQE properties. The results of this project will potentially inform a future energy efficiency strategy designed to improve EPC ratings and thermal efficiency in regard to all future MQE homes released to us for refurbishment, ensuring as far as we can that they are fit for future generations.

We have recently made our first submission to the Carbon Disclosure Project and intend to expand on our reporting as we gain greater understanding of our carbon emissions. Having expanded our Scope 3 categories and undertaken our first carbon footprinting exercise, we will be looking closely at where we have opportunities to reduce emissions, particularly in regard to our purchases and use of building materials. This in turn will enable us to contribute to the UK's net zero pledge.

In the next 12 months we will be conducting our first materiality assessment to ensure that we fully understand the issues that our stakeholders believe are of key importance to us.

All in all, we are pleased with the progress we have made since we embarked upon our refreshed ESG journey. We have laid the foundations for the next 12 months and I look forward to reporting on our progress in the Autumn of 2023.

**IAN RYLATT**  
CEO



# APPENDIX

## WASTE STREAMS

### Actual waste data November 2021-March 2022

Waste Type	Removed Tonnage	Recycled Tonnage	Recovered Tonnage	Landfill Tonnage	% Recycled	% Recovered	% Landfill
Timber	61.00	61.00	0.00	0.00	100	0.00	0.00
Hardcore/Concrete	17.56	17.56	0.00	0.00	100	0.00	0.00
Soil	14.32	14.32	0.00	0.00	100	0.00	0.00
Insulation	13.98	0.00	12.59	1.39	0.00	90.00	10.00
Metal	10.59	10.59	0.00	0.00	100	0.00	0.00
Textiles	7.16	7.16	0.00	0.00	100	0.00	0.00
Hard Plastic	6.82	5.87	0.94	0.00	86.19	13.81	0.00
Cardboard	3.11	3.11	0.00	0.00	100	0.00	0.00
Soft plastic	2.44	1.61	0.82	0.00	66.21	33.79	0.00
Plasterboard	1.81	1.81	0.00	0.00	100	0.00	0.00
Paper	1.62	1.62	0.00	0.00	100	0.00	0.00
Canteen Waste	0.32	0.32	0.00	0.00	100	0.00	0.00
WEEE	0.36	0.36	0.00	0.00	100	0.00	0.00
<b>TOTAL</b>	<b>141.09</b>	<b>125.35</b>	<b>14.35</b>	<b>1.39</b>	<b>88.84</b>	<b>10.17</b>	<b>0.98</b>

Note: Totals may not calculate together due to rounding of second decimal digit.





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