



REFURBISH REPURPOSE REVIVE

2024 ESG PERFORMANCE REPORT

REPORTING PERIOD: 01 APRIL 2023 – 31 MARCH 2024
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CEO'S STATEMENT

Welcome to our ESG Report for 2023/24. This is our third year of reporting and, to transparently demonstrate our progress against our ESG Strategy, we are reporting with reference to the GRI Standards for the first time.

In the pages that follow, we present our performance against our two key ESG Objectives – **Climate Resilience** and **People, Communities and Skills for the Future**. Over the past 12 months, these two Objectives have been further refined and, where appropriate, more challenging targets have been established and integrated throughout our business.

KEY ACTIVITIES

Over the past year, a key focus of our Climate Resilience Objective centred around building our knowledge of the entire 'carbon story' of the properties we refurbish, ensuring that their operational energy usage is central to our refurbishment decisions. The project initiated at the end of last year, designed to help us further our understanding of the typical heat loss challenges and thermal performance of former Ministry of Defence (MoD) properties, is nearing completion and is proving to be transformative. The team responsible for refurbishment decisions are, wherever possible, implementing recommended approaches to energy efficiency and are committed to delivering healthier, more comfortable homes.

It was timely that, during this project, the MoD returned five former officers' homes at Devizes, Wiltshire to Annington. These five properties provided the perfect opportunity to pilot more significant improvements that would positively impact the ongoing energy efficiency of these poorly performing houses, help upskill our contractor partners' workforce and potentially set a blueprint for future retrofit projects. Unoccupied for up to four years, these four-bedroom homes built between 1945 and 1964 were in an extreme state of disrepair and energy inefficient, with the lowest at EPC D. Over 11 months, we focused on dramatically improving their energy efficiency and in February of this year, the properties launched with an EPC A rating – competing with new builds in the local area.

A consequence of our work on this project was that it highlighted the pressing need for sub-contractors with specialist knowledge; indeed, a report by PwC estimates that up to 66,000 new tradespeople will be needed in the UK each year as retrofit take-up accelerates. While the number of properties returned to us each year by the MoD is a fraction of the UK's overall housing stock requiring refurbishment, our programme of retrofit projects will require more and more individuals with specific skills to help us meet our objectives.

Our People, Communities and Skills for the Future Objective recognises that, as well as supporting our people in learning, growing and progressing, we also believe the same opportunities should exist for those who live or have lived in our homes. Accordingly, in June 2023, we established a partnership with the military-to-construction charity Building Heroes. The charity recognises the very special skillset of those leaving the military and their suitability for a new career in construction and retrofit. Through our partnership with the organisation, we have set ourselves a target of helping 2,250 Service leavers and veterans into new careers in construction by 2027. We aim to do this by funding specific qualifications for those who wish to work within the vitally important retrofit sector.

CHALLENGES AND OPPORTUNITIES

Tackling retrofit is one of the biggest net zero challenges facing the nation, yet it is also one of the biggest opportunities to transform the built environment for the better. With over 28 million homes in the UK, transforming and decarbonising the built environment is increasingly becoming a national priority, and we believe we have an important role to play.

The lessons learnt and skills required at the project in Devizes are set to significantly inform our future retrofit

projects, which will help demonstrate our commitment and alignment to the UN Sustainable Development Goals (SDGs), particularly goals 7 Affordable and clean energy, 11 Sustainable cities and communities and 12 Responsible consumption and production. To further solidify our commitment, we will be setting more ambitious carbon reduction targets, including the ongoing operational carbon footprint of the properties we refurbish.

Last year was one of the five warmest on record for the UK. Clearly, we must acknowledge what this means for future residents of the homes we refurbish. This presents us with an opportunity to manage the impact of rising temperatures and increased rainfall in our approach to future refurbishments. We are planning to conduct a climate risk assessment against two different climate scenarios on all homes returned to us by the MoD to evaluate the risk level of our properties and establish plans to mitigate climate-related risks identified during this process. Where necessary, improvements will be incorporated into the refurbishment strategy to ensure the resiliency of the properties to climate change.

We believe that our current ESG Objectives are the right ones for us, supporting the communities we serve and our people and doing our part to combat climate change. I invite you to read on to learn more about the work we have undertaken over the past year, our measurable achievements, and our ambitious goals for the future.

Finally, a word of thanks must go to our people. They are key to ensuring we remain focused on our targets and objectives, and I would like to acknowledge each and every one of them for their continued commitment and enthusiasm.

IAN RYLATT
CEO





OUR PURPOSE

"Creating high-quality, sustainable family homes and communities where people want to live."



KEY ACHIEVEMENTS

-  We launched our first refurbishment project to achieve EPC A rating.
-  100% of refurbished properties returned to market at minimum of EPC C
-  We diverted 98% of our waste away from landfill against our target of 95%.
-  93% of our Assured Shorthold Tenancy (AST) portfolio has been upgraded to EPC C or above.
-  Our inaugural disclosure to the CDP achieved a score of C- against a worldwide average of B.
-  We invested £1,320 in training per employee (£1,220 in 2022).
-  We donated £600,000 to charitable organisations and programmes supporting the military community across the UK (£400,000 in 2022).
-  Our £50,000 donation to the Royal British Legion Industries delivered £1.99 million of social value.
-  The Annington Challenge, our project for military youngsters run in partnership with The Outward Bound Trust, welcomed its 500th participant.
-  We became a Gold Sponsor of Building Heroes, to help deliver free construction skills and retrofit training to veterans and those leaving the Armed Forces.



17,000+
PROPERTIES
RETURNED TO THE
UK HOUSING
MARKET



38,497
HOMES CURRENTLY
IN OUR PROPERTY
PORTFOLIO

HOMES FOR
YOUNG PEOPLE,
KEY WORKERS
AND MILITARY
PERSONNEL

ABOUT US

Annington Homes was established with the primary mission to refurbish and return affordable ex-MoD houses to the national housing stock – either for sale or for rent – quickly, efficiently and with a keen regard for minimising the impact of our activities. Our primary focus is on the affordable segment of the property market, and the work we do plays a part in addressing the UK's well-documented housing shortage. In 1996, we became one of the largest owners of residential homes in the UK when we purchased the Married Quarters Estate (MQE). The majority of our homes are occupied by military families and will be for another 175 years.

We are a company with serious scale. Our original portfolio numbered over 55,000 properties in England and Wales. Today, our portfolio numbers 38,497 homes and has an asset value of £7.4 billion. 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 homeowners for the first time.

We are privately owned by two funds: Terra Firma Special Opportunities Fund I and Terra Firma Special Opportunities Fund II. Both are managed by general partners that are ultimately owned by Terra Firma Holdings (Guernsey), the parent entity. Our staff of 61 are based across our three offices of Bath, Cranfield and our headquarters in London. We work with a team of trusted external contractors and specialist advisers who help us deliver our primary mission. Further details about us can be found at [terrafirmahomes.co.uk](#)

This report has been prepared with reference to the Global Reporting Initiative (GRI) 2021 Standards. It covers the reporting period 1 April 2023 – 31 March 2024, and aligns with our financial reporting. We aim to expand our disclosures year on year, in line with the GRI 2021 Standards and other best practice ESG frameworks. Any questions or queries about reported information should be directed to: [info@terrafirmahomes.co.uk](#)

Read more in our

ANNINGTON AT A GLANCE



36,720
PROPERTIES IN THE
MOD'S MARRIED
QUARTERS
ESTATE

Our business is unique. The MoD is our major customer: of the 38,497 properties in our portfolio, 36,720 form part of the MoD's MQE. Importantly, under the terms of the 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 the operation and maintenance of the MQE, which is the subject of the MoD's own reporting.



1,777
PROPERTIES OF WHICH
719 FORM OUR AST
PORTFOLIO

Our non-MQE portfolio comprises 1,777 properties, of which 719 form our Assured Shorthold Tenancy (AST) portfolio (2023/24). The remainder are rented to the MoD and local authorities.



REFURBISH, REPURPOSE, REVIVE

Our purpose is simple: to create high-quality, sustainable family homes and communities where people want to live.

Although we have no control or responsibility over how the homes rented from us by the MoD are maintained, our role begins when the MoD no longer requires these properties. At that point, we can focus on meeting the needs future homeowners. This process is central to our Refurbish, Repurpose, Revive philosophy.

Our refurbishment programmes are often extensive, as properties are sometimes returned to us in very poor condition. However, the work we do allows us to rejuvenate these homes, repurposing and reviving properties that may have been vacant for months, or even years.

As a result, we often refurbish homes built in the 1980s, 1970s or even earlier and while this presents challenges, particularly in improving energy efficiency, we take great pride in restoring these properties to the national housing stock, especially in areas where affordable housing is in short supply. Any improvements made to the properties during the refurbishment process meet current building regulations and anything that poses a health or safety risk is also addressed.



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 each 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 at any one time.

WHERE WE WORK

During the reporting period, the MoD released 380 units to us, across 22 sites. At the end of the reporting period, the non-MQE estate comprised 1,777 units of which:

- 719 formed our AST portfolio
- 271 were bulk let to Housing Associations, local authorities or the MoD
- 787 were undergoing refurbishment or in the process of being sold on the open market.



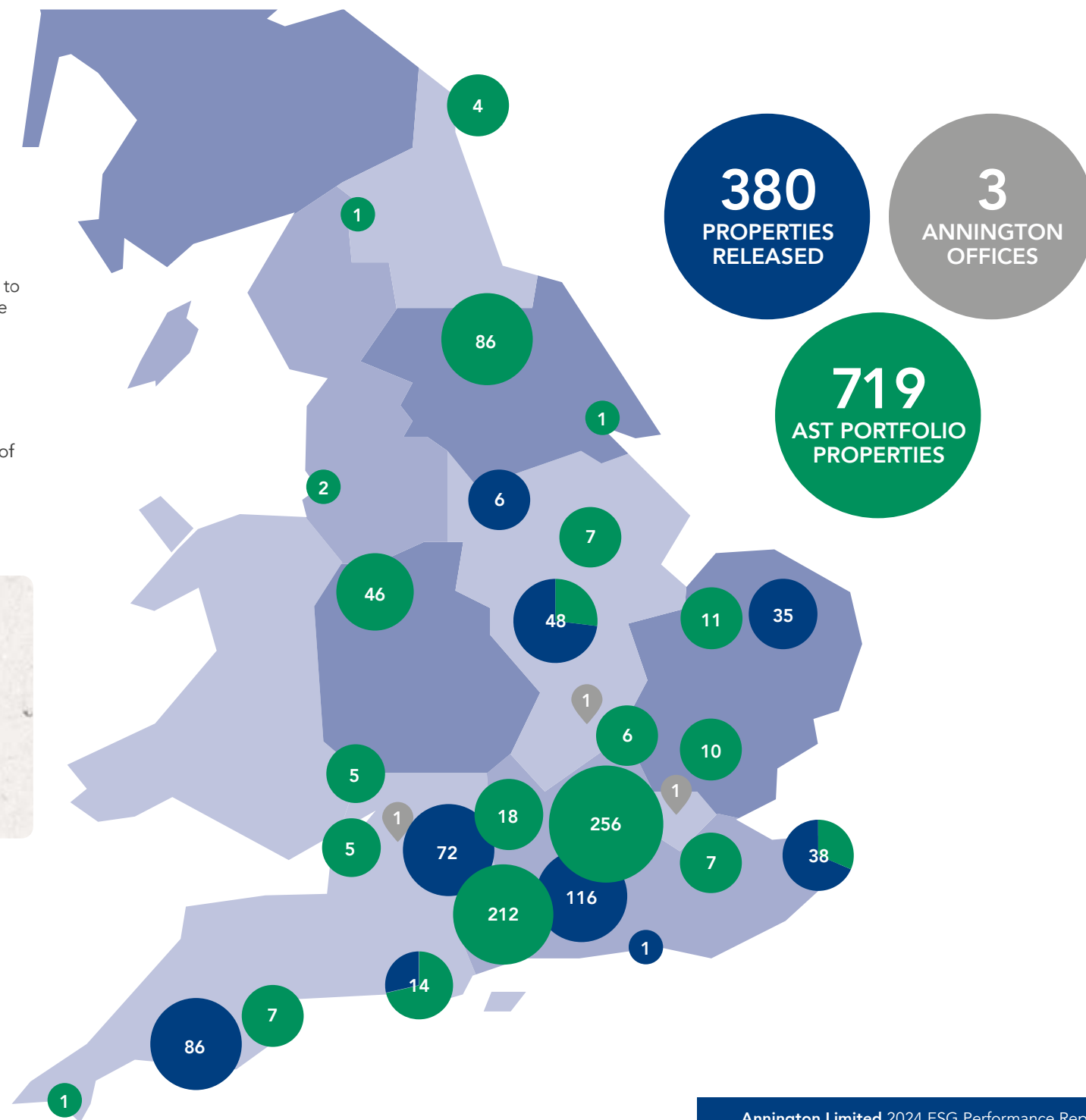
ANNINGTON OFFICES



PROPERTIES RELEASED DURING 2023/24



AST PORTFOLIO PROPERTIES



WHAT DRIVES US

Our homes, whether they are for sale or rent, fulfil a significant national need. On average, they have larger rooms, more spacious gardens, and greater green space compared to similar new-build properties. Additionally, they often enjoy good transport links and convenient proximity to local amenities.

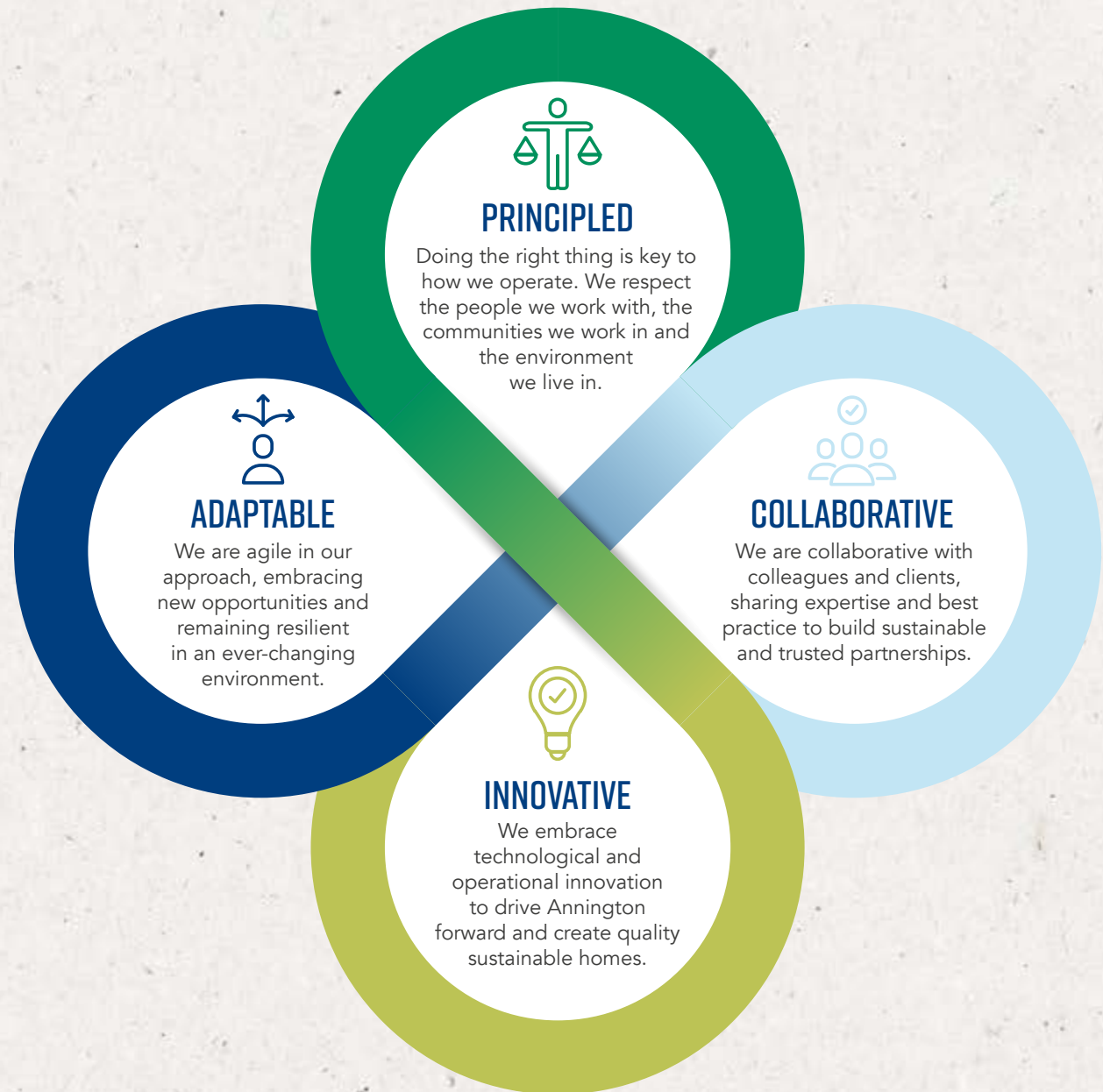
The refurbishment and repurposing of neglected housing allows us to:

- create modern, family-focused, energy-efficient homes designed with both environmental and economic considerations in mind
- revitalise the communities surrounding these properties
- rejuvenate neighbourhoods by investing in or developing assets and projects that benefit the wider community.

OUR COMPANY VALUES AND PURPOSE

Our primary purpose remains the refurbishment of former military housing before it is returned to the UK housing stock. We aim to do this efficiently, considering the minimisation of our activities' environmental impact and focusing on reviving the neighbouring communities. Our main focus is to create high-quality, sustainable family homes where people want to live.

As our sustainability journey continues, it has been important to ensure that our staff remain as committed as ever to the work we do. We are only able to deliver against our purpose if our staff are fully engaged in supporting us. Our Company Values reflect what we do as a business and define the attributes we seek to foster and deliver.



MEMBERSHIP ASSOCIATIONS



The **British Property Federation** is the voice of the UK real estate industry, and we have been a member since 2011. The Federation's purpose is to help the real estate industry grow and thrive to benefit businesses and society. Through working groups and committees, the BPF helps give Annington Homes a voice in policy work across a range of subjects such as affordable housing, build-to-rent and sustainability. We attend the annual conference hosted by the BPF and use this time to identify industry trends, always taking away key learnings to improve our business.



The **Institute of Business Ethics** is a UK-based organisation that supports businesses to achieve high ethical standards. Established in 1986, the IBE is a registered charity that has advised organisations on how to strengthen their ethical culture by sharing knowledge and good practice. We have been a member since 2012 and, in that time, we have engaged with the IBE by attending key meetings throughout the year as well as utilising the charity's knowledge hub, particularly with regard to significant policy topics.



OUR APPROACH TO ESG

We strive 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.

Environment, Social and Governance (ESG) has been a focus across our business since 2016. Over the past year, our efforts have gathered pace as we continue to ensure our business is future-proofed and creates ongoing benefits to the environment and society.

The ESG performance assessment completed for Annington by an external consultancy in 2021 played a key part in helping us understand our weaknesses, and we implemented its recommendations accordingly. To understand our progress, in early 2024 we commissioned a repeat of the assessment against industry best practice as well as further engagement with relevant stakeholders within the business. The results of the assessment demonstrated that while we had made progress – particularly in regard to ESG governance, environmental disclosure and the development of an ESG Strategy with clear KPIs – further work was needed, and the assessment's recommendations will be implemented across a timeframe of 6, 12 and 18 months.

Our people are key to us delivering against the assessment's recommendations, and they continue to help us shape the future of ESG at Annington. Our Board has the final say, but we are proud of how our staff have responded to the challenge, both individually and collectively. Targets and objectives have been allocated internally and progress is reported to the Board on a quarterly basis.

KEY ■ **Moderate** Tracking ■ **High** Actively monitoring ■ **Very High** Needs active management

MATERIALITY ASSESSMENT

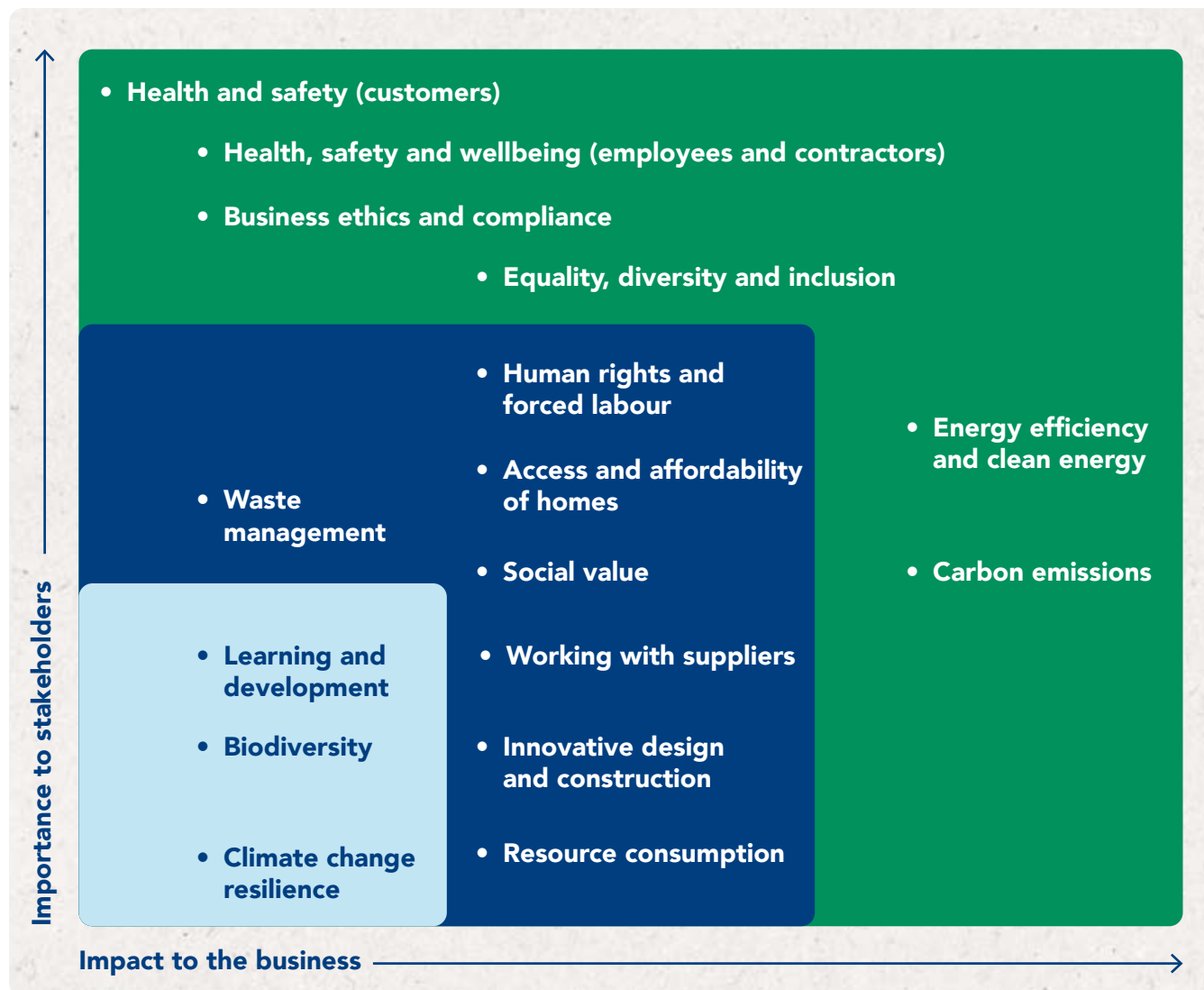
Addressing the issues that matter most

The materiality assessment conducted in 2022 helped us to better understand the views and values of our stakeholders and the impact of key ESG topics on the business. The findings of this assessment have contributed to the development of our ESG Strategy for the future.

We identified 16 ESG topics through our analysis of relevant sustainability frameworks and industry bodies, from the UK Green Building Council to the Global Reporting Index and Global Real Estate Sustainability Benchmark. This was followed by in-depth interviews and surveys involving 61 key internal and external stakeholders, including suppliers, investors and charity partners. All stakeholders emphasised the importance of health, safety and wellbeing for customers and employees, business ethics and topics relating to human rights and equity, diversity and inclusion.

With this insight, a business impact assessment was conducted where a robust assessment of risks, impacts and opportunities was considered, and a significance rating was assigned for each topic.

The prioritisation exercise identified the most material topics for us to address and report on in the future.



The top priority issues were as follows:

1. Health and safety (customers)
2. Health, safety and wellbeing (employees and contractors)
3. Business ethics and compliance
4. Equality, diversity and inclusion
5. Energy efficiency and clean energy
6. Working with suppliers
7. Carbon emissions

While these seven topics were identified as our top priorities, we continue to monitor and take action on other important areas.

The materiality assessment supported the development of our ESG Strategy, ensuring it is relevant to the business and the priorities of our diverse stakeholders. In line with best practice, it is our intention to repeat the process in early 2025 to ensure that our strategy remains aligned with the views of our key stakeholders.



OUR ESG STRATEGY

Annington's ESG Strategy focuses on the long-term sustainability of the homes we refurbish, the places where we operate and how we improve outcomes for people. It has been structured around two interlinked objectives: **Climate Resilience** and **People, Communities and Skills for the Future**.

The priority topics of 'Business ethics and compliance' and 'Working with suppliers' transcend both of our ESG Strategy Objectives. Conducting ourselves ethically and complying with all relevant law and legislation is central to all we do. Likewise, we work hand in hand with our suppliers throughout the refurbishment process, making this a central focus as we work towards our ESG Strategy Objectives.

Nonetheless, putting our ESG Strategy in action encompasses more than just our highest priority topics. With significant interlinkages between topics such as 'Energy efficiency and clean energy' with 'Innovative design and construction,' and 'Waste management' with 'Carbon emissions,' we must focus on a holistic approach in order to be most effective. We will continue to evolve our tactics to ensure we remain focused on what matters most.

CLIMATE RESILIENCE

Related SDGs



Carbon emissions are a key predictor of climate change and the issue that all businesses and industrialised nations must address to prevent a climate crisis which, if left unchecked, will impact not only the natural environment but also our communities. As such, the homes we refurbish must be fit for purpose.

Priority topics

- **Carbon emissions** – Reducing carbon and other greenhouse gas emissions from our business operations and value chain. Understanding how Annington can contribute to the UK's goal to be net zero by 2050 in line with climate science.
- **Energy efficiency and clean energy** – Maximising energy efficiency in our offices (through employee engagement and procurement of renewable energy), and in our homes (through retrofitting and prioritising energy efficiency and clean energy technologies where possible).

PEOPLE, COMMUNITIES AND SKILLS FOR THE FUTURE

Related SDGs



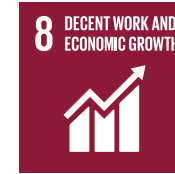
Our Culture Statement recognises that we are stewards of our communities, whether those are our people, the families and individuals who live in the homes we refurbish or members of the Armed Forces community who live or have lived in Service Family Accommodation. We recognise that the homes in which people live have a direct impact on their overall wellbeing. We also recognise that creating an engaging environment where people learn, grow and progress – be that our staff or veterans and Service leavers – helps reflect our Values and deliver our wider business goals.

Priority topics

- **Health, safety, and wellbeing (employees and contractors)** – Ensuring high-quality health and safety throughout our operations and promoting good wellbeing across our workforce.
- **Health and safety (customers)** – Creating healthy homes by upholding high-quality health and safety standards.
- **Equality, diversity and inclusion** – Ensuring equal treatment for all, supporting diverse talent, and training and promoting an inclusive culture across our workforce and industry.


ESG STRATEGY

Our ESG Strategy consists of two Objectives and our performance is detailed here. Further information about our approach and the actions being taken to advance our progress can be found throughout the report.



Objective	Narrative	Targets	2023/24 Performance
 Climate Resilience	<p>Carbon is a key predictor of climate change and the issue that all businesses and industrialised nations must address to prevent a climate crisis which, left unchecked, will impact not only the natural environment but also communities. The homes we refurbish must be fit for purpose. 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>Rentals</p> <ul style="list-style-type: none"> 100% of rentals portfolio to have EPC rating C rating or above by summer 2024 <p>Property (Excluding Rentals)</p> <ul style="list-style-type: none"> 100% of refurbished properties returned to market at minimum of EPC C Annually achieve 95% diversion-from-landfill target for waste resulting from our refurbishment programme Annually achieve 90% recycling target for waste resulting from our refurbishment programme Convert 10% of community land on new refurbishment projects to support nature creation by 2030, where feasible* Undertake physical Climate Risk Assessments on 100% of sites returned by MoD, by 2030 	<p>Rentals</p> <ul style="list-style-type: none"> 93% <p>Property</p> <ul style="list-style-type: none"> 98% 98% 87% Data unavailable Data unavailable

*We are in the process of updating the target in line with BNG methodology.

Objective	Narrative	Targets	2023/24 Performance
 People, Communities and Skills for the Future	<p>We are stewards of our communities whether those are our people, the families and individuals who live in the homes we refurbish, or members of the Armed Forces community who live, or have lived in Service Family Accommodation. We recognise that where people live and the homes in which they live have a direct impact on their overall wellbeing. We also believe that helping people learn, grow and progress - be that our staff or veterans and service leavers - will develop them as individuals, reflect our Values and help us deliver our wider business goals.</p>	<p>Skills for the Future</p> <ul style="list-style-type: none"> Annually 90% of staff complete suite of on-line and role specific training By September 2027, 2,250 veterans and Service Leavers to have completed an Annington-supported construction skills training course delivered by Building Heroes <p>People</p> <ul style="list-style-type: none"> Annually achieve a response rate of 90% to our Annual Staff Survey Achieve 50% gender representation during recruitment process <p>Communities</p> <ul style="list-style-type: none"> Respond to 100% of AST tenants' complaints within 24 hours Resolve 100% of AST tenants' complaints within 28 working days Receive a minimum of 90% rating in our AST tenant-rated contractor performance reviews every quarter Resolve 90% of buyers' customer service complaints within 14 days Survey 100% of buyers one month post completion As a signatory to the Armed Forces Covenant, annually donate 90% of our corporate giving to support the UK's wider military community 	<p>Skills for the Future</p> <ul style="list-style-type: none"> 97% 27% <p>People</p> <ul style="list-style-type: none"> 83% Data unavailable <p>Communities</p> <ul style="list-style-type: none"> 100% 75% 96.6% 82% 97% 100%

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

We believe that business has an important role to play in helping to deliver the UN SDGs, and the results of the materiality assessment confirmed that our alignment to SDGs 4, 7, 8, 11 and 12 is where we can have the greatest impact.

SDG 4: QUALITY EDUCATION

- We have long championed the importance of education, as evidenced by our active support of several 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.) [See our Charity Giving pages](#)
- We have a full and inclusive schedule of technical and non-technical training and continuing professional development (CPD) for all staff, and dedicate resources to guarantee that the entire staff body continues their education, regardless of where they are in their careers. [See our Training section](#)



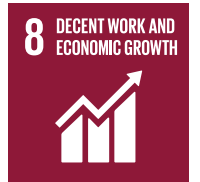
SDG 7: AFFORDABLE AND CLEAN ENERGY

- Energy efficiency and affordability for future residents is a key consideration when we refurbish former military homes. A significant number require thermal upgrades and energy efficiency measures that meet both regulatory and end-user expectations. [See our Devizes Marlborough case study](#)
- Greater focus is now being given on how to integrate renewable energy across our refurbishment and rentals operations.



SDG 8: DECENT WORK AND ECONOMIC GROWTH

- We have instigated measures that go beyond legal requirements to ensure our contractors maintain our high health and safety standards.
- We assist the veteran and Service leaver community into new, meaningful careers through our active involvement with a number of organisations supporting this important group. [See our Charity Giving pages](#)



SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

- Waste management from our operations is a primary concern, and we have taken active steps to understand our waste streams and mitigate accordingly. Targets have been set and are reported annually. [See our Waste section](#)
- The provision of new green public spaces and the improvement of existing community land is a major consideration during the planning stages of a project, and we are advocates of the importance of reinstating these amenities for use by all. [See our Biodiversity section](#)



SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

- We are taking active steps to understand and improve our management of the sustainable and efficient use of natural resources.
- We set out our expectations regarding responsible consumption and production in our Sustainable Procurement Policy and also have stringent processes in place for the disposal of chemicals and hazardous waste that can be found on former MoD sites. [See our Policies on our website](#)



ESG GOVERNANCE

We understand that the successful implementation of our strategy is dependent on robust, transparent governance.

To advance our ESG Strategy, we must have strong governance in place and ensure that our material topics are properly managed. We aim to be clearly accountable, and it is this that drives our sustainability ambition to create high-quality, sustainable family homes and communities where people want to live. We have embedded ESG responsibilities across several committees, working groups and Annington's ESG Taskforce to guarantee the strategy is being advanced and that we are progressing against our targets. Following our materiality assessment, we made it our mission to incorporate the management of our priority topics into the standard operating procedures for these groups.

BUSINESS ETHICS AND COMPLIANCE

At Annington, we have a strong sense of who we are and the role we play within our industry and in society. We hold ourselves to high standards as a business and as individuals. We understand that how we conduct ourselves has significant reputational implications, and we actively manage our business to ensure ethical behaviour and compliance are at the forefront of everything we do.

Conducting business in an ethical manner is also of importance to our stakeholders, as illustrated in our 2022 materiality assessment. To ensure we are effectively managing and monitoring our business conduct and ongoing compliance, we have established a strong governance framework. Annington's Legislation and Policy Working Group regularly reviews current and proposed legislation in order to ensure alignment and identify potential risk. We have a suite of policies in place, which employees are required to read, acknowledge and comply with. Some of these policies, such as Anti-Bribery and Corruption, Anti-Slavery and Human Trafficking, and Conflict of Interest, can

be found on our website. Our Board is responsible for overseeing the review of all our company policies related to business ethics, and our Human Resources (HR) team is responsible for managing the delivery of all business ethics and compliance training completed by our employees.

Our staff understand our approach to upholding good standards of ethics and compliance. This begins at the top of our organisation, with all members of the Senior Leadership team – including the three members who sit on our Board of Directors – completing annual training and recognition of key business ethics and compliance issues.

In 2023/24, 100% of employees, including those on our Senior Leadership Team, completed our mandatory business ethics training.

IN 2023/24,
100%
OF EMPLOYEES,
INCLUDING THOSE ON
OUR SENIOR LEADERSHIP
TEAM, COMPLETED OUR
MANDATORY BUSINESS
ETHICS TRAINING.

ESG GOVERNANCE STRUCTURE

BOARD

Members: Chair, Deputy Chair, CEO, CFO, COO, Terra Firma Representatives

Meets: Quarterly

Responsibilities: Reviewing and guiding annual ESG budgets; overseeing major capital expenditure in regard to refurbishment projects; reviewing and guiding ESG strategy; overseeing and guiding the development of a transition plan; setting ESG targets and KPIs; assessing and managing ESG risks and opportunities; ratifying all ESG policies

SENIOR LEADERSHIP TEAM

Members: CEO, CFO, COO, Director of Rentals, Director of Strategy and Communications, Director of Projects and Sales, Head of Legal

Meets: Weekly

Responsibilities: Overseeing ESG Strategy; assessing refurbishment strategies for annual release of properties by MoD, developing the transition plan; developing and updating ESG policies and procedures

ESG TASKFORCE

Members: COO, Director of Strategy and Communications, Sustainability Manager, ESG Project Manager – Property, Director of Operations – ESG, Terra Firma, ESG Operations Manager – Terra Firma

Meets: Monthly

Responsibilities: Developing ESG Strategy; tracking and reporting of ESG targets and KPIs; managing and reporting on various ESG workstreams including annual carbon footprint, SECR, CDP disclosure, climate risk assessments and annual reporting of ESG performance

CHARITY COMMITTEE

Members: CEO, Director of Strategy and Communications, Sustainability Manager, representatives from our three offices

Meets: Quarterly

Responsibilities: Developing the Charitable Giving Policy; developing partnerships in line with policy; annual distribution of funding; assessing impact to ensure continued alignment with Charitable Giving Policy; publishing annual Charitable Giving and Community Engagement Report

HEALTH, SAFETY AND WELLBEING COMMITTEE

Members: COO, Director of Strategy and Communications, Technical Manager, Director of Projects and Sales, Compliance and Property Manager, Senior Project Manager, Sustainability Manager, Head of Legal, HR Manager, Health, Safety and Wellbeing representatives from our three offices

Meets: Every six weeks

Responsibilities: Reporting on monthly H&S site inspections; developing policies and procedures including H&S, asbestos and lone working; office risk assessments and accident reporting; staff training including first aid and development and measurement of wellbeing initiatives

LEGISLATION AND POLICY WORKING GROUP

Members: COO, Director of Strategy and Communications, Head of Legal, Director of Projects and Sales, Group Tax Manager, Compliance and Property Manager

Meets: Quarterly

Responsibilities: Ensuring compliance with current legislation; awareness of upcoming legislative changes, particularly regarding the built environment and employment law; ensuring policies and procedures are updated regularly to reflect amendments or changes in legislation

OBJECTIVE I – CLIMATE RESILIENCE

7 AFFORDABLE AND
CLEAN ENERGY



11 SUSTAINABLE CITIES
AND COMMUNITIES

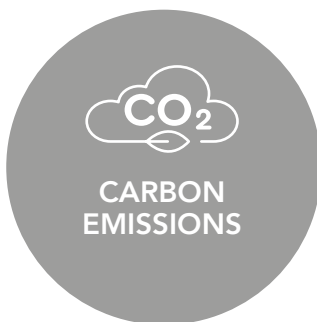


12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Developing climate resilience in our operations and value chain is a key priority for Annington. The science is clear, and we acknowledge that it is important to act now to mitigate climate change through emissions reduction measures. We have taken positive steps to demonstrate our commitment to achieving the UK's goal of being net zero by 2050. At the same time, we must sufficiently adapt to potential future climate states to ensure the resiliency of our business.

OUR FOCUS FOR CLIMATE RESILIENCE IS ACTIONED ACROSS THREE MAIN TOPICS.



Reducing carbon and other greenhouse gas emissions from our business operations and value chain.



Maximising energy efficiency in our offices (through employee engagement and procurement of renewable energy), and in our homes (through retrofitting and prioritising energy efficiency and clean energy technologies where possible).



Making the most of our resources by reducing waste to limit any negative environmental impacts and taking steps to enhance nature and biodiversity where we can.

Going forward, we aim to incorporate a fourth topic – nature creation – into our approach to **Climate Resilience**. Nature creation is crucial for climate change adaptation and mitigation, as it enhances ecosystem resilience, enabling natural systems to withstand and recover from climate impacts. Diverse ecosystems also play a vital role in helping to reduce greenhouse gas levels and stabilise the global climate. Consequently, we believe that taking an active stance aligns well with our ambition to reduce greenhouse gas emissions while creating greener, healthier areas for communities to enjoy.

By addressing these subjects simultaneously, we are able to reduce Annington's carbon footprint while also helping to make our operations and our homes more resilient to climate change. We have a suite of [policies](#) which 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.

The ESG Taskforce oversees the day-to-day delivery of our climate resilience objective. Ultimately, they are responsible for the progress against our main objectives and KPIs. They also oversee all initiatives that relate to furthering our climate resilience, such as the development of our carbon footprint, our Streamlined Energy and Carbon Reporting (SECR) and CDP disclosures, and how we enhance the sustainability of our refurbishment projects. However, the achievement of all our Climate Resilience Objectives is not possible without the engagement of our employees. As such, we encourage all our team members and contractors to evaluate how their roles and responsibilities impact our environmental performance.

KEY HIGHLIGHTS IN 2023/24

We have undertaken our third carbon footprinting exercise and, in preparation for this, we made further significant improvements in our data collection. This, in turn, has enabled us to expand our Scope 3 emissions reporting to include our emissions from downstream leased assets. The results are helping us understand how we can operate more efficiently to drive positive change across our direct operations and value chain.

The homes we own and refurbish must be fit for purpose; therefore, improving their energy efficiency and thermal performance is a key focus for Annington. Our targets reflect our ambition to return to the market homes that are healthier and more comfortable.

CARBON EMISSIONS AND ENERGY MANAGEMENT

The UK's 26 million homes are responsible for around 15% of the country's total carbon emissions, which means it is vital to decarbonise the UK's residential building stock if the UK is to meet its legally binding net zero emissions by 2050. Given its dependency on natural gas, heating is the biggest contributor, so transitioning to low-carbon heating technologies, improving insulation and adopting

energy-efficient practices are essential measures to reduce these emissions. The UK Government has recognised that buildings must be retrofitted at a rate of 2.5 times the current rate every year up to 2030 to stay on course to meet this target, and we believe we have a small but important role to play in helping decarbonise the UK's residential building stock.

Furthermore, decarbonising the residential sector can help alleviate fuel poverty by lowering household energy bills through increased efficiency. Retrofitting homes to be more energy efficient not only reduces emissions but also improves indoor air quality and overall living conditions. These upgrades are particularly important in older buildings, where poor insulation and outdated heating systems are common. By investing in decarbonisation now, the UK can ensure a more sustainable, resilient and equitable future while also stimulating green job growth and innovation.

The work we are doing to improve EPC ratings across our portfolio is directly tied to reducing the UK's carbon footprint while improving livelihoods in the communities in which we operate. Our efforts to upskill our contractors as well as fund free construction skills and retrofit courses for veterans and Service leavers will contribute to the development of skilled green workers. This work will also help make our homes more comfortable and affordable for our customers by contributing to activities that improve performance and reduce their utility costs.



OUR CARBON FOOTPRINT 2023/24

In 2023/24, we broadened the scope of our 2022/23 carbon footprint project. Using the Greenhouse Gas Protocol's best practice framework and methodology, we calculated our most comprehensive carbon footprint to date for the 2023/24 financial year. This year, we included more emissions categories, such as those associated with downstream leased assets across our value chain. This category captures the emissions associated with energy use across our AST portfolio. The important work we are doing to reduce operational emissions across our sites will help reduce these emissions over time. By tracking these emissions, we now have a way to evaluate the progress of our decarbonisation activities quantitatively.

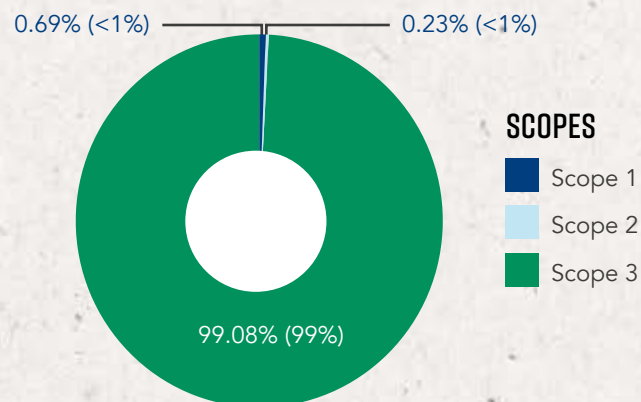
In addition to including downstream leased assets in our 2023/24 carbon footprint, we have recalculated our 2022/23 carbon footprint to include this information. The updated 2022/23 footprint is presented alongside our 2023/24 data, enabling us to track our emissions trajectory.

The activities included in our carbon footprint are as follows.

- **Scope 1:** Vehicle fuel and natural gas
- **Scope 2:** Electricity
- **Scope 3:** Business travel; capital goods; downstream leased assets; employee commuting; fuel- and energy-related activities; purchased goods and services; upstream transportation and distribution; use of sold products and waste in operations

Using an operational control approach, the Scope 3 categories that have been selected as relevant to our operations are reported based on their contribution to the overall footprint and data availability.

2024 Emission reporting (tCO₂e)



For 2023/24, our footprint totalled 52,763.59 tCO₂e for our Scope 1, 2 and 3 emissions. While we achieved reductions across the majority of our emissions categories, our 2023/24 footprint is 88% higher than our 2022/23 footprint.

This can be attributed to emissions associated with our use of sold products, which increased by 126% relative to 2022/23 and represent 94% of our total footprint. These are the emissions associated with the lifetime energy use of properties we refurbish and sell. Due to the higher number of refurbished homes we sold in the 2023/24 period, these particular emissions increased proportionally. We also recalculated our 2022/23 emissions for this category, assuming that there will not be any change in the efficiency of the properties once they have passed the point of sale. These restated calculations increased the emissions associated with regulated energy use over the known lifetime of the properties.

Over time, our emissions related to the use of sold products are expected to decrease as we continue to reduce the operational emissions of the properties we sell through innovations across the refurbishment process. Furthermore,

the decarbonisation of the UK grid will play a significant role in reducing the emissions associated with the use of the homes we sell.

Scope 1 = 363.85 tCO₂e

Scope 1 emissions made less than 1% of our total carbon footprint for the reporting period. These emissions come directly from the natural gas used to heat our offices, homes being renovated, properties we control before they are rented or sold, and fuel used by our company vehicles. Emissions from refrigerant leaks have been excluded from our 2023/24 emissions report, as there were no refrigerant top-ups recorded by engineers at Annington offices in the last four reporting periods.

Scope 2 = 121.29 tCO₂e

Scope 2 emissions represented less than 1% of our overall measured carbon footprint for 2023/24. These emissions are from purchased grid electricity consumption for our offices, homes undergoing refurbishment or those under our direct control prior to being rented or sold to third parties. Market-based emissions were not calculated in 2023/24.

Scope 3 = 52,278.45 tCO₂e

Like many companies, our Scope 3 emissions make up the largest portion of our carbon footprint. These emissions are also the hardest to reduce since they fall outside our direct control. Scope 3 emissions accounted for 99% of our total emissions for the reporting period.

- 94% are attributed to the use of sold products, as outlined above.
- 4% are attributed to capital goods, which means all materials used during our refurbishment programme.
- Less than 0.5% are attributed to transportation and distribution of those materials or capital goods.
- The remaining Scope 3 categories account for 1.5%.

Emission Category	2022/23 Emissions (tCO ₂ e)	2023/24 Emissions (tCO ₂ e)
Scope 1	426.60	363.85
Company vehicles	99.90	94.05
Natural gas	326.70	269.79
Scope 2	144.00	121.29
Electricity: location-based	144.00	121.29
Scope 3	27,478.56	52,278.45
Business travel	9.20	19.69
Capital goods	3,848.80	1,849.62
Downstream leased assets	1,021.13	816.86
Employee commuting	60.63	32.47
Fuel and energy-related activities	114.10	111.04
Purchased goods and services	11.20	25.33
Upstream transportation and distribution	597.80	19.96
Use of sold products	21,768.00	49,370.33
Waste in operations	47.70	33.14
GRAND TOTAL	28,049.15	52,763.59

FORWARD APPROACH

We have come a long way, but we acknowledge that there is still work to do, both to improve our carbon reporting and to reduce the emissions associated with our business and value chain. We will continue to focus on the following activities in the coming year.



Enhance data quality – Through engagement with suppliers, we have improved the accuracy of the data we collect. We will continue to work with relevant suppliers to refine data accuracy across additional emission categories.



Decarbonise – The planned building archetype assessment will allow us to further improve our understanding of the heat loss challenges and thermal performance of typical MoD properties. The knowledge gained will help us assess and introduce more sustainable retrofit options to significantly reduce our footprint.



Expand carbon disclosures – Broadening the scope of our emissions reporting, such as through the Science Based Targets initiative (SBTi), will enable us to commit to a science-based net zero target.



Build skills and knowledge – We will work to integrate education and training on climate issues and carbon emissions into our current training programmes and CPD for all employees.

ENERGY CONSUMPTION

We also report our Scope 1 and 2 energy consumption to track our energy efficiency across our operations year on year. While our Scope 3 emissions make up the largest proportion of our carbon footprint, reducing our Scope 1 and 2 energy consumption can make tangible improvements across our direct operations.

During the 2023/24 reporting period, our Scope 1 and 2 energy consumption decreased relative to 2022/23 by 16%. This includes reductions across natural gas, company vehicles and electricity consumption. A significant contributor to this reduction was our planned Head Office move in November 2023 to a more energy-efficient, SKA-rated building in central London.

Emission Category	2022/23 Energy consumption (kWh)	2023/24 Energy consumption (kWh)
Scope 1	2,226,796.12	1,895,736.69
Natural gas	1,789,829.26	1,474,845.46
Company vehicles	436,966.86	420,891.23
Scope 2	744,596.21	585,721.50
Electricity: location-based	744,596.21	585,721.50
TOTAL ENERGY CONSUMPTION (SCOPES 1 AND 2)	2,971,392.33	2,481,458.19

Target

- 100% of rentals portfolio to have EPC rating C rating or above by summer 2024

CASE STUDY – MARLBOROUGH CLOSE, DEVIZES, WILTSHIRE

Housing the UK's military families is an essential but often overlooked element of the UK's defence system. But after years of constant use, with frequent rotation in occupants and ever-tightening maintenance budgets, many of these homes have fallen into significant disrepair and severely declining energy efficiency.

In March 2023, the MoD released five former officers' homes at Marlborough Close, Devizes, Wiltshire. The project provided us with the perfect opportunity to look carefully at how we could improve the ongoing energy efficiency of these poorly performing properties and set a blueprint for future retrofit projects.

These four-bedroom homes were built between 1945 and 1964 and, unoccupied for up to four years, were in an extreme state of disrepair and hugely energy inefficient, with the lowest at EPC D. Over 11 months, we focused on dramatically improving their energy efficiency, with the aim of reaching EPC A.

The Mixergy cylinder uses the clean energy harnessed by the solar panels to provide each home with hot water. The system monitors how much energy the house uses compared to how much is produced by the solar panels, and the Mixergy tank then diverts any excess energy to the immersion heater instead of sending it back to the grid. The Mixergy tank's AI-powered system tracks how much energy is used in the home and when it is used, so that it can anticipate demand and supply heating and hot water exactly when it is needed. The tank monitors energy prices 24 hours a day; when excess energy is required beyond that which is provided by the solar panels, the system will purchase energy at a cheaper rate (usually overnight) to heat up the hot water cylinder in preparation for heating the property.

We entrusted the project to our long-term contractor and partner, PAH Building and Construction. Annington has worked with PAH for more than 20 years, during which time PAH has refurbished thousands of former MoD properties. However, because this project was significantly more challenging as well as aiming for a new standard for future projects, PAH employees and specialist sub-contractors needed to quickly upskill to become experts in the range of state-of-the-art technology installed during the project.

On 5 February 2024, the retrofitted properties launched for sale with an EPC A rating, placing them at the same level of energy efficiency as local new builds in the immediate area.

Targets

- 100% of refurbished properties returned to the market at a minimum of EPC C
- 100% of rentals portfolio to have EPC rating C rating or above by summer 2024



To underscore our commitment to improving climate resilience, we concentrated the project on retaining and creating energy. Exterior improvements included:

- an air source heat pump
- an additional 50mm of insulated render
- 14 solar photovoltaic panels delivering 5.6 kWh per house
- new double-glazed windows
- new insulated front doors.

Internal improvements included:

- a roof with an additional 400mm of insulation
- new radiators
- new central heating systems
- energy-saving built-in appliances
- LED lighting
- a Mixergy hot water system.

CLIMATE RISK MANAGEMENT

Understanding the impact of climate risk on our homes is increasingly important as the frequency and severity of extreme weather events rise due to climate change. Modelling conducted by international climate change risk analysts XDI has found that over 500,000 residential and commercial properties will be at risk in the UK by 2050 under a high emissions scenario. Flooding, storms and heatwaves pose significant threats to the safety, value and insurability of homes across the UK.

We want to remain proactive in our approach to climate risk; by recognising these risks, we can make informed decisions to enhance the resilience of the homes we refurbish through appropriate design, materials and infrastructure improvements. This practical approach not only protects lives and property but also ensures long-term sustainability and reduces the financial burden on our business and its customers.

With this in mind, we plan to conduct a climate risk assessment on all homes returned to us by the MoD, evaluating the risk level under three different climate scenarios by 2030. This process will help us identify and establish mitigation plans for any climate-related risks. Where needed, improvements will be integrated into the refurbishment strategy to guarantee the properties' resilience to climate change.

Target

- Undertake physical climate risk assessments on 100% of sites returned by MoD, by 2030

WASTE MANAGEMENT

It is evident that waste generation is a material issue for the construction industry. The UK [Construction Industry Waste Report 2023](#) suggested that the construction industry accounted for 62% of the UK's total waste and 32% of all waste sent to landfill. As such, reducing this figure and embracing a circular economy is critical to ensuring our climate resiliency.

Furthermore, waste landfilling and incineration are significant contributors to climate change. According to the UK Government, the UK construction industry generated approximately 13.5 million tCO₂e from waste-related activities in 2023, which accounted for 3.5% of the UK's total emissions.

While we are not in the business of housebuilding, our primary operations of refurbishing and redeveloping former MoD homes produce several different waste types. We deal with these waste streams in three ways, aiming to maximise the diversion away from landfill as much as possible.

- **Recycling** – Processing materials that would otherwise be thrown away so they can be repurposed as new products.
- **Energy recovery** – Turning waste into a fuel for manufacturing processes after removing all recyclable components. Recovery routes can be via RDF (Refuse Derived Fuel) or SRF (Solid Recovered Fuel).
- **Landfill** – Disposing of waste by burying it in the ground at approved commercial landfill sites.

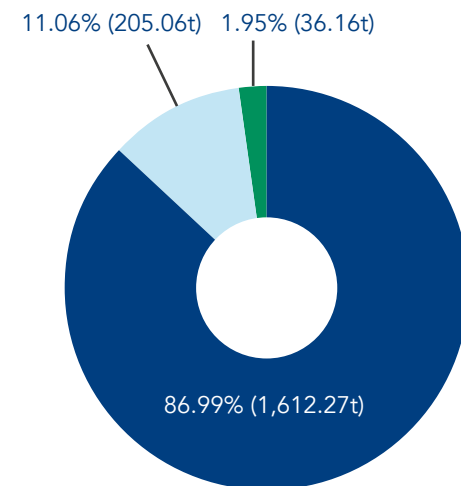
To focus our efforts on waste management, we have set ourselves an annual diversion-from-landfill target of 95% and a recycling target of 90% of our total waste. To help us achieve these targets, we work with our national waste facilitator to identify the most suitable waste contractors for each of our sites. This partnership also helps us better understand our waste streams and obtain more granular data.

In 2023/24, we achieved our annual landfill diversion target, sending only 1.95% (36.16 tonnes) of waste to landfill. While our total percentage of waste to landfills increased, the total volume of waste to landfills decreased by 54.9%. This is due to our efforts during the year to reduce the total amount of waste generated, with a 62% decrease in total waste generated.

However, in 2023/24, we did not achieve our annual recycling target of 90%. Our recycling rate reduced to 86.99%, while our waste recovery figure increased from 3.31% to 11.06%. This is due to changes in waste streams because of the different property refurbishment work completed.

SOLID RECOVERED FUEL (SRF)

While recycling is preferable in terms of material conservation, energy recovery through waste incineration provides an opportunity to support lower-carbon energy generation through our waste contractors. SRF is a high-quality, high-yield alternative to fossil fuels that can generate heat and electricity. It is produced mainly from commercial waste, including paper, card, wood, textiles and plastics. While this is not necessarily a renewable form of energy, it is a lower-carbon alternative than fossil fuels, with studies suggesting it can reduce carbon emissions by up to 40% and reduce landfilling.



OUR WASTE DATA FY 23/24



Total tonnes of waste removed: 1,853.49t

Targets

- Annually achieve 95% diversion-from-landfill target for waste resulting from our refurbishment programme
- Annually achieve 90% recycling target for waste resulting from our refurbishment programme



BIODIVERSITY

Across the UK, biodiversity is at threat due to widespread challenges such as climate change, habitat loss and intensive farming. Actively working to support biodiversity is incredibly important because it ensures the stability of ecosystems, which provide essential services such as clean air, water and food production. Protecting biodiversity also helps safeguard the resilience of ecosystems against environmental changes, supporting both human wellbeing and the planet's long-term sustainability.

Because of the nature of our work (refurbishment as opposed to new build), we are not generally subject to biodiversity net gain targets like most construction companies. However, we believe we have a responsibility to address nature-related issues and to protect ecosystems wherever possible.

The properties returned to us by the MoD can vary from single units through to whole estates with mature and well-established communal land. While we have no control over the number, type or geographical location of the properties returned to us, we do have the ability to influence green spaces surrounding the homes. We often make significant improvements that rejuvenate these areas, especially where sites have been neglected for several years.

Moving forward, we aim to establish a more formalised approach to biodiversity management on our properties. To support this process, the ESG Taskforce commissioned

an appraisal of several existing Annington sites at the end of the reporting period. The sites feature significant pockets of communal land, previously sold and currently overseen by management companies in which we retain an interest. The purpose of the appraisal will be to improve our understanding of how we can enhance these areas from a biodiversity/ecosystem perspective. It is intended to help us create a biodiversity policy and set a target for nature creation on community land that will continue to be held by management companies where we will retain an interest in the short, medium and long term.

Our current ambition is to convert a minimum of 10% of amenity land on new refurbishment projects to support nature creation by 2030, where feasible. Once the results of planned pilot schemes become clear, this target will be reviewed and amended as necessary.

Target

- Convert 10% of community land on new refurbishment projects to support nature creation by 2030, where feasible*

*We are in the process of updating the target in line with BNG methodology.

OBJECTIVE 2 – PEOPLE, COMMUNITIES AND SKILLS FOR THE FUTURE





We have a responsibility to our people and the communities we serve. It is our goal to be recognised as stewards of our communities and, to do this, we must work to ensure high social standards as a business for our people, as a landlord for those who rent from us and as a redeveloper selling refurbished properties to the general public.

This responsibility was highlighted by our materiality assessment, the results of which emphasised the importance of equality, diversity and inclusion (EDI) and health, safety and wellbeing for customers and employees. The findings of our materiality assessment underscore Annington's business priority to develop our employees through training and development opportunities and support local communities by giving back to the wider military community or those who buy and rent from us.

There are relevant departments at Annington that are responsible for ensuring the achievement of Objective 2 and associated targets. Additionally, each department reports progress to the ESG Taskforce at least annually, depending on the target for which it is responsible.

Annington's key ambitions focus on directives that look to support our people and the wider community to thrive. This includes continuing to ensure that our staff and contractors work in healthy and safe conditions, that we strive to achieve a diverse and inclusive workforce, and that our employees receive training that is relevant to their role and helps them meet their wider career aspirations. Additionally, we want to play our part in addressing the well-documented skills shortage in the UK construction sector by funding free construction skills training for veterans and Service leavers.

HEALTH, SAFETY AND WELLBEING

At Annington, we have a duty of care to our employees, contractors and those who occupy our homes. As such, it is fundamentally important to guarantee that we are protecting them from harm and doing all we can to improve welfare. This is of paramount importance, with both internal and external stakeholders recognising health, safety and wellbeing for employees, contractors and customers as the most material topic for Annington to address.

Two separate teams manage our approaches to managing the health, safety and wellbeing of our people and our customers: our own Health and Safety team support our employees, and our Property and Rentals teams supports our customers and contractors.



EMPLOYEES AND CONTRACTORS

The health, safety and wellbeing of our people is of paramount importance to us at Annington, whether they work on-site or not. This is also the case for all the contractors that we work with during the retrofitting and refurbishment of our properties. As such, we make certain that we uphold the same high standards for both sets of workers and that, in doing so, we go beyond standard levels of health and safety management.

The Annington Health, Safety and Wellbeing Committee oversees the upholding of our health and safety standards, which are stipulated in our [Health and Safety Policy](#). This policy outlines our approach to managing the health and safety of our workforce, including our responsibilities regarding office-based, site-based and other work-related activities.

Our three offices have dedicated personnel who carry out and monitor day-to-day reporting on all health and safety matters. We conduct office health and safety risk assessments annually and have separate fire and evacuation

plans in place in the event of any emergency. All employees, regardless of whether they are working on-site or not, are required to complete yearly basic training which covers modules such as avoiding trips and slips, lifting and fire safety. This training is tracked and recorded within our HR records.

Additionally, all employees are expected to carry out annual First Aid training refresher courses. Should employees wish to extend their knowledge and competence, more comprehensive first aid training is available. In 2023/24, 100% of employees carried out our mandated training, and 13% of our total workforce undertook our further first aid training.

In 2023/24, we had one employee work incident, which could be attributed to a slip. As a business, we aim to ensure the safety of all our employees and achieve zero workplace incidents. We reported the incident to our landlord who made improvements to general visibility in the area in question.

Beyond looking after the safety of our workforce, we endeavour to guarantee their overall happiness and wellbeing. We use our Annual Staff Survey to gauge employee satisfaction at the workplace, aiming for a 90% response rate. In 2023, our response rate was 83%. Findings of the survey indicated strong performance with a few areas for improvement. Overall, we maintained our satisfaction and engagement score of 81/100 among those who responded. Our employees continue to feel very engaged, registering high levels of advocacy, satisfaction, commitment and pride in their work. Our new hybrid working policy was viewed positively, with our people stating that they still feel connected when working remotely. There is also a strong sense of pride around Annington's charitable giving programme.

Target

- Annually achieve a response rate of 90% to our Annual Staff Survey

HEALTH AND SAFETY ON-SITE

Our primary operations of retrofitting and refurbishing properties come with inherent health and safety risks, including those typical to the construction sector. As we are dealing with former MoD properties and MoD grounds, ensuring they are developed in the safest way possible is imperative. We follow strict procedures to provide the best level of protection for anyone who may interact with the property, be it during the build phase or aftersales.

When we take back a property or site from the MoD, our internal Health and Safety team undertakes a comprehensive risk assessment to capture all potential risks. These are shared with anyone visiting the site, whether they are employees, contractors or other visitors.

Before beginning work on-site, we engage with our contractor partners to discuss the construction phase plan. This process outlines the considerations for the working environment and makes certain that work can be executed safely and in a considered manner. Our principal designer reviews and approves this document prior to the commencement of all on-site activities.

Once a site project goes live, we promote active risk identification and management through daily spot checks where all teams undertake a brief risk assessment of their work areas to ensure they are free of any hazards. We also monitor and assess the implementation of our policies and systems through monthly independent health and safety checks, in addition to requiring contractors to undertake their own regular checks.

To guarantee we uphold our high standards, we have implemented a league table whereby all contractors are assessed using a points system. If our health and safety inspections highlight a breach, contractors are required to write to Annington to confirm the steps being taken to formally address the breach. We use this points-based system as an incentive for good health and safety performance, with those who consistently perform well being best-positioned to be awarded future contracts.

In 2023/24, we had three less contractor incidents compared to 2022/23.

2023/24 Health and Safety Data

	2022/23	2023/24
Contractor Incidents	7	4
Incidents reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations*	Nil	Nil
Employee work incidents	1	1

* Reportable incidents - RIDDOR - HSE





WELFARE UNITS

It is not always possible to find suitably qualified construction staff living locally to our sites, so we provide on-site accommodation to contractors who may need accommodation for the working week. During the reporting period, we had several welfare units at various sites, including four three-bedroom houses at Netheravon in Wiltshire, which were used throughout the year by different contractor teams working on a number of neighbouring sites. Our aim is to provide a comfortable 'home from home' for our contractors, and we are always looking at ways to improve this provision. During the reporting period, we listened to contractor feedback and made further amendments to units such as enhancing the existing kitchen facilities. In addition, each site is equipped with an AED defibrillator and training is provided for its use.

CUSTOMER WELFARE

Guaranteeing the welfare of our customers is also of significant importance to Annington and our stakeholders. Within our materiality assessment, customer health and safety received the highest score from internal and external stakeholders, and we have a number of KPIs to track customer satisfaction and welfare.

We ensure that all our properties are refurbished and retrofitted to the highest standard. Should there be any issues that relate specifically to our customers' enjoyment of their properties or that suggest an impact on their quality of life – either as owners or tenants – it is our duty to make certain we remedy this as quickly as possible and do not generate any undue burdens. Specifically, we have the following five key targets relating to our Property and Rentals portfolios.

Targets

- Respond to 100% of AST tenants' complaints within 24 hours
- Resolve 100% of AST tenants' complaints within 28 working days
- Receive a minimum of 90% rating in our AST tenant-rated contractor performance reviews every quarter
- Resolve 90% of buyers' customer service complaints within 14 days
- Survey 100% of buyers one month post completion

The Property and Rentals teams are responsible for overseeing the achievement of these targets, specifically dealing with all customer queries, concerns and resolutions. As we have properties all over the country, guaranteeing that we address customer service complaints as quickly as possible is not always possible, but we aim to do so within 28 days.

In 2023/24, we successfully responded to all complaints within 24 hours. However, in resolving all AST tenant complaints, we only achieved a 75% resolution rate within 28 working days. This amounted to four complaints exceeding the 28-day threshold: one was resolved on day 29, one tenant was vacating the property during the 28-day timeframe, one tenant did not respond to our efforts to resolve their issue and the fourth complaint required several visits before the issue was resolved. For our wider property portfolio, we successfully resolved 82% of complaints within 14 days. The shortfall in performance is due to issues around the recording of complaints data. Improvements to the relevant processes were made at the end of the FY and we fully expect our on-going performance to reflect this.

REINFORCED AUTOCLAVED AERATED CONCRETE (RAAC)

Reinforced Autoclaved Aerated Concrete (RAAC) is a type of steel-reinforced material that was used extensively in the previous century for the construction of walls, floors and roofs. Its popularity rose in the 1950s as a lightweight, cost-efficient and fire-resistant alternative to traditional concrete, leading to a big uptake amongst construction companies through to the 1990s. However, due to its porous nature, it has a shorter operational lifespan compared to regular concrete and is more vulnerable to corrosion. This can cause the material to fail without visible deterioration or warning. The use of RAAC consequently impacted a number of properties, particularly government buildings such as schools and hospitals, as safety concerns were raised about the structural integrity of buildings containing the material.

In May 2023, the Secretary of State for Health and Social Care confirmed that seven hospitals, largely constructed with RAAC, were not safe to operate beyond 2030. In August, more than 100 school buildings in England closed while safety measures were carried out; the UK Government confirmed that these would have to either be refurbished or rebuilt. RAAC was also found in Scottish schools, fire stations and other NHS buildings. Investigations into court buildings were ordered and in September a team from Loughborough University recommended safety checks on tens of thousands of publicly and privately owned buildings for the material. RAAC was found in a range of structures, including university buildings, theatres, Gatwick and Heathrow Airports and the Palace of Westminster.

Given the origin and the age of the properties in our AST portfolio and those returned to us by the MoD, we reviewed available RAAC literature to ensure the continued safety of our tenants. The literature indicated that individual houses were almost certainly not affected, as RAAC was not widely used in residential housing construction. As a result, we concentrated our attention on the blocks of flats within our AST portfolio. We undertook a desktop review of all documentation, together with third party investigative surveys of a number of blocks built pre-2000, which confirmed that RAAC was not present within our AST portfolio.



EQUALITY, DIVERSITY AND INCLUSION

Diversity within the construction industry has long been an issue due to its predominantly white, male workforce. In recent years, we have witnessed a shift towards greater diversity and inclusivity across the industry; however, there is still a long way to go. According to the Chartered Institute of Building (CIOB), women make up 15% of the UK construction industry, with approximately 2% working on-site; similarly, only 6% of the construction workforce is Black, Asian or Minority Ethnic (BAME).

At Annington, we understand that a workforce needs to be representative of the wider population. We embrace diversity in all its forms, working to ensure that everyone is treated equally and to nurture an environment of inclusivity. Our culture and working environment are consistently identified as key to our success as an employer; this helps us retain and attract talented people who bring fresh perspectives that are critical to our progress and successful performance.

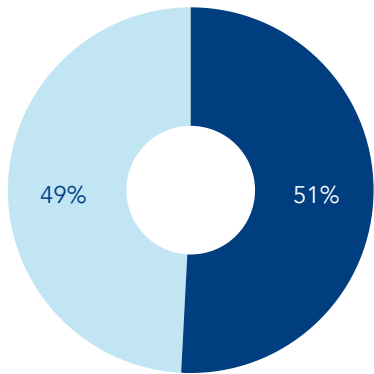
We have numerous policies that govern our approach to equality, diversity and inclusion (EDI). These aim to provide opportunities for everyone while also making Annington an attractive place to work. However, our Equal Opportunities Policy goes a step further, holding us accountable to making certain that we employ, promote and treat all applicants and employees in the same way. At the same time, this policy provides protection for all our people against all forms of discrimination, harassment or victimisation. We ensure that all employees undertake equal opportunity training as part of the company's training plans and refresh their knowledge annually.

Our commitment to creating a more inclusive and diverse workforce is evident in the diversity breakdowns across our business. Due to the open and transparent culture at Annington, our people are proud of their differences, and they are celebrated by us all. Our employee gender split and ethnic diversity exceeds the industry average, as reported by the CIOB; however, at Board level, we are slightly below the industry average. In future years we will explore ways to improve gender representation at Board level, as we continue to strive towards gender parity across our operations.

Target

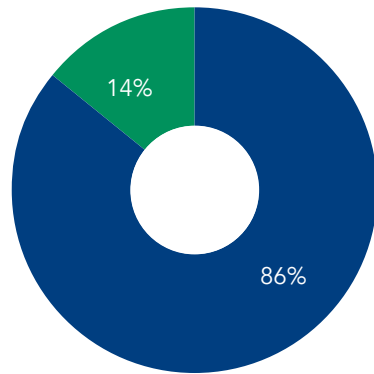
- Achieve 50% gender representation during the recruitment process

2023/24 GENDER AND DIVERSITY DATA



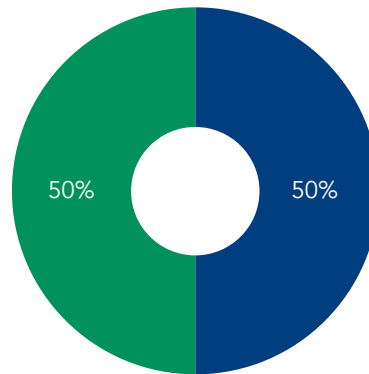
GENDER SPLIT

Male
Female



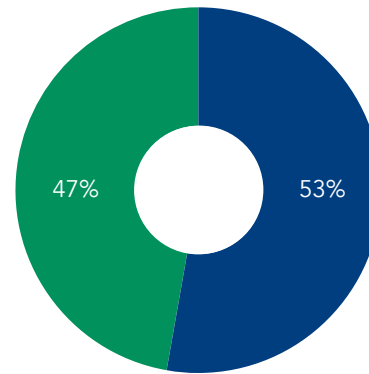
THE BOARD

Men
Women



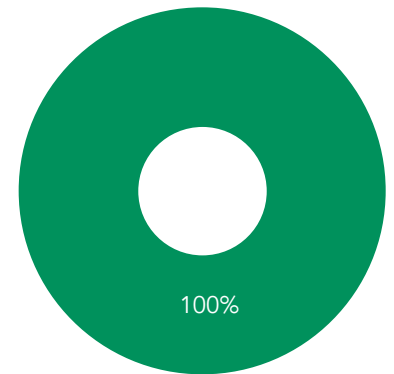
**SENIOR EXECUTIVE TEAM
(EXCLUDING BOARD)**

Men
Women



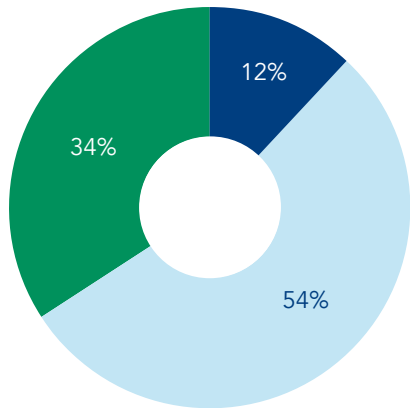
FULL-TIME

Men
Women



PART-TIME

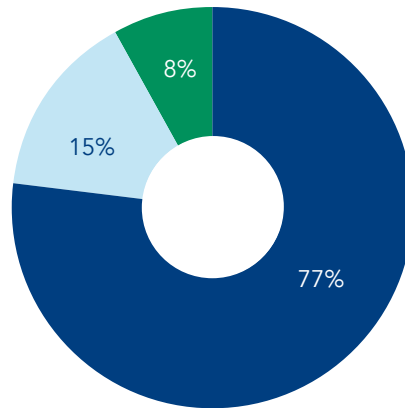
Men
Women



AGE RANGE

- Under 30
- 30-50
- Over 50

Average Age: 44



ETHNICITY

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

ZERO
REPORTED INCIDENTS
OF HARASSMENT
AND/OR DISCRIMINATION
IN THE WORKPLACE
(Zero in 2022/23)

8.2%
EMPLOYEE
TURNOVER RATE
FOR THE REPORTING
PERIOD
(2022/23 20%)

TRAINING AND DEVELOPMENT

At Annington, we are committed to investing in our people by providing them with the necessary skills and qualifications to develop within their careers, both soft and technical skills-based. We have a number of mandatory courses that are to be completed by all employees at all levels. These include courses on GDPR, fire safety, first aid and EDI.

In addition to our mandatory courses, we also support all our employees in advancing their education for their chosen career pathway; for example, we have supported several junior staff members in completing a range of professional qualifications, including AAT (Association of Accounting Technicians). Our HR team is ultimately accountable for guaranteeing that all staff complete annual training, both mandatory and voluntary. As part of our ESG Strategy, we have set a target for 90% of employees to complete online and role-specific training annually. In 2023/24, 93% of staff completed these training requirements.

As part of our commitment to personal development, every employee meets with their line manager twice a year to discuss their role, objectives and performance. The review is an opportunity for staff to discuss achievements and goals, outline the most important workstreams for the year ahead, and discuss their medium- to long-term career plans and how Annington can help them achieve these. We encourage all our employees to identify courses and qualifications throughout the year that will help them progress their career development. We are consistently committed to providing

significant investment for all our employees in their training and development and, for the second year running, we have increased the average training investment per employee to £1,320.

In early 2024, we entered a partnership with the UK's leading military-to-construction charity, Building Heroes. Established in 2014, the charity provides free construction skills training to Service leavers, veterans, reservists and military families. Within this partnership, we aim to support 2,250 veterans and Service leavers through an Annington-supported construction skills training course, by September 2027.

Targets

- 90% of staff to complete suite of online and role-specific training annually
- By September 2027, 2,250 veterans and Service Leavers to have completed an Annington-supported construction skills training course delivered by Building Heroes



93%

of staff completed a suite of online training courses, both technical and soft-skills-based, as well as continuing professional development (CPD) (87% in 2022/23)



112

training hours recorded
(448 in 2022/23)



£1,320

average training investment
per employee (£1,220
in 2022/23)

TRAINING CASE STUDY: VICTORIA EKANEM, FINANCE ASSISTANT



I joined Annington in 2022 as a Finance Assistant. One of my main responsibilities is reconciling the bank and internal records.

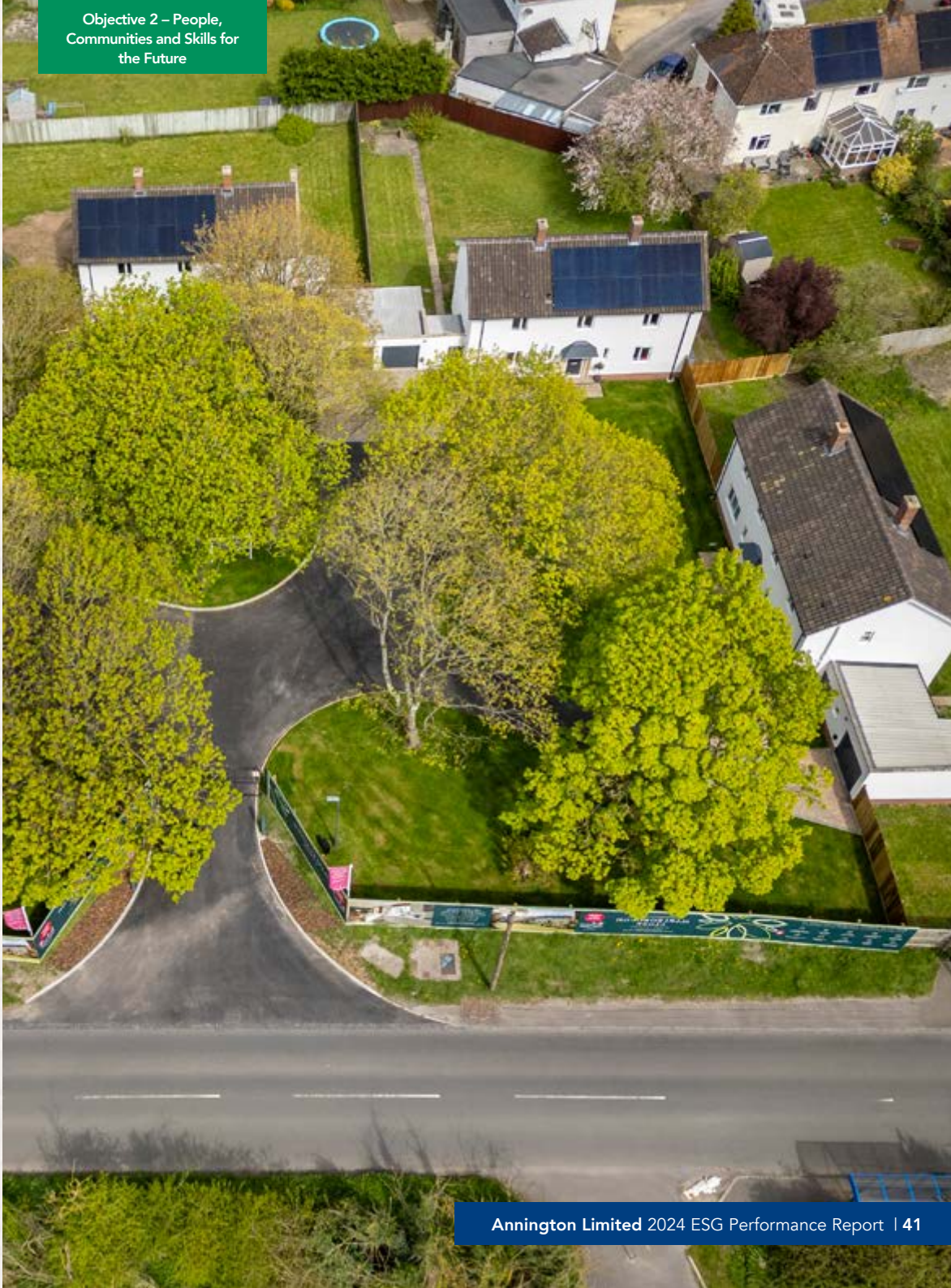
Annington has supported my journey to becoming a fully qualified accountant with the Association of Chartered Certified Accountants (ACCA) and funded my studies at BPP University. This has been part of my long-term goal since graduating from university in 2020. The institution is among the most widely acknowledged and respected in the accounting profession and the completion of the ACCA will enable me to progress my finance career by developing my expertise and understanding

of accounting through exams. ACCA ensures that its members are appropriately regulated and have the required competencies to fulfil their roles, which will be of benefit both for my role at Annington and my future career prospects.

Studying has provided me with new skills and knowledge, including understanding the conceptual framework and how to comply with Accounting Standards and Codes of Ethics for Professional Accountants.

As I progress in my studies, I will gain additional confidence in my role which will further improve my analytical, problem-solving, communication and leadership skills.

Studying for the ACCA qualification while working full-time is challenging but rewarding. It requires a high level of commitment, effective time management and the ability to balance professional responsibilities with academic goals. Annington has supported me by providing resources and flexibility to pursue my ACCA qualification.



SUPPORTING OUR COMMUNITIES

Everyone who buys, rents or occupies our properties is part of our community. We believe in treating our customers fairly and have set ourselves targets by which we measure our performance to guarantee that we remain focused on positive outcomes for all. Our Rentals team, Property team and Charity Committee oversee progress against our targets and report quarterly to the ESG Taskforce.

Our approach to supporting our communities has the following three main elements.

Buyers – For those buying a refurbished Annington home, we strive to make home buying as straightforward as possible. We do this by:

- managing the sales process through regular engagement with agents and solicitors, aiming to ensure all buyers receive a consistent, fair and timely process
- where appropriate, we offer buyers the Annington Seal of Approval incentive; this provides a guarantee that if electrical, heating and internal water systems fail within the 28-day period from legal completion, we will repair them free of charge
- surveying 100% of buyers after one month post completion to ensure that we constantly improve our service.

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 to ensure tenants are being treated fairly. Additionally, we monitor the following.

- All tenants' complaints are logged and reviewed weekly until they are resolved. In-person property visits are also offered where we deem it necessary.
- We have set a target of achieving a minimum of 90% rating in our AST tenant-related contractor performance reviews every quarter.

The wider military community – As a signatory of the Armed Forces Covenant, we have pledged our support to military families, military children and young people, as well as veterans. The Covenant is a pledge by the nation that this community should not be disadvantaged because of their service. We have a target to annually donate 90% of our corporate giving to support the UK's wider military community and our activity in this area is overseen by our Charity Committee.

Target

- As a signatory of the Armed Forces Covenant, annually donate 90% of our corporate giving to support the UK's wider military community





CHARITABLE GIVING

We have four distinct areas for our charitable giving: military families, military youngsters, veterans and community initiatives. Each presents an opportunity to support our local communities in unique and fulfilling ways.

Military Families

We provide funding to three organisations working directly with military families where there is a focus on family cohesion and supporting the family unit.



SSAFA – The tri-service military charity's Short Breaks programme provides weeklong holidays for military families with a child with an additional need or disability. Our 2023/24 donation allowed the charity to add an extra week to this hugely oversubscribed programme, plus a weekend break in May 2024.



Reading Force – Reading Force is the tri-service shared reading charity founded by an army wife. 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.



Kings Camps – Kings Camps are the UK's leading sports and activities holiday camps for children aged 5 to 17, and provide invaluable Monday to Friday childcare during the school holidays. We fund Kings Camps for Army children at Tidworth and Aldershot Garrisons.

Military Youngsters

We support four organisations with a focus on improving educational outcomes and improving mental health among military youth.



The Outward Bound – The Annington Challenge supports military youngsters to apply for places on Outward Bound Courses run through the summer holidays. The courses are designed to help those who would benefit from an experience proven to improve self-confidence, self-esteem, team-working and resilience. Summer 2023 saw us welcome our 500th participant.



Scotty's Little Soldiers – This is the only UK charity that supports bereaved military children. Our £50,000 donation helps fund the charity's SUPPORT function. Two qualified individuals deliver direct bereavement support to Scotty's members and the surviving parent, if needed. In the reporting period, our donation of £50,000 delivered over £720,000 of social value.

Service Children's Progression ALLIANCE

Service Children's Progression Alliance (SCiP) – We are 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 military children.



Lord Kitchener National Memorial Fund – Established by Lord Kitchener in 1916, the charity provides university scholarships to the children of Service personnel, currently serving or veteran. Our funding provided five undergraduates plus one post-graduate with scholarship packages.





Veterans

We support three organisations working with veterans, with a focus on improving employment outcomes, retraining and mental health.

LIFEWORKS

Royal British Legion Industries (RBLI)

– LifeWorks is the RBLI's award-winning employability programme which provides vocational assessment and personal coaching aimed at getting veterans back to work. Our donation of £50,000 delivered £1.99 million of social value.

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, and transition to civilian life, education and employment.



Building Heroes – A new partner for Annington in 2023, Building Heroes provides free construction skills training courses for veterans and Service leavers. We are funding courses in general construction, plant and groundworks and training as retrofit assessors.

Community Initiatives

We make funds available to the wider military community for grassroots events and activities designed to bring the military community together.

An example of this includes donations of £15,000 to each of the three Forces Families Federations – organisations that work tirelessly for the military families they represent, ensuring the issues that affect them are heard and understood. They provide reliable information and support to families as they deal with problems that can result from Service.



The **Army Families Federation** provided free mobile Wi-Fi devices to 200 families struggling with poor-quality broadband provision in their Service Family Accommodation.



The **RAF Families Federation** used the donation to fund initiatives designed to bring families together, including dispersed families and those without children.



The **Naval Families Federation** launched its 'Take Time Out' campaign. Aimed at acknowledging and thanking those engaged in lone parenting for an extended period due to the demands of deployment, the campaign enabled over 700 individuals to receive a £25 voucher and thank-you card.



CLOSING STATEMENT

This report represents our first full year of reporting against our two ESG Objectives. While I am pleased with how far we have come, they remain a work in progress. To ensure we maintain focus on those topics most relevant to our stakeholders, we will repeat the materiality assessment undertaken in 2022. Once the results of this are known, I fully expect us to refine our targets further in the next 12 months.

Central to our Climate Resilience Objective is the future energy efficiency measures we intend to integrate into our work refurbishing former military homes. The final recommendations of the report we commissioned aimed at helping us understand the thermal performance and energy efficiency challenges of former MoD housing will be key to this. However, I am pleased that we have already begun to implement some of the report's initial findings, and the project at Devizes, Wiltshire, was without doubt a milestone for us. The work undertaken to return these homes to the market at EPC A was a considerable achievement, especially given their age, type and condition. I am very proud of our work and the learnings taken from the project.

One such learning was the very pressing need for thousands more suitably qualified contractors. Our partnership with military charity Building Heroes is key to our People, Communities and Skills for the Future Objective, and having had the pleasure of meeting so many Service leavers and veterans in the last year, I feel confident that the courses we are funding are relevant and the skills being learnt will be in demand. We have exciting plans for this partnership, and I look forward to providing an update next year on our target of funding training for over 2,000 beneficiaries by 2027.

In addition to addressing the energy efficiency of the homes we refurbish, we clearly have a responsibility to address what increasing temperatures and increased rainfall could mean for future occupants. To ensure that the homes are future-proofed, we intend to undertake climate risk assessments for all properties returned to us by the MoD. The use of climate scenarios will help us highlight risks and plan mitigating improvements, ensuring the homes we return are fit for purpose for future generations.

At the same time, we will be looking closely at how we can support biodiversity in future refurbishment projects, and our current ambition is to convert 10% of community land on new refurbishment projects to support nature creation by 2030, where feasible. This target is currently being reviewed and will be amended as necessary once the results of planned pilot schemes become clear.

The homes we refurbish have played an essential but often overlooked part in our country's defence system. But after years of constant use, with frequent rotation in occupants and ever-tightening maintenance budgets, many of these homes have fallen into significant disrepair and severely declining energy efficiency. The work we undertake to refurbish these homes before returning them to the communities in which they sit is an important undertaking, and one of which the entire team at Annington is justifiably proud. I would like to thank all staff for their ongoing support and commitment to our ESG journey and their work in helping us deliver against our Objectives.

IAN RYLATT
CEO

GRI CONTENT INDEX

Refurbish, Repurpose, Revive: 2024 ESG Performance Report

Reporting Period: 01 April 2023 – 31 March 2024

Date of Publication: 30 September 2024

Contact Information:

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GRI Standards Statement of Use

Annington Limited (Annington) has reported the information cited in this GRI content index for the period 01 April 2023 – 31 March 2024 with reference to the GRI Standards. Our content index provides information and data for topics that are material to our operations and sites. We present performance data wherever possible. We will continue to refine our reporting and establish a robust approach to GRI disclosures.

GRI Standards Used

This report has been prepared with reference to the following GRI Standards:

- **GRI 1:** Foundation 2021
- **GRI 2:** General Disclosures 2021
- **GRI 3:** Material Topics 2021

DISCLOSURE REFERENCE

GRI 2: General Disclosures

2-1	Organizational details	Annual Report and Financial Statements pages 38, 49 – Corporate information and ownership structure
2-2	Entities included in the organization's sustainability report	2024 ESG Performance Report, About this Report, page 7
2-3	Reporting period and frequency of sustainability reporting	2024 ESG Performance Report, About this Report, pages 6-7
2-4	Restatements of information	2024 ESG Performance Report, Carbon Emissions and Energy Management, page 24
2-5	External assurance	Annington does not currently obtain external assurance for our report or the data within.
2-6	Activities, value chain, and other business relationships	Annual Report and Financial Statements page 5 2024 ESG Performance Report, About Annington, page 6
2-7	Employees	2024 ESG Performance Report, Equality, Diversity and Inclusion, page 37 Annual Report and Financial Statements, pages 30-31 - EDI, Strategic report (employee breakdown)
2-8	Workers who are not employees	We work with a team of trusted external contractors and specialist advisers who help us deliver our primary mission. The exact number varies throughout the year and is not tracked.

GRI 2: General Disclosures

2-9	Governance structure and composition	Annual Report and Financial Statements pages 36-37 – Corporate Governance Arrangements 2024 ESG Performance Report, ESG Governance, page 19
2-11	Chair of the highest governance body	Annual Report and Financial Statements - Directors, pages 19-20
2-13	Delegation of responsibility for managing impacts	2024 ESG Performance Report, ESG Governance, pages 19-20
2-14	Role of the highest governance body in sustainability reporting	The CEO gave final sign-off for all content within the Annington 2024 ESG Performance Report. Terra Firma, the majority shareholder in Annington Homes also provided oversight and final sign-off of the content within this report.
2-15	Conflicts of interest	2024 ESG Performance Report, Business Ethics and Compliance, page 19
2-16	Communication of critical concerns	2024 ESG Performance Report, Business Ethics and Compliance, page 19
2-22	Statement on sustainable development strategy	2024 ESG Performance Report, CEO Statement, page 3 2024 ESG Performance Report, Our ESG Strategy, page 15
2-23	Policy commitments	2024 ESG Performance Report, Business Ethics and Compliance, page 19 <u>Annington Homes Company Policies</u>
2-24	Embedding policy commitments	2024 ESG Performance Report, Business Ethics and Compliance, page 19 <u>Annington Homes Company Policies</u>

GRI 2: General Disclosures

2-25	Processes to remediate negative impacts	2024 ESG Performance Report, Business Ethics and Compliance, page 19 <u>Annington Homes Grievance Policy and Procedure</u>
2-26	Mechanisms for seeking advice and raising concerns	2024 ESG Performance Report, Business Ethics and Compliance, page 19 Annington Homes has internal processes and grievance mechanisms in the form of a Whistleblowing Policy, which provides recourse for employees who may raise concerns about the company and its performance. Annington's Property and Rental teams also provide recourse for customers to raise concerns about their properties, but this does not relate to business conduct explicitly.
2-27	Compliance with laws and regulations	Annington has not been found to be in breach of any laws or regulations within the UK during the reporting period.
2-28	Membership associations	2024 ESG Performance Report, Membership Associations, page 11

GRI 205: Anti-Corruption

3-3	Management approach	2024 ESG Performance Report, Business Ethics and Compliance, page 19 <u>Annington Homes Company Policies</u>
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GRI 205: Anti-Corruption

205-1	Operations assessed for risks related to corruption.	<p>100% of operations have been assessed. Annington ensures that all third-party engagements are assessed for significant risks by ensuring all employees carry out the necessary due diligence checks commensurate with the level of risk including the completion of a pre-contract enquiries checklist.</p> <p>No significant risks related to corruption have been identified through the risk assessment.</p>
205-2	Communication and training about anti-corruption policies and procedures	<p>A. B. 2024 ESG Performance Report, Business Ethics and Compliance, page 19</p> <p>All Senior Leadership Team members and executive directors on the Board receive annual anti-bribery and corruption training which also requires the acknowledgement of its Anti-Bribery and Corruption Policy. Annington Homes Company Policies are publicly available on our website.</p> <p>C. All third parties are provided with a copy of Annington's Anti-Bribery and Corruption Policy as part of their contractual agreements and are required to provide a written agreement that they will comply with its terms.</p>

GRI 205: Anti-Corruption

205-3	Confirmed incidents of corruption and actions taken	Within the reporting period, there were no confirmed incidences of corruption.
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GRI 206: Anti-competitive Behaviour

3-3	Management approach	<p>2024 ESG Performance Report, Business Ethics and Compliance, page 19</p> <p>Annington Homes Company Policies</p>
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.	A. For the reporting period, there were no confirmed cases of anti-competitive behaviours, anti-trust, or monopoly practices.

GRI 207: Tax

3-3	Management approach	Annington Tax Strategy for the year ended 31 March 2024
207-1	Approach to tax	Annington Tax Strategy for the year ended 31 March 2024
207-2	Tax governance, control, and risk management	Annington Tax Strategy for the year ended 31 March 2024
207-3	Stakeholder engagement and management of concerns related to tax	Annington Tax Strategy for the year ended 31 March 2024

GRI 207: Tax

207-4	Country-by-country reporting	Annual Report and Financial Statements pages 16, 55-57 - Taxation Each year, Annington sends His Majesty's Revenue and Customs ("HMRC") a country-by-country report, which includes information on revenues, income tax, and stated capital and accumulated earnings by country for the Group.
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GRI 302: Energy

3-3	Management approach	2024 ESG Performance Report, Carbon Emissions and Energy Management, page 23
302-1	Energy consumption within the organization	2024 ESG Performance Report, Carbon Emissions and Energy Management, page 26 F. GHG Protocol Corporate Accounting and Reporting Standard (2004:2015), HM Government Environmental Reporting Guidelines. G. Energy Star Thermal Energy Conversions, BEIS 2023, IEA 2021, US EPA eGrid 2022, Ecoinvent version EF 3.1
302-2	Energy consumption outside the organization	Annington does not report energy consumption outside the organisation.
302-3	Energy intensity	2024 ESG Performance Report, Carbon Emissions and Energy Management, page 23 A. Energy Intensity: 7.59kWh / per 1,000 ft ² B. 1000ft ² of legally completed unoccupied and controlled properties floor space C. Types of energy used: all types accounted for in this ratio. D. This ratio includes energy consumption within the organisation, in line with SECR requirements.

GRI 305: Emissions

3-3	Management approach	2024 ESG Performance Report, Greenhouse Gas Emissions and Energy Management, page 23
305-1	Direct (Scope 1) GHG emissions	A. 363.85 tCO ₂ e B. All C. 0 D. Base year 2023 i. First complete year of data for all scopes 1, 2 and 3 emissions. ii. Scope 1: 426.60 tCO ₂ e iii. Not applicable. E. BEIS 2023 F. Operational control G. GHG Protocol Corporate Accounting and Reporting Standard (2004:2015)
305-2	Energy indirect (Scope 2) GHG emissions	A. 121.29 tCO ₂ e B. Not applicable C. All D. Base year 2023 i. First complete year of data for all scopes 1, 2 and 3 emissions. ii. Scope 2: 144.00 tCO ₂ e E. UK Defra 2023 F. Operational control G. GHG Reporting Protocol - Corporate Standard (2004:2015); GHG Protocol: Scope 2 Guidance (2015)

GRI 305: Emissions

305-3	Other indirect (Scope 3) GHG	<p>A. 52,278.45 tCO₂e</p> <p>B. All</p> <p>C. 0</p> <p>D. Business travel; capital goods; downstream leased assets; employee commuting; fuel- and energy-related activities; purchased goods and services; upstream transportation and distribution; use of sold products and waste in operations</p> <p>E. Base year 2023</p> <p>i. First complete year of data for all scopes 1, 2 and 3 emissions.</p> <p>ii. Scope 3: 27,478.56 tCO₂e</p> <p>iii. 2024 ESG Performance Report, Greenhouse Gas Emissions and Energy Management, page 23</p> <p>F. UK Defra 2023; Bath Inventory of Carbon and Energy (ICE) v3.0, 2020</p> <p>G. Operational control</p> <p>H. GHG Reporting Protocol - Corporate Standard (2004:2015); GHG Protocol: Value Chain (Scope 3) Standard (2011).</p>
305-4	GHG Emissions intensity	<p>A. 56.28 tCO₂e/100m²</p> <p>B. 100m² of legally completed floor space</p> <p>C. Scopes 1, 2 and 3 emissions.</p> <p>D. All</p>

GRI 306: Waste

3-3	Management approach	2024 ESG Performance Report, Waste Management, page 29
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GRI 306: Waste

306-1	Waste generation and significant waste-related impacts	2024 ESG Performance Report, Waste Management, page 29
306-2	Management of significant waste-related impacts	2024 ESG Performance Report, Waste Management, page 29.
306-3	Waste generated	<p>A. Total waste: 1,853.49 tonnes</p> <p>Hazardous waste: 0 tonnes</p> <p>Non-hazardous waste: 1,853.49 tonnes</p> <p>B. The data has been compiled as part of Annington 's annual data collection directly from the sites.</p>
306-4	Waste diverted from disposal.	<p>2024 ESG Performance Report, Waste Management, page 29</p> <p>E. The data has been compiled directly from the sites as part of our annual data collection.</p>
306-5	Waste directed to disposal	<p>2024 ESG Performance Report, Waste Management, page 29</p> <p>E. The data has been compiled directly from the sites as part of our annual data collection.</p>

GRI 403: Occupational health and safety

3-3	Management approach	<p>2024 ESG Performance Report, Health, Safety and Wellbeing, page 32</p> <p>Annington Health and Safety Policy</p>
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GRI 403: Occupational health and safety

403-1	Occupational health and safety management system	<p>A. Annington has implemented a health and safety management system which has been prepared in accordance with Section 2(3) of the Health and Safety at Work etc. Act 1974. Within this includes a document system which formally communicates the instructions and procedures covering operation and work activities from the Company Directors to their supporting managers, supervisors and all other personnel employed or involved in the Company's activities.</p> <p>B. Annington's Health and Safety Management System ensures the health and safety of all personnel associated with the company's work activities, including contractors, visitors, and the general public.</p>
403-2	Hazard identification, risk assessment, and incident investigation	<p>A. Annington carries out risk assessments for a range of activities as part of its legal obligation to make its working environment safe. In accordance with the risk management processes, Annington assesses the risks to the health and safety of each employee and of anyone else that may be affected by the work activity. The clear identification of all foreseeable risks will enable the necessary preventive and protective measures to be implemented. The risk assessment is then recorded and made available at the workplace. Where it is identified as being necessary, additional training or information will be provided to all employees. All risk assessments are carried out by the Health and Safety Manager which the Health and Safety Committee oversees. This is then monitored to ensure each operation is acting in accordance with the details outlined in the written assessment.</p>

GRI 403: Occupational health and safety

403-2 (Continued)	Hazard identification, risk assessment, and incident investigation	<p>B. To effectively report risks related to health and safety, Annington has developed a 'Safe System of Work' procedure, which outlines the processes and personnel in place to ensure efficient controls are carried out. As part of this Method Statement, all operatives have a duty to follow health and safety instructions and report any dangerous aspects.</p> <p>C. All our refurbishment projects come with the risk of injury; however, through our health and safety risk management processes, we aim to mitigate this as far as possible so all operatives can carry out their roles free from any risk of injury. However, in the event of serious or imminent danger to any person, employee or otherwise, all planned work that could be affected is ceased. Managers instruct the employees on the necessary immediate action to be taken to reduce the danger or the area is evacuated until it has been made safe.</p> <p>D. In the event of an incident arising related to health and safety, all injuries, however minor, are reported by the Health and Safety Manager or Project Manager in the 'Accident Book'. The Company Safety Advisors should then be advised of any accident involving hospitalization or resulting in more than seven days off work. All near misses are also reported if no injury has been sustained. In the event of a fatal or major injury, Annington follows The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. The Health and Safety Manager must investigate all accidents resulting in injury or damage on site and report the details to the Directors. The Company Safety Advisor reserves the power to investigate all reported accidents, producing an Investigation Report at its conclusion.</p>
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GRI 403: Occupational health and safety

403-3	Occupational health services	<p>2024 ESG Performance Report, Health, Safety and Wellbeing, pages 32-34</p> <p>Annington Homes complies with all UK health and safety laws related to ensuring the health and safety of all employees and personnel exposed to our operations. This includes but is not limited to the Health and Safety at Work Act 1974 and Data Protection Act 2018.</p>
403-4	Worker participation, consultation, and communication on occupational health and safety.	<p>A. Employees are consulted in accordance with the Health and Safety (Consultation with Employees) Regulations 1996 whenever there are changes in Annington's work procedures and arrangements for the health, safety and welfare of the employees and consultation with the Health and Safety Executive (HSE). Consultation is carried out either directly with employees or within a group of elected employees as representatives of employee safety. Information is provided initially to allow sufficient time for employee comments and feedback to be considered and any necessary changes made.</p> <p>B. Annington's Health, Safety and Wellbeing Committee oversees the implementation of the Health and Safety Policy, as well as any related procedures. Meeting once every six weeks, it is chaired by the Compliance and Property Manager and includes representatives from across the company's operations, such as the COO, Director of Strategy and Communications, Technical Manager, Director of Projects and Sales, Compliance and Property Manager, Senior Project Manager, Sustainability Manager, Head of Legal, HR Manager, Health, Safety and Wellbeing representatives from our three offices. As part of its role, the Committee reviews and maintains all relevant risk assessments, consults with all employees, trains all employees and ensures all training records are kept up to date.</p>

GRI 403: Occupational health and safety

403-5	Worker training on occupational health and safety.	<p>A. All employees receive training on health and safety as part of their standard responsibilities. Training is repeated at regular intervals and at times when legislation or working methods may change. Annington also provides specialized courses or employee training as is appropriate and necessary for the requirements of their duties. Records of any training will be kept. Employees are also encouraged to enquire about suitable training where they feel they have a training need. Managers ensure that all employees have the appropriate health and safety training and experience to carry out their roles, and where necessary, the Health and Safety Manager will identify and arrange training and instruction of employees.</p>
403-6	Promotion of worker health	<p>2024 ESG Performance Report, Health, Safety and Wellbeing, pages 32-34</p>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	<p>A. Annington's main health and safety risks arise from its primary operations involving the refurbishment of old properties. This process involves the work carried out by contractors who are employed to carry out the construction works. There is a risk, therefore, of our properties being made unsafe by contractors. To mitigate the risk this poses to our customers, Annington monitors and assesses the implementation of its policies and systems through monthly independent health and safety checks, in addition to requiring contractors to undertake their own. All contractors are scored in a league table on their health and safety performance; this is considered during future tender processes.</p>

GRI 403: Occupational health and safety

403-8	An occupational health and safety management system covers workers.	All employees and contractors are covered by Annington's Health and Safety Management System.
403-9	Work-related injuries.	2024 ESG Performance Report, Health, Safety and Wellbeing, page 34
403-10	Work-related ill health.	2024 ESG Performance Report, Health, Safety and Wellbeing, page 34

GRI 404: Training and education

3-3	Management approach	2024 ESG Performance Report, Training and Development, page 40
404-1	Average hours of training per year per employee	Annington recorded 1,425.5 training hours in 2023/24. The split by gender and employee category was not recorded. The average training hours equate to 23.37 hours per employee. We have been informed that some training was not fully recorded this year, and the actual training hours are presumed to be significantly higher than the reported values.
404-2	Programs for upgrading employee skills and transition assistance programs	2024 ESG Performance Report, Training and Development, page 40

GRI 404: Training and education

404-3	Percentage of employees receiving regular performance and career development reviews	Note: 100% of eligible employees have completed PDPs. Due to being away on maternity leave, one female employee did not complete a PDP during the reporting year.
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Reporting year	% of total eligible employees with a completed PDR	% of total eligible female employees with a completed PDR	% of total eligible male employees with a completed PDR
2023/24	100%	100%	100%

GRI 405: Diversity and equal opportunity

3-3	Management approach	2024 ESG Performance Report, Equality, Diversity and Inclusion, page 37
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GRI 405: Diversity and equal opportunity

405-1	Diversity of governance bodies and employees	2024 ESG Performance Report, Equality, Diversity and Inclusion, pages 37-38
A.		
		2023 2022
Total number of directors		7 8
By gender		
Female		14% 12%
Male		86% 88%
By age		
<30 years		0% 0%
30-50 years		14% 12%
>50 years		86% 88%
B. 2024 ESG Performance Report, Equality, Diversity and Inclusion, pages 38-39		

GRI 413: Local Communities

3-3	Management approach	2024 ESG Performance Report, Supporting Our Communities, page 42
413-1	Operations with local community engagement, impact assessments, and development programs	We do not quantify the percentage of operations with implemented community engagement, but we aim to have a positive impact on all of the communities within which we operate.

GRI 416: Customer Health and Safety

3-3	Management approach	2024 ESG Performance Report, Customer Welfare, pages 35-36
416-1	Assessment of the health and safety impacts of product and service categories	All of our product and service categories are assessed for improvement, and we have a number of KPIs and targets to track customer satisfaction and welfare.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No issues of non-compliance were identified during the reporting year.

APPENDIX

EMISSIONS

Scope	2022/23 (tCO ₂ e)	2023/24 (tCO ₂ e)	Change	Percentage 2023/24
1	426.60	363.85	-15%	1%
2	144.00	121.29	-16%	0.5%
3	18,190.19	26,278.11	+44%	98%
TOTAL	18,760.79	26,763.25	+43%	100%

WASTE

Disposal method	2022/23 (tonnes)	2022/23 (%)	2023/24 (tonnes)	2023/24 (%)
Recycled	4,668.90	95.05%	1,612.27	86.99%
Recovered	162.77	3.31%	205.06	11.06%
Landfill	80.27	1.62%	36.16	1.95%
TOTAL	4,911.94	100%	1,853.49	100%

DEVELOPING EXPERTISE

	2022/23	2023/24
Total number of training hours	448	112
Average training investment per employee	£1,220	£1,320
Percentage of staff completing training	87%	93%

HEALTH AND SAFETY

	2022/23	2023/24
Contractor incidents	7	4
Reportable incidents: RIDDORs	Nil	Nil
Employee work incidents	1	1

EDI BREAKDOWN

	2022/23	2023/24	Percentage 2022/23	Percentage 2023/24
All employees	55 total 26 men 29 women	61 total 31 men 30 women	47% men 53% women	51% men 49% women
The Board	6	7	83% men 17% women	86% men 14% women
Senior Executive Team (excluding Board)	4	4	50% men 50% women	50% men 50% women
Full-time	50		54% men 46% women	53% men 47% women
Part-time	5		100% women	100% women

EMPLOYEE GENDER AND DIVERSITY

	2022/23	2023/24	Percentage 2022/23	Percentage 2023/24
Age Range				
Under 30	7	7	13%	12%
30-50	29	33	53%	54%
Over 50	19	21	35%	34%
Average age	44	44		
Ethnicity				
White	n/a	n/a	69%	77%
Asian/black/mixed			11%	15%
Other/not disclosed			20%	8%





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