



a2dominion 

**Investor presentation
September 2023**

A photograph of a modern brick apartment building with balconies and a courtyard with parking spaces. The building is multi-storied with a mix of brick and stone textures. It features numerous windows, some of which are illuminated from within, and several balconies with dark metal railings. The courtyard in the foreground has several parking spaces marked with white lines and symbols. The sky is a clear, pale blue, suggesting a bright day.

Overview

Cavendish Gardens, Bath
Road, West London

A2Dominion Group – A Reminder

- Over 38,000 homes in London and the South East:
 - Social/affordable
 - Low Cost Home Ownership (LCHO)
 - Supported/sheltered
 - Student accommodation
 - Private rented and private sale
- Over 69,000 customers living in our homes.
- Our services are - residential management, specialist housing, property management, community investment, land and development.
- Working across 79 local authorities.
- Continue to develop the sites underway and fulfil our programme of development with a target of 719 new homes next year (41% private sale, 26% affordable rent, 4% private rent and 29% shared ownership).
- Member of the G15, a group of London's largest housing associations.
- Delivering up to 900 units per annum over 2020 to 2025, as per the Board's Land and Development Strategy.
- Rated by Regulator of Social Housing at G1 / V2 (subject to pending Regulatory review).
- 1,293 staff operating across the Group.
- Our decent homes compliance figure for 2022/23 was 99.9%.

Governance – Board of Management (changes since last year)

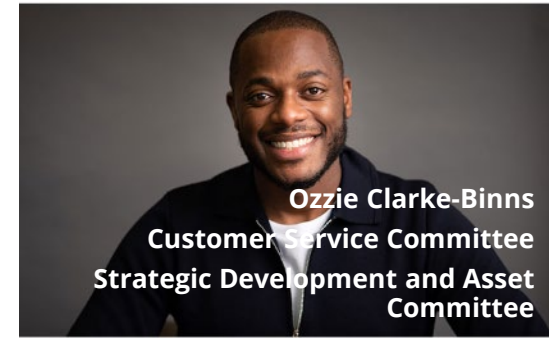
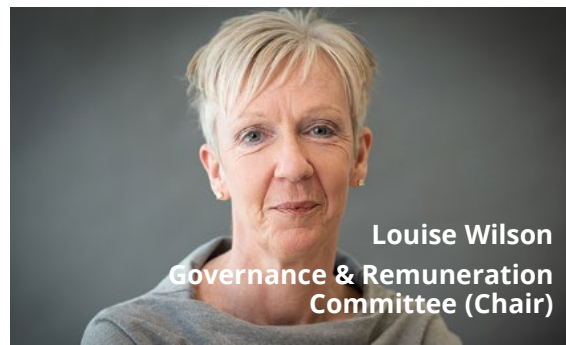
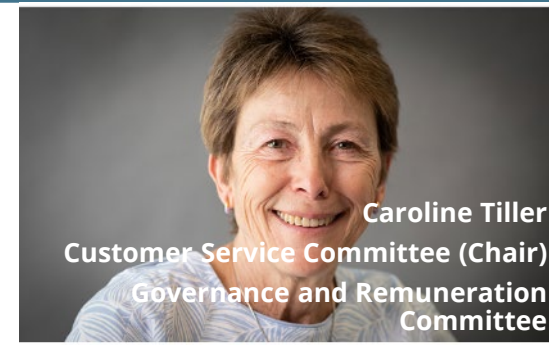
Resignations:

- ← Darrell Mercer - Group Chief Executive, Strategic Development and Asset Committee
- ← Caroline Tolhurst – Group Board, Strategic Development and Asset Committee (Chair)
- ← Anne Waterhouse – Executive Director, Central and Financial Services

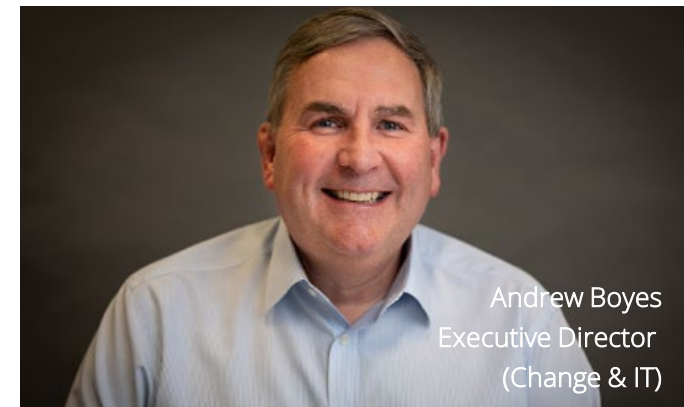
Appointments:

- Ian Wardle - Chief Executive Officer
- Dennis Watson – Strategic Development and Asset Committee, Finance Committee
- Nigel Turner - now Chair, Strategic Development and Asset Committee, joined Customer Service Committee
- Alex Roth - Audit, Risk and Assurance Committee, also joined Customer Service Committee
- Ozzie Clarke-Binns – Customer Service Committee, also joined Strategic Development and Asset Committee

Governance – Board of Management



Governance – Executive Management Team



Changes to the Executive team

The recent announcement of the retirement of two EMT members has been the catalyst for a full review of the leadership structure

- Operations role has been split into:
 - Chief Customer Officer
 - Chief Property Officer
- Putting the posts in place:
 - Michael Reece to become Chief Property Officer
 - Recruiting for Chief Customer Officer, interim recruited
 - Recruiting for Chief Finance Officer, interim recruited
 - Recruiting for Managing Director (Regeneration and Partnerships)

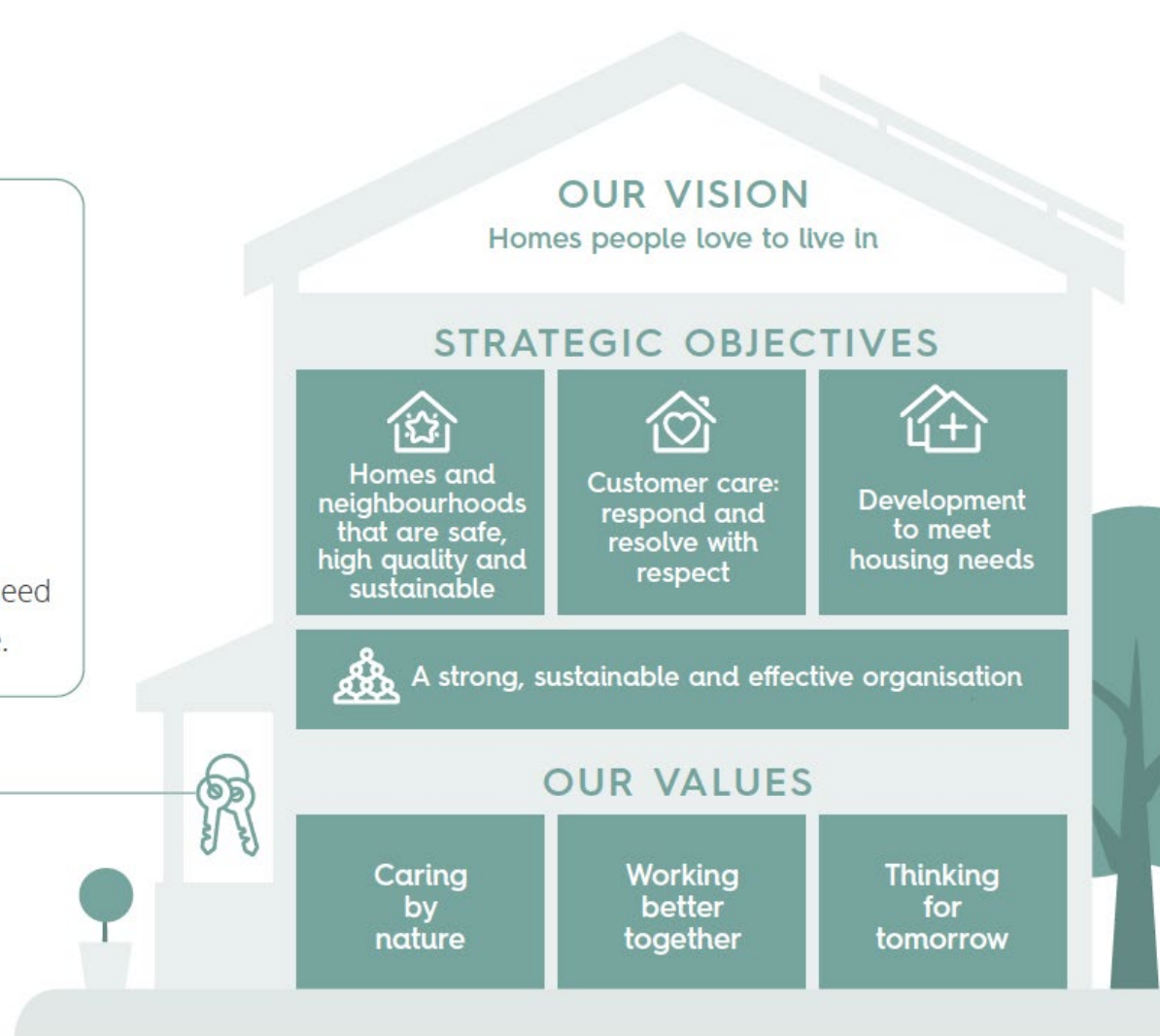
Group Structure



Our Vision and strategic priorities

Our core customers need...

- More homes: Larger homes in central London
- Ability to move (and to unlock homes for others)
- Better quality homes
- Purchase options including shared ownership
- Support services for growing need
- Reliable and consistent service.



Our evolving business strategy

The key principles established as a result of our performance review are:

- ✓ To focus on providing social, affordable homes and services that are aligned to our charitable objectives.
- ✓ To deliver services that support our objectives, for example our community investment work and specialist housing.
- ✓ To re-evaluate and change work that does not support our charitable objectives but that costs us to deliver.

Notable Events in 2022-2023

Key highlights

- ✓ 86% (2022/23) customer satisfaction with responsive repairs services.
- ✓ 85,000+ responsive repairs.
- ✓ Created a new Damp & Mould team.
- ✓ Created Enhanced Housing Management team for tall and high-risk buildings.
- ✓ £11.2 million generated in social value.
- ✓ 2,200+ customers claimed over £7 million in financial support.
- ✓ 745 new homes completed with 1,748 homes to be built in our two-year development pipeline.
- ✓ 340 homes started on site.
- ✓ Fitch A credit rating.
- ✓ 82% employee engagement score.



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HANWELL SQUARE

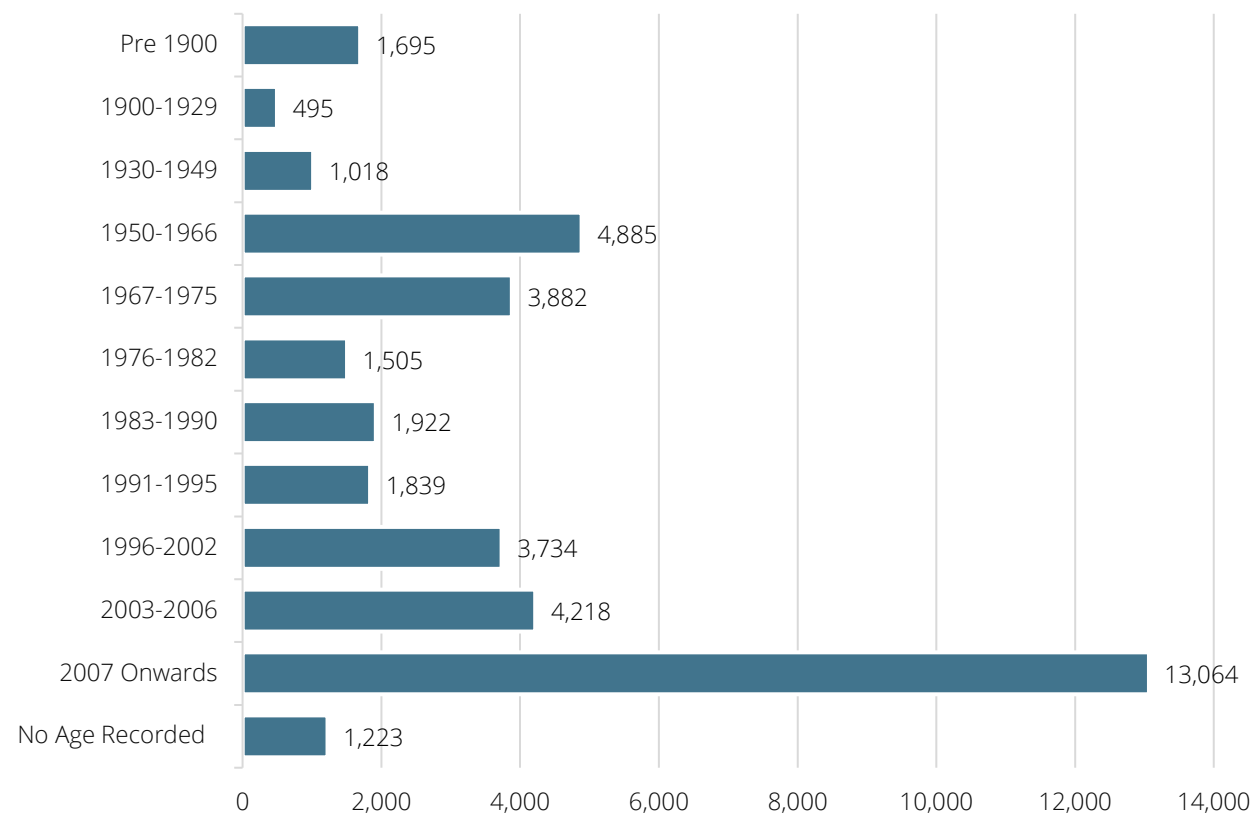
Stock

**Hanwell Square, Boston
Road, Ealing**

Stock Type & Age

Business Stream	2023	2022
Social housing		
General needs/affordable	19,075	18,972
Supported / housing for older people	2,243	2,256
Shared ownership	3,872	3,790
Key worker	2,611	2,676
Temporary accommodation	527	537
Social housing - other*	1,240	1,235
Managed for others**	7,182	6,964
Sub-total	36,750	36,430
Non-Social housing		
Market Rented	1,279	1,412
Student Accommodation	1,451	1,451
Managed for others	-	-
Sub-total	2,730	2,863
Total	39,480	39,293

* garages, parking & community centres/areas
 ** leasehold/freehold

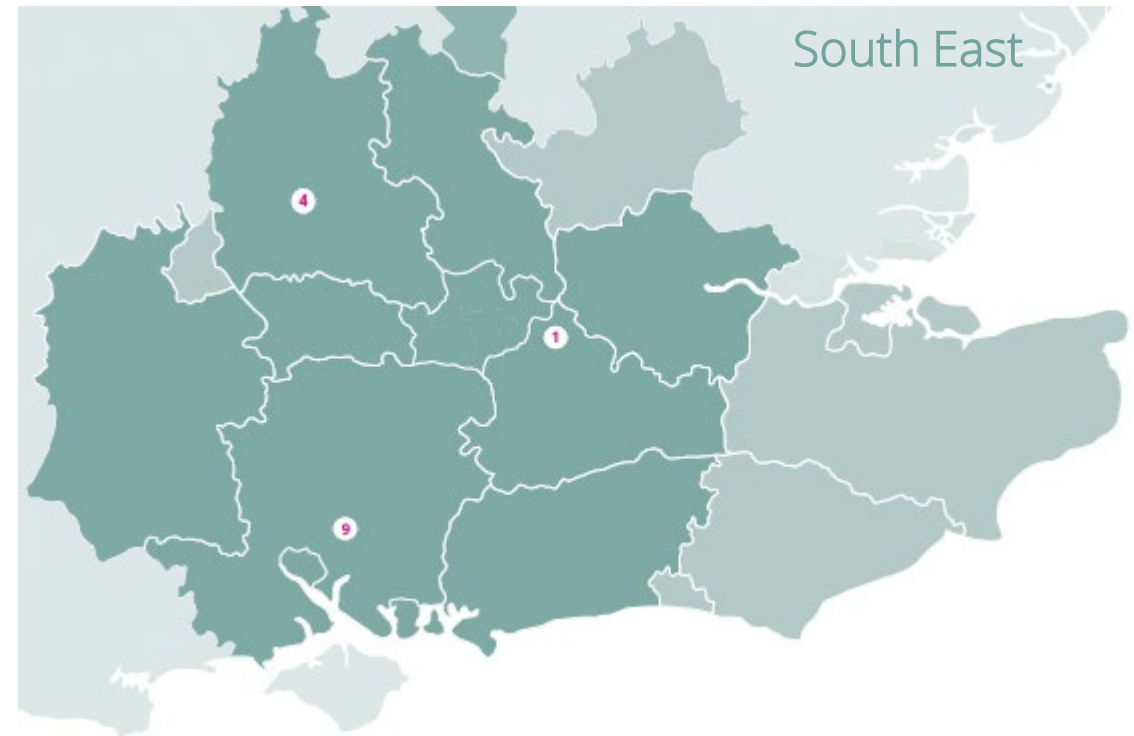
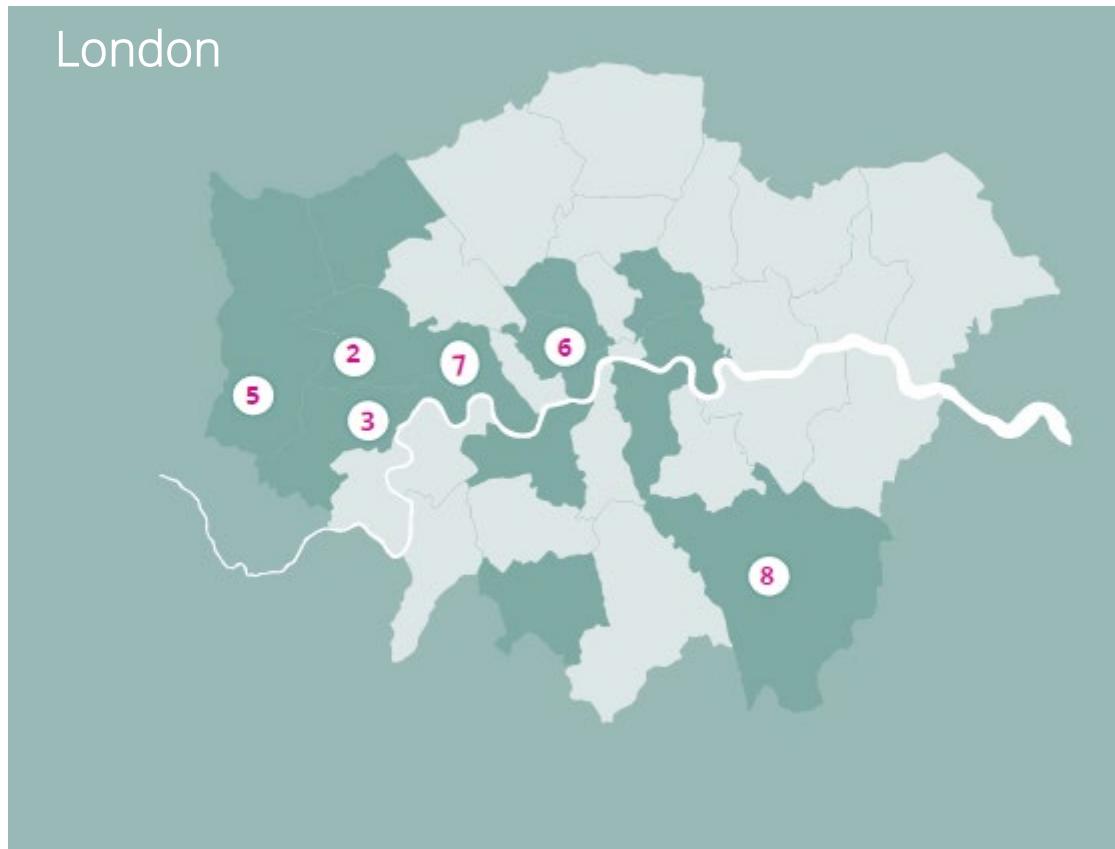


Stock profile: local authorities with over 1,000 units in management & development

Local Authorities with Greater than 1,000 units in management and development

ref	Local Authority	Properties in Management	Development Pipeline	Total
1	Spelthorne	6,897	28	6,925
2	Ealing	3,792	495	4,287
3	Hounslow	2,935	127	3,062
4	Oxford City	2,587	510	3,097
5	Hillingdon	2,041	-	2,041
6	City of Westminster	1,288	-	1,288
7	Hammersmith & Fulham	1,273	204	1,477
8	Bromley	1,191	-	1,191
9	Winchester	1,129	-	1,129
	subtotal	23,133	1,364	24,497
	other	16,347	1,369	17,716
	Total	39,480	2,733	42,213

Stock profile: location of areas with highest levels of stock



Number of properties in management and development:

■ 1,000+ ■ 500-999 ■ 0-499 ■ No activity at present

** Numbers refer to local authorities on previous page*



Elmsbrook, Bicester

Debt, Cash & Treasury Management

Debt Portfolio Summary

- 41% of our current drawn debt portfolio is bank loans, with margins ranging from 0.325% (plus SONIA + Credit Adjustment Spread) to 5.97% (fixed)
- Weighted average cost of funds on total Group debt as at March 2023 was 4.33%
- As at 31 March 2023 total unencumbered stock was valued £1.95bn (valuation EUV-SH/Fair Value)

As at 31 March 2023	Facility size £m	Drawn £m	Undrawn £m
Revolving Credit Facilities	512	126	386
Term Loans	522	522	-
Bond issues	929	929	-
Total Debt	1,964	1,578	386
Less Cash		37	
Net Debt		1,541	
Variable Rate Borrowing		177	11.2%
Fixed/Index linked		1,401	88.8%
Totals		1,578	

* including "Club" bonds

** discounts/premiums excluded

Property Valuations

Completed units plus units under construction	Property valuation					Other (e.g. Commercial & student) £m	Total £m
	Social Housing	Shared	Key Worker	Market Rent			
	£m	Ownership £m	£m	£m	£m		
Cost	2,721	419	151	397	90	3,778	
Net book value	2,281	413	120	397	90	3,300	

Source: A2Dominion Group Annual Report & Accounts, 2023

Completed units	Property valuation					Other (e.g. Commercial & student) £m	Total £m
	Social Housing	Shared	Key Worker	Market Rent			
	£m	Ownership £m	£m	£m	£m		
On vacant possession basis (MV-VP)*	8,213	834	494	510	171	10,223	
On existing use for social housing basis (EUV-SH) / Fair Value *	2,296	458	230	425 [*]	171 [*]	3,581	

*Source: JLL Valuation May 2023

Unencumbered asset test

	31 March 2023	31 March 2022
	£m	£m
Completed properties at valuation	3,580.5	3,526.8
Development work in progress	414.5	504.8
Fixed Asset Investments	-	40.0
Total Properties Value	4,033.7	4,071.6
Total Secured Debt	(883.0)	(839.0)
Net Available Properties Value	3,150.7	3,232.6
Total Unsecured Debt	695.0	844.0
Asset Cover	453.3%	383.0%



Heatherwell Place,
Guildford, Surrey

Development Plan

Development Activities & Track Record

- ✓ A2Dominion has a track record in developing property. In the last 10 years we have developed around 7,500 units.
- ✓ In the year to 31 March 2023, we successfully completed 745 homes (of which 64% were affordable housing)
- ✓ In the year to 31 March 2023 there were 340 homes starting on site, and over 1,800 in our development pipeline.

Year	Intermediate		Shared		Other	Totals
	Social Rent	/Private Rent	Ownership	Private Sale		
2013/14	141	-	121	216	103	581
2014/15	304	-	69	206	-	579
2015/16	333	268	196	330	-	1,127
2016/17	322	182	71	179	-	754
2017/18	121	109	53	413	78	774
2018/19	137	296	88	354	-	875
2019/20	85	5	13	312	-	415
2020/21	127	290	26	311	-	754
2021/22	222	1	338	410	-	971
2023/23	297	-	180	268	-	745
Totals	2,089	1,151	1,155	2,999	181	7,575

Development activity

- ✓ The previous strategy for 2020-2025 was to develop up to 900 units each year in the five years to 2025. This is now being refocused, moving to more regeneration of existing estates and meeting zero carbon targets.
- ✓ Emphasis on location and ROI rather than quantity. Greater focus on areas outside of London where the unit cost/plot and capital lock up/scheme is lower.
- ✓ Tenure split to be 40% Private Sale, 60% Affordable Rent. Regional split of 40% London and 60% South East (outside London).
- ✓ A2Dominion continues to actively promote its strategic land bank, however the strategic land market has been extremely competitive. Options on 1,000 new plots have been added to our strategic land bank. We are pursuing planning permission on behalf of landowners in return for an option to buy at a discounted price. We now have options on 5,100 plots).
- ✓ The Group has interests in a number of joint ventures with four different development partners and one Local Authority.
- ✓ Continue to develop the sites underway and fulfil our programme of development with a target of 719 new homes next year (41% private sale, 26% affordable rent, 4% private rent and 29% shared ownership).

Grant secured

Grant Secured (2016-23 programme)

- ✓ The Group formed a Strategic Partnership with the GLA as part of their 2016/21 London Affordable Homes Programme (extended to 2023), agreeing to deliver 60% of affordable homes across the London programme, and securing over £111.5m of grant funding.
- ✓ This provided an average grant rate of circa £112k per unit and helped to deliver over 400 affordable homes.

Grant Secured (2021–26 programme)

- ✓ We continue to be a Strategic Partner with the GLA. Under this new programme we originally secured significantly higher grant rates than previously achieved, totalling £56m. The GLA recognised the current economic challenges the housing sector is now facing and encouraged Strategic Partners to make changes to their initial Homes for Londoners: Affordable Homes Programme 2021/26 allocation.
- ✓ This provides an average grant rate of circa £159k per unit.
- ✓ This funding will help to provide over 350 affordable homes.

Future development plans

In 2023/24 we will:

- Deliver our existing build programme.
- Create a refreshed plan for land buying, development, and asset management across our business.
- Evaluate, model and plan for recession and other challenging scenarios to protect our development pipeline and adjust for economic shocks.
- Commission an independent annual review of hurdle rates and appraisal assumptions which provide the thresholds for our schemes, so we enter at the right levels and achieve the returns that we need.
- Investigate new ways of funding and partnerships.

Development Controls

- The Board and management team have put controls and appraisal checks in place to manage the risk of this activity.
- A2D approaches development with the following guiding principles:
 - ✓ Affordable Housing development in London/South East requires capital subsidy;
 - ✓ The subsidy must be provided from surpluses generated elsewhere in the Group;
 - ✓ Maintaining A2D's financial strength, requires a limit to the level of subsidy;
 - ✓ There must be a balance between growth in Affordable Housing and the need to maintain and improve financial strength.
 - ✓ Upper borrowing limits set by the Board, with limit determined by Group projected financial performance.

Development & Sales Summary

DEVELOPMENT PROPERTY REPORT	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Pipeline										
Affordable	159	332	-	112	108	-	-	-	-	-
PRS	30	-	-	-	-	-	-	-	-	-
Shared Ownership	150	174	95	39	25	-	-	-	-	-
Commercial Rent	6	-	1	-	-	-	-	-	-	-
Student Accomodation	-	-	-	-	-	-	-	-	-	-
Keyworker	-	-	125	-	-	-	-	-	-	-
Private Sale	8	97	126	-	-	-	-	-	-	-
Private Sale - with JV partner ^{*1}	289	350	42	114	-	-	-	-	-	-
TOTAL PIPELINE	642	953	389	265	133	-	-	-	-	-
*JV sales represents all units sold by the joint ventures; the Group's interest is at least 50% of all turnover and costs										

plans assume no new developments going forward for the time being. The previous strategy assumed annual delivery of up to 900 units per annum.

Market Rent Update

- The key objective for A2D's market rent programme is to achieve a commercial return for social reinvestment purposes.
- Group Board has made a strategic decision to exit from the market rent sector over the next few years.
- Full review is underway with Savills assistance to determine a sales plan for these properties:
 - Timing of sale
 - Whether to sell the homes within a scheme, through open market sales of individual properties, or alternatively to sell the entire scheme to a market rent investor.

Market Rent Portfolio

Current Committed Schemes	Area	MV - 2023		MV-VP - 2023	Completed	FY 2024	FY 2025	FY 2026	Total units
		Cost £m	(post remedial costs) £m						
Albany Place (Therfield)	Leatherhead	6.8	6.8	7.4	25	-	-	-	25
Brooklands	Ashford	23.3	21.9	24.2	73	-	-	-	73
Burford Wharf	London	1.5	2.2	2.4	6	-	-	-	6
Cannons Gate	Bristol	23.1	35.4	39.5	101	-	-	-	101
City Rd	Winchester	1.5	2.2	2.4	8	-	-	-	8
City Wharf	London	36.7	33.1	45.5	65	-	-	-	65
Commercial Rd	London	29.2	36.2	45.5	95	-	-	-	95
Geron Way	London	18.4	22.5	27.1	54	-	-	-	54
Green Man Lane	London	22.7	23.7	28.2	63	-	-	-	63
Gun Wharf	London	4.8	5.3	6.4	15	-	-	-	15
Harbourside	Bristol	10.4	16.2	18.2	46	-	-	-	46
High Street, Hounslow	London	0.9	1.3	1.5	5	-	-	-	5
Keybridge House	London	93.2	103.1	140.3	159	-	-	-	159
London Road, Hounslow	London	10.6	12.5	14.4	40	-	-	-	40
Redcliff Phase 1	Bristol	36.9	39.7	41.0	128	-	-	-	128
Redcliff Phase 2	Bristol	38.4	38.0	38.7	118	-	-	-	118
Sinclair/Dominion House	London	8.9	11.4	16.2	38	-	-	-	38
Uxbridge Road, Ealing	London	3.9	3.4	3.8	10	-	-	-	10
subtotal		371.2	415.0	502.6	1,049	-	-	-	1,049
Simon House	Oxford	12.6	-	-	-	30	-	-	30
subtotal		12.6	-	-	-	-	-	-	30
Total (including WIP)		383.8	415.0	502.6	1,049	30	-	-	1,079
Changes since last year	Area	Cost	MV - 2023	MV-VP - 2023	Completed				Total
Gibbs Crescent***	Oxford	-	-	-	-	-	-	-	43

*** Gibbs Crescent reapraised as affordable



Financial Results

Brooklands Park, Ashford,
Surrey

Financial Performance - Year to 31 March 2023

Group statement of comprehensive income and expenditure	FY 2023 £m	FY 2022 restated £m
Turnover	389.1	465.8
Cost of sales	(96.1)	(181.6)
Operating costs	(270.7)	(213.0)
Surplus on sale of fixed assets	14.4	13.3
Share of jointly controlled entity operating profit	6.7	9.2
Operating surplus	43.4	93.7
<i>Operating margin</i>	<i>11.20%</i>	<i>20.10%</i>
Net interest charges	(66.9)	(65.5)
Surplus after interest charges	(23.5)	28.2
Change in fair value of investments	(0.8)	8.4
Movement in fair value of financial instruments	4.7	2.7
Movement in fair value of investment properties	0.6	9.0
Tax on surplus on ordinary activities	7.1	(6.4)
Non-controlling interest	(0.9)	(1.5)
Surplus for the financial year	(12.8)	40.4

Group statement of financial position	FY 2023 £m	FY 2022 restated £m
Fixed assets and investments	3,600.2	3,624.0
Current assets	275.3	420.9
Total creditors	(2,834.3)	(3,023.4)
Non-controlling interest	(1.4)	(1.7)
Net reserves	1,039.8	1,019.8

Financial results

- Operating Surplus has been reduced by £50.3 million, in part due to:
 - £16.9 million of impairment of active development schemes
 - £7.9 million of abortive costs for schemes no longer viable
 - £7.6 million of scheme write downs, within Cost of Sales
- Combined, these £32.4 million of costs contributed towards the reduced operating margin of 11.2%
- Without these write downs and impairments, operating margin would have been 19.5%
- A full review of operational costs is underway, to:
 - Seek efficiency savings
 - Create a streamlined structure
- Alongside this, we are taking steps to exit activities that are non-core, which generate insufficient returns



Benchmarking

Paradise Street, Oxford

Performance Indicators

Sector Score Card (Defined by Regulator) Value for Money Indicators	A2Dominion actuals 2022/2023	A2Dominion actuals 2021/2022	G15 Median 2021/2022
Customer Satisfaction	80.1%	81.9%	73.0%
Overall Social Housing cost per unit (£)	6,997	5,684	5,191
Management cost per unit (£)	2,011	1,685	1,422
Service charge cost per unit (£)	1,061	942	884
Maintenance cost per unit (£)	1,410	1,247	1,440
Major repairs cost per unit (£)	1,630	1,042	1,042
Other social housing cost per unit (£)	886	768	698
Rent collected	99.4%	99.3%	99.9%

Value for money highlights

Sector Score Card (Defined by Regulator) Value for Money Indicators	A2Dominion actuals 2022/2023	A2Dominion actuals 2021/2022	G15 Median 2021/2022
<u>Business Health</u>			
Operating Margin overall*	5.7%	15.3%	20.0%
Social Housing margin	12.1%	26.9%	27.0%
EBITDA MRI Interest Cover *	29.9%	107.2%	99.0%
Units Developed	693	971	621
New supply delivered (Social Housing units)%	1.5%	1.8%	1.1%
New supply delivered (Non-Social Housing units)%	0.6%	1.2%	0.2%
Gearing	54.2%	56.1%	47.0%
ROCE	1.2%	2.5%	2.5%
Reinvestment in properties over total assets	3.1%	2.2%	6.0%

NOTE – Gearing in sector scorecard defined as Net Debt/ Tangible Fixed Assets (Housing Properties)

* Excludes share of jointly controlled entities and surplus on sale of fixed assets

Commentary on benchmarking and value for money analysis

- Overall, social housing cost per unit has risen significantly (and as a consequence social housing margin has fallen), due to significant increases in costs for responsive, planned and major repairs.
- Service charges and housing management costs have been impacted by rising energy costs as A2Dominion's fixed price energy contract ended in March 2022.
- The financial metrics will be under continued pressure in 2023/24 but are forecast to improve in 2024/25 as we deliver our targeted efficiencies.
- Exiting activities that are non-core and which make insufficient returns will further improve financial performance.

Regulatory Rating

- The current regulatory judgement rating for A2Dominion Housing Group is G1/V2. This judgement rating was effective from 14 December 2022 following the annual stability check by the Regulator of Social Housing (RSH).
- As notified on 8 September, following ongoing discussions with the Regulator of Social Housing, the Group's grading is under review while the Regulator investigates matters which may impact on the Group's compliance with the Governance and Financial Viability Standard.
- The Board has also reviewed its governance arrangements for compliance against its adopted code of governance, the National Housing Federation Code of Governance published in 2020. The Board fully complies with the Code.
- The Board is confident that its self-assessments against the regulatory framework and code of governance, provide assurance that the governance framework across the organisation is adequate.



Operational highlights and improvement work

Jigsaw, West Ealing

Tenancy sustainment

The rising cost of living meant it was more important than ever to help our customers pay their bills. We saw referrals for 'money management' assistance increase by 57% from 2021/22.

As a result:

- Rent arrears at March 2023 were 3.6% (against a target of 3.4%). This is among the lowest in the G15 group of London's largest housing associations.
- Our Tenancy Sustainment team helped more than 2,200 customers claim more than £7 million in financial support in 2022/23.
- We also accessed over £115,000 in charitable grants for funding, including 135 successful applications to our Tenancy Sustainment Fund.
- 26.96% of rental income from Housing Benefit or Universal Credit.
- 38.3% of our tenants are receiving full or part Housing Benefit or Universal Credit.
- The number of tenants paying via direct debit is 52.45%.
- Phased roll out of Universal Credit is continuing – as of 31 March we had 7,458 live claims, all of which are being actively monitored
- Trusted Partner status with DWP help claimants manage direct payment to A2D of their rent.

Going forward we will:

- ✓ Complete and embed measurement and reporting for the new Tenant Satisfaction Measures .
- ✓ Continue to improve our complaints handling and response processes, to resolve complaints faster and more effectively, with a new customer scrutiny group to oversee our approach.
- ✓ Provide a digital roadmap to solve standard questions and transactions through digital means quickly and easily for customers, while providing telephone and in person responses to more complex queries and for customers who do not use digital channels.
- ✓ Undertake focused work to improve the customer experience, including leasehold customers, where satisfaction tends to be lower.

Fire Safety (external wall systems/cladding)

- The Tall Building Remediation Works Programme has commenced in 2020 and is expected to complete in 2026. Based on our current estimates the programme will cost £67.8m, of which we expect nearly £48.8m to be recovered either from developers or Building Safety Funds.
- We have 612 buildings being considered in the programme (owned and managed) of which we are responsible for 497 buildings split into three categories:
 - High-rise (7 storeys or above 18m) - 72 buildings
 - Mid-rise (5 storeys or >11 m) - 122 buildings
 - Low-rise (<less than 11m) - 303 buildings
- Landlords, including A2Dominion, can apply to the government's Building Safety Fund (BSF) to pay for cladding remediation costs for buildings taller than 18 metres.
- In July 2023 the Cladding Safety Scheme (CSS) was launched to provide £5bn building safety fund for life safety fire risks associated with cladding on residential buildings from 11m to 18m in height. The CSS will support applications for buildings where the applicant is unable to fix medium-rise tower blocks with flammable external walls themselves, believes they are not responsible for doing so or where there is no original developer.
- A number of developers have signed the government's Building Safety Pledge and committed to carrying out safety works in buildings over 11 metres. Housing associations, as not for profit organisations, are currently exempt from signing the pledge.
- There are currently 9 mid-rise and 1 low-rise buildings that require remedial works and where possible we are working with the original developers to address those issues as part of the defects.

Fire Safety (external wall systems/cladding)

- ✓ We have received observational inspection reports for all the buildings we own and/or are responsible for.
- ✓ Intrusive inspections have been carried out to all high-rise (74) buildings, each building received fire engineer reports & EWS1 forms.
- ✓ We have nearly completed inspection to our mid-rise (120) buildings and continue inspections on low-rise (300) buildings where deemed necessary. Our aim is to complete all our inspections before the end of the year
- ✓ Initially, we have submitted 22 applications to the Government's Building Safety on behalf of our leasehold residents, claiming over £42m. To date, claims of £7.7m have been approved to fund leaseholders and shared owners for the remedial works of 6 buildings. The approval of additional £24.5m is pending in order to remediate additional 8 buildings.
- ✓ Funding avenues that we are pursuing include negotiated recoveries from developers, the Building Safety Fund and potentially recharging leaseholders where applicable.
- ✓ To date we have also spent £6.8m on interim mitigation measures and £3.6m on inspections.
- ✓ Remedial works are required to 21 buildings where A2Dominion is not the responsible owner, from which 8 buildings are being currently remediated. Remediation of 11 buildings' cladding has been completed.

Damp and Mould

- We have developed robust plans to diagnose and remedy damp and mould cases, including:
 - ✓ Accelerating our repairs programme.
 - ✓ Improving processes and data, such as getting more information from customers the first time they contact us. This allows us to better assess their problem and respond quickly and effectively with inspections, cleaning, and repairs.
 - ✓ Providing better information to customers. We've launched a campaign to encourage customers to let us know of any damp and mould in their homes as soon as possible.
 - ✓ Increasing customer support. We understand the cost-of-living crisis is impacting people's ability to heat and ventilate their homes, so we've raised awareness on the support available to customers via our tenancy sustainment team.

Reinforced autoclaved aerated concrete (RAAC)

- We view this as a relatively low risk area and are not aware of any A2D buildings that have RAAC.
- We will be taking the following steps to further assess the risk:
 - ✓ Our stock condition surveys will flag any buildings that warrant further investigation.
 - ✓ We will assess the possible presence of RAAC when undertaking structural assessments as part of the information provided in connection with Building Safety cases.
 - ✓ In conjunction with our structural engineers, we will continue to develop technical criteria to identify buildings that should be prioritised for further investigation- this is likely to include age of construction (i.e. buildings constructed in the 50s, 60s and 70s), column spans (typically in excess of 8m, and the presence of pre-cast floor and roof slabs

ESG – 2023 Report

Environment

- Scope 1&3 emissions are steadily improving thanks to energy improvements in customers' homes. Scope 2 emissions continue to be zero as we purchase energy from renewable sources.
- A2Dominion took part in HACT's retrofit credits pilot, achieving the equivalent of annual emission reductions 133.16 tCO₂e and £48,615 in social value (<https://hact.org.uk/retrofit-credits>)
- We have a target to divert 60% of items fly-tipped on our estates from landfill and are working on water usage targets. Our North West Bicester estate has a target of 40% land set aside for green space. This pilot is set to be the UK's first eco-town.

Social impact

- In 2022/23 A2Dominion spent £1.3m on community investment activities to support customers and communities and generated £11.2 million in social value
- We apply a 5-10% weighting to social value such as employment and training in our procurement process

Governance

- 38% of our Board and committees are women and 19% come from diverse ethnic groups. We are trialling a target of 50% female representation on our recruitment shortlist for key senior roles
- A2Dominion is a Real Living Wage employer and our CEO: median-worker reward ratio is 7:1, which is low compared to the private sector

ENVIRONMENTAL

SOCIAL

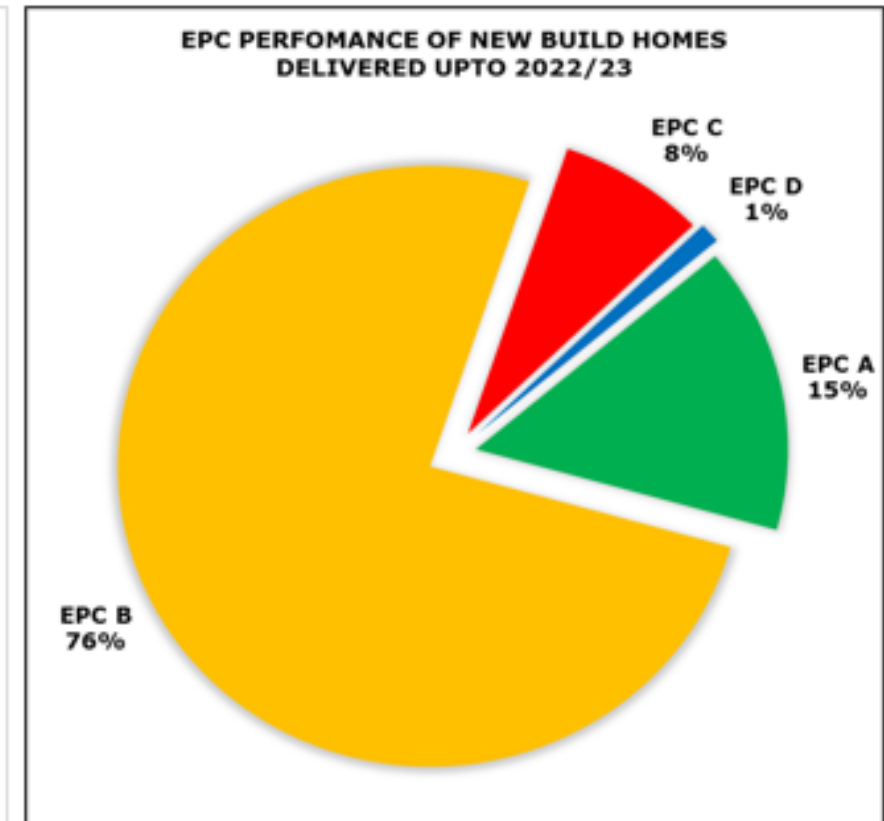
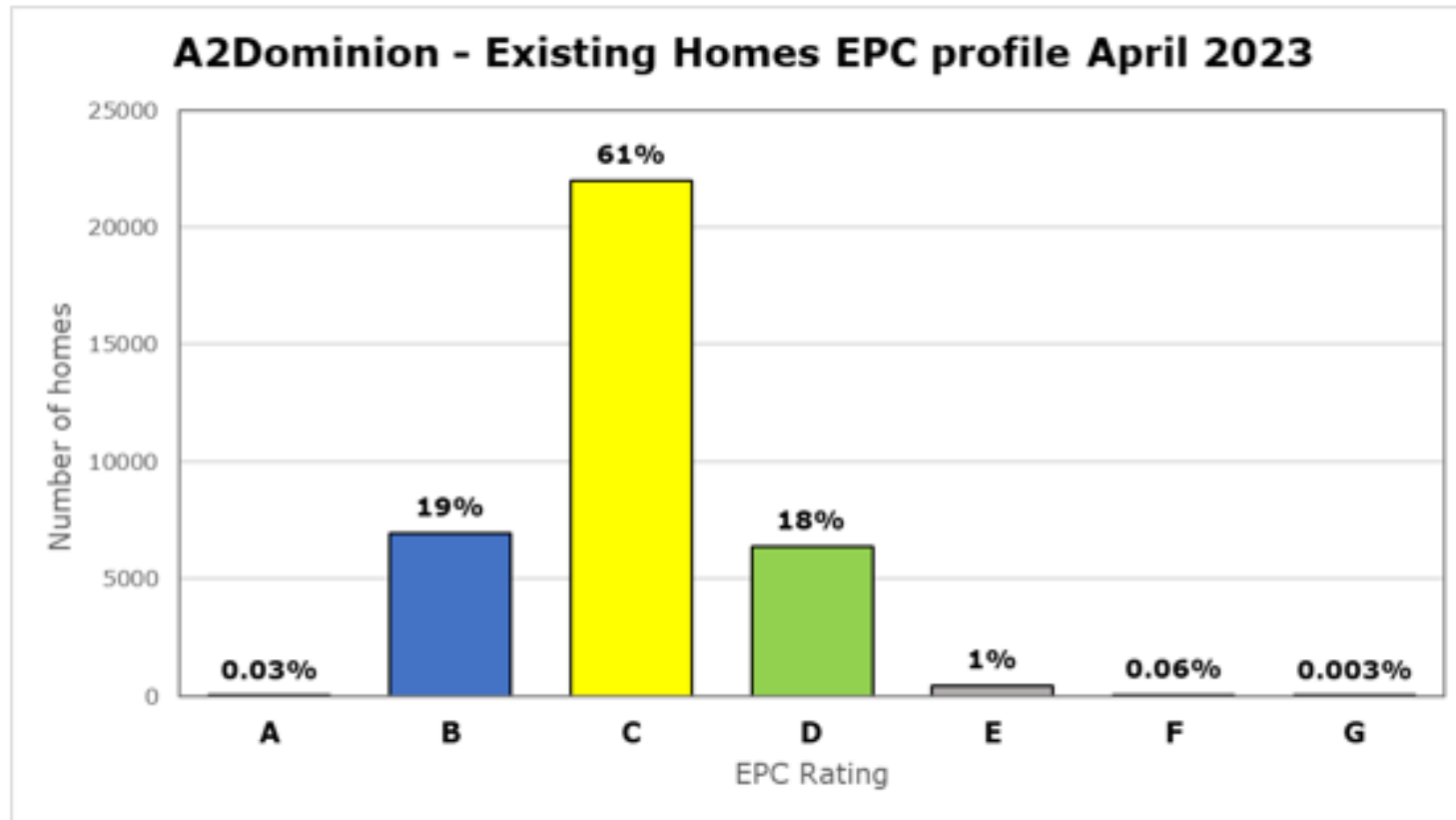
GOVERNANCE

Reporting our ESG performance in line with the Sustainability Reporting Standard for Social Housing

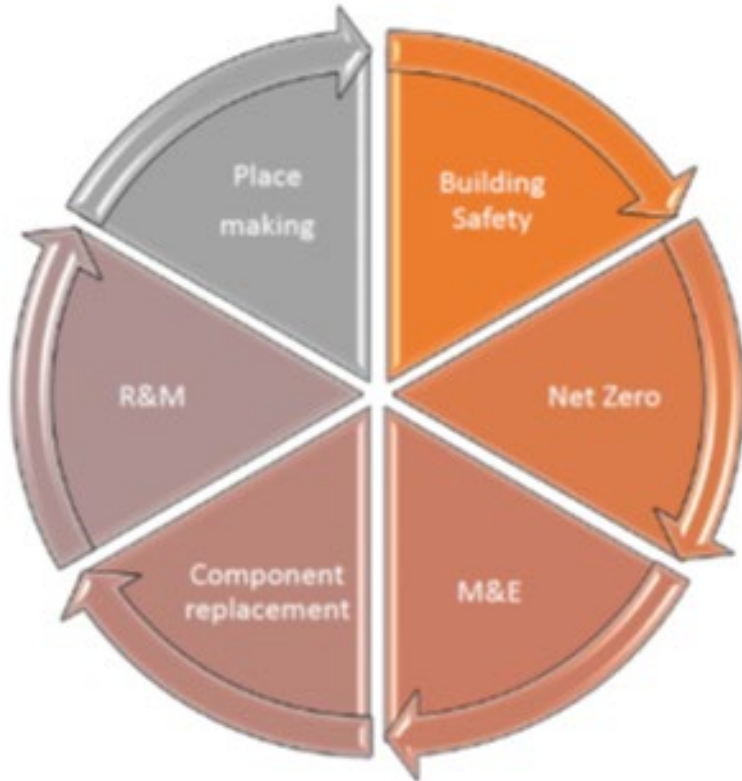
A2Dominion's Environmental, Social and Governance (ESG) report 2023

<https://www.a2dominiongroup.co.uk/content/doclib/153.pdf>

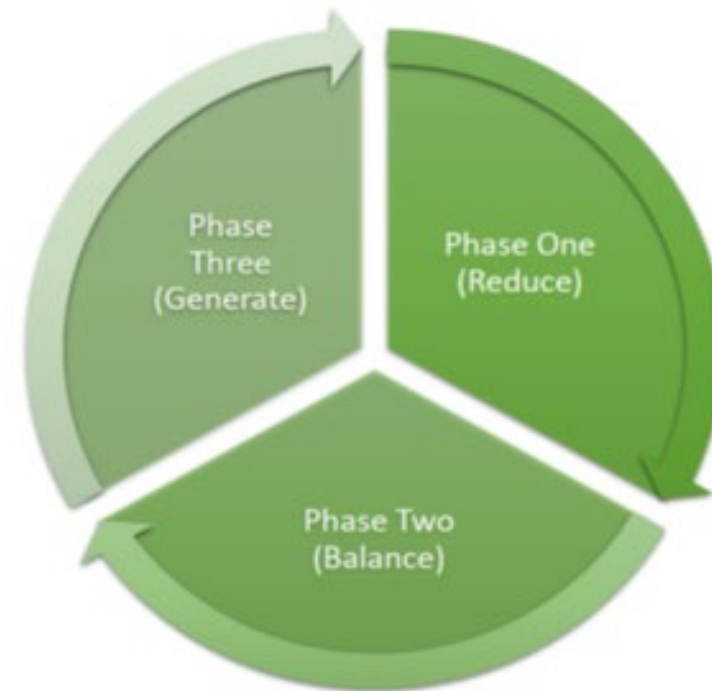
A2Dominion – the Journey to decarbonise our homes



Our approach to net Zero



3 phases of decarbonisation



Summary, overview of current position and outlook

Strong financial resilience

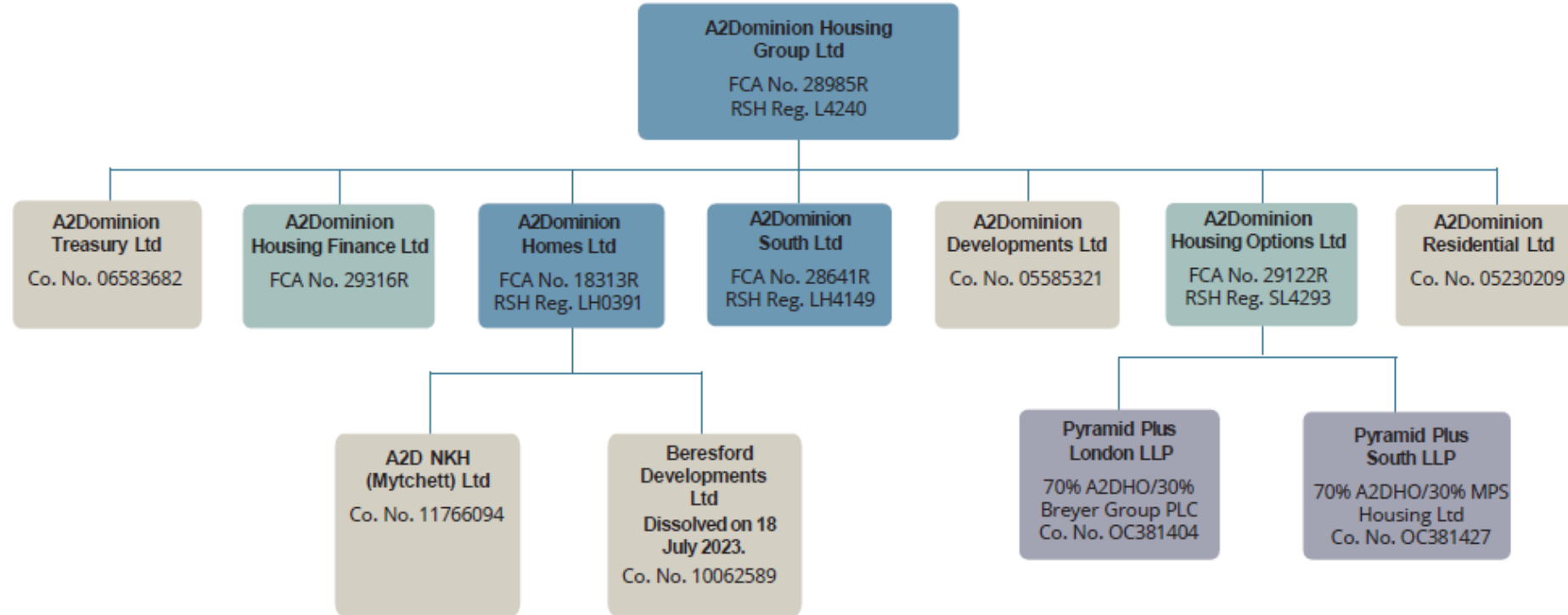
- Group structure simplified (p 8)
- Evolving new business strategy (p 10)
- The Group has a strong balance sheet and over £350 million of undrawn available facilities (p 17)
- The Group has £3.6 billion of property assets in management (p18)
- Development activity is currently reducing (p 26)
- Group Board has decided to exit the market rent sector (p 27)
- Our purpose-built market rent portfolio has a market value (tenanted) of £400 million (vacant possession £500 million) (p 28)
- The sale of the market rent portfolio will significantly reduce current debt levels
- Review of operating costs and reduction of non-core activities will further improve financial performance (p31)



Appendices

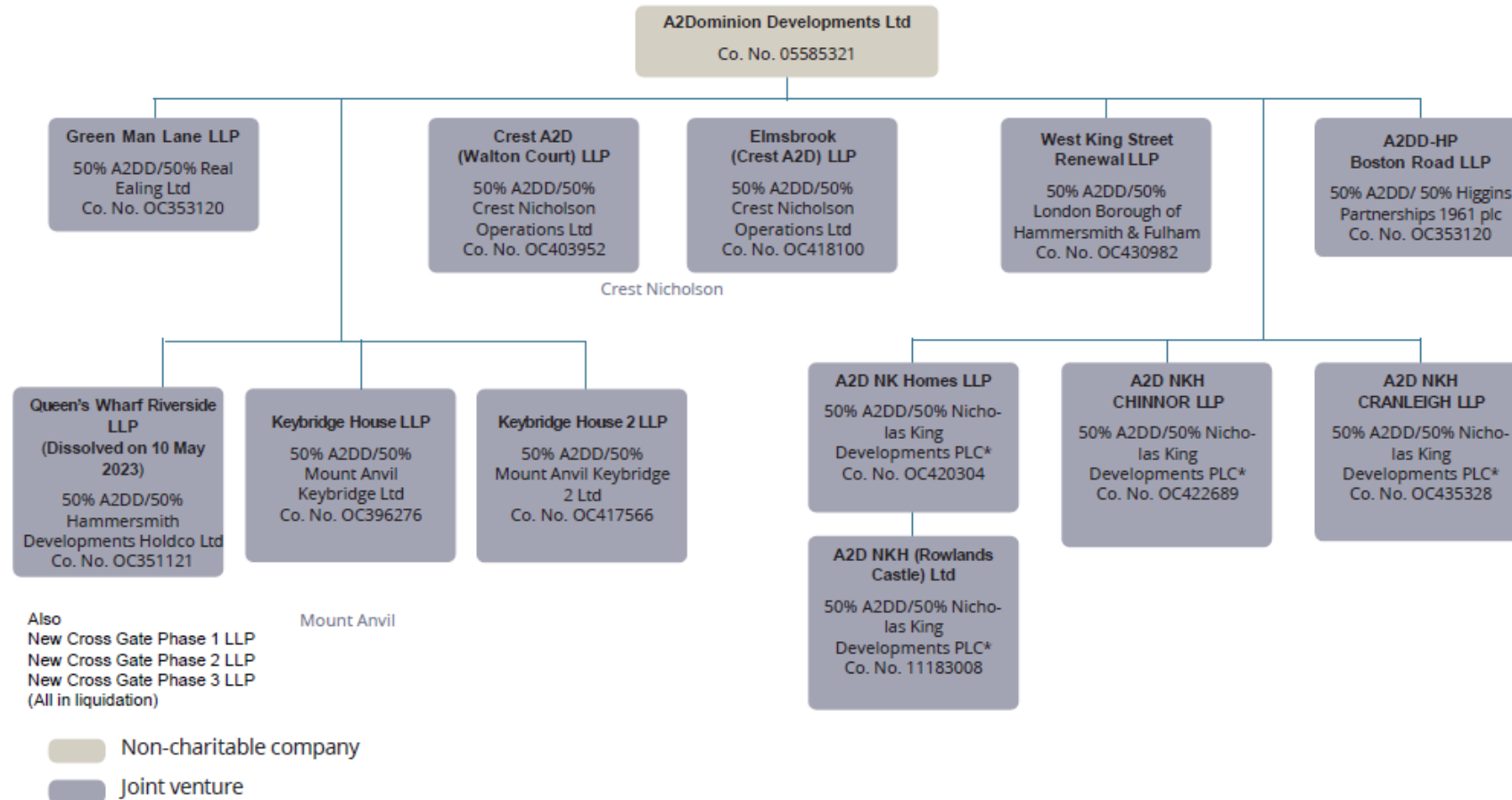
Hanwell Square, Boston Road, Ealing

i. Group Structure (August 2023)



- Charitable Co-operative & Community Benefit registered society
- Non-charitable Co-operative & Community Benefit registered society
- Non-charitable company
- Joint venture

ii. Group Structure (August 2023)



* NKH 50% / 50% decision making, but 80% / 20% equity and 75% / 25% split profit share in favour of A2Dominion Developments Ltd (A2DD)