



a2dominion



Homes people  
love to live in

Our new Climate  
Resilience Strategy



# Introduction

In 2015, the UK Government and 195 other countries **recognised the risks of rising global temperatures** and signed the Paris Agreement, a legally binding international treaty on climate change.

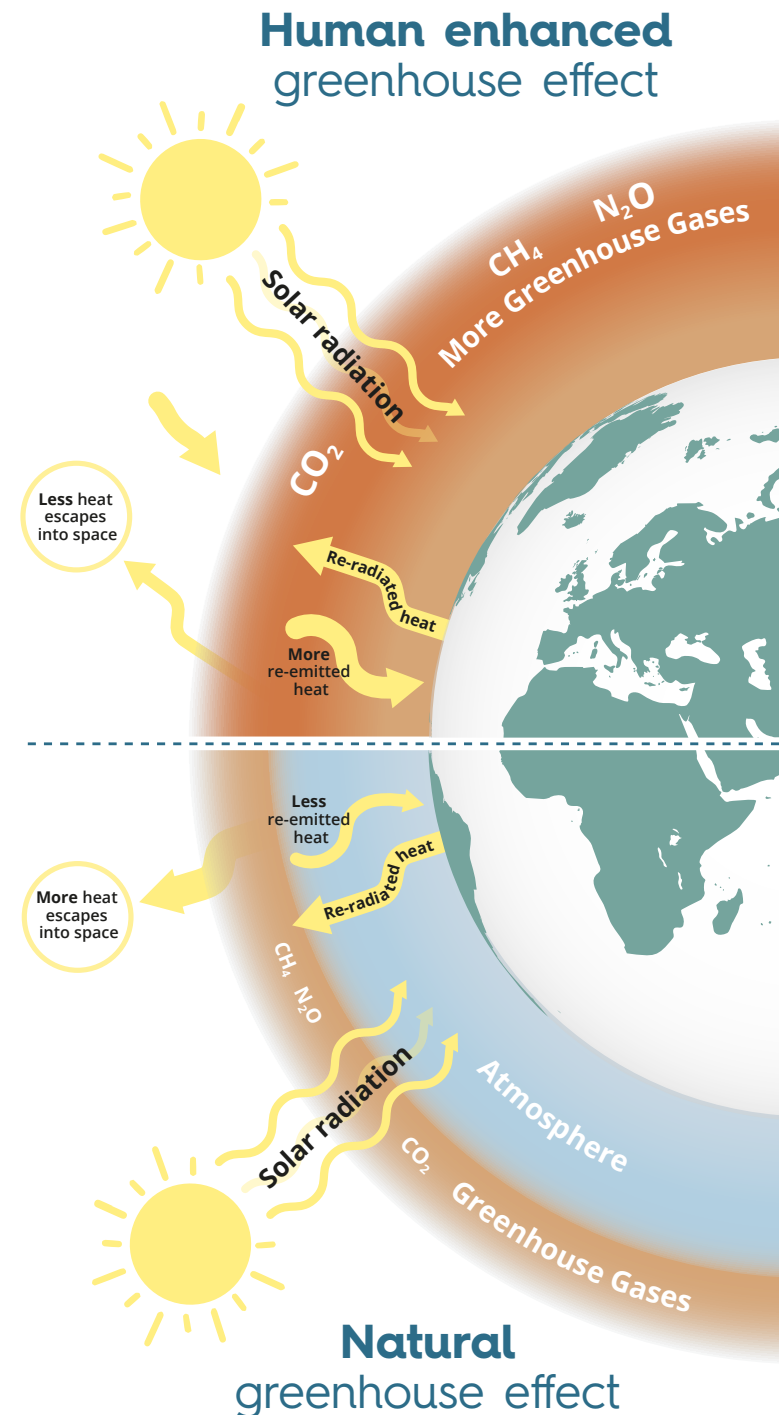
Its goal is to keep global average temperatures well below 2°C. By 2030 we need to cut greenhouse gas emissions by 50% from 1990 levels.

The UK Government has set a legally binding net zero carbon reduction target by 2050. Achieving net zero means the amount of greenhouse gas emissions produced by the UK would be equal to or less than the emissions removed by the UK from the environment.

CO<sub>2</sub> is the primary GHG due to vast amounts of it being pumped into the atmosphere annually, it is also the primary GHG the

public is aware of and CO<sub>2</sub> has become the currency of climate change against which the other GHGs measure. Increasing public understanding of the drivers of anthropomorphic climate change has seen the broader knowledge that several GHGs need to be managed.

Natural gas (Methane) produces CO<sub>2</sub> when burnt to keep our homes warm and is a GHG, which has 34 times the warming potential of CO<sub>2</sub>. With this backdrop of growing public understanding, addressing climate change needs to be the overarching strategy with sustainability as part of the solution.



# What are the impacts of a warming world?

Globally, **2023 is on track to be the warmest year on record**, with average global temperatures to reach 1.5°C by the early 2030s.

This may not sound a lot, but it is a tipping point and will increase the frequency and intensity of extreme weather events, including droughts, storms, wildfires, and heat waves.

## Climate change impacts

Projected climate changes	Expected impacts	
	The built environment	Human impacts
<b>More hot days, more heatwaves</b>	<ul style="list-style-type: none"> <li>Higher energy demand for cooling</li> <li>Lower energy demand for heating</li> <li>Poorer air quality in cities</li> <li>Less disruption from snow and ice</li> </ul>	<ul style="list-style-type: none"> <li>Increase in heat related deaths</li> <li>Decrease in deaths from cold</li> </ul>
<b>Increased heavy precipitation and severe storms</b>	<ul style="list-style-type: none"> <li>Flooding causing trouble to homes and transport</li> <li>Property damage</li> <li>Insurance cost increases</li> <li>Disruption of water supplies</li> </ul>	<ul style="list-style-type: none"> <li>Increase in flood-related injuries and death</li> <li>Increase of infectious, respiratory, and skin diseases</li> </ul>
<b>Drought conditions more likely</b>	<ul style="list-style-type: none"> <li>Water shortages/bans</li> <li>Subsidence due to dry conditions</li> <li>Flash flooding is more likely</li> </ul>	<ul style="list-style-type: none"> <li>Water shortages</li> <li>Food supply disruption</li> </ul>

## Recognising business challenges



### Physical risks

#### Extreme weather events, climate change

- Business disruption
- Asset destruction
- Increased repairs/maintenance
- Productivity loss
- Increased energy prices
- Stranded/lower value assets

### Transition risks

#### Policy, technology, consumer preference

- Increasing standards due to legislation
- Adopting new technology
- Changing consumer demand

### Financial risks

- Cashflows and business risks impacted by physical and transition risk
- Capital/collateral/risk premium impacted by change in asset value

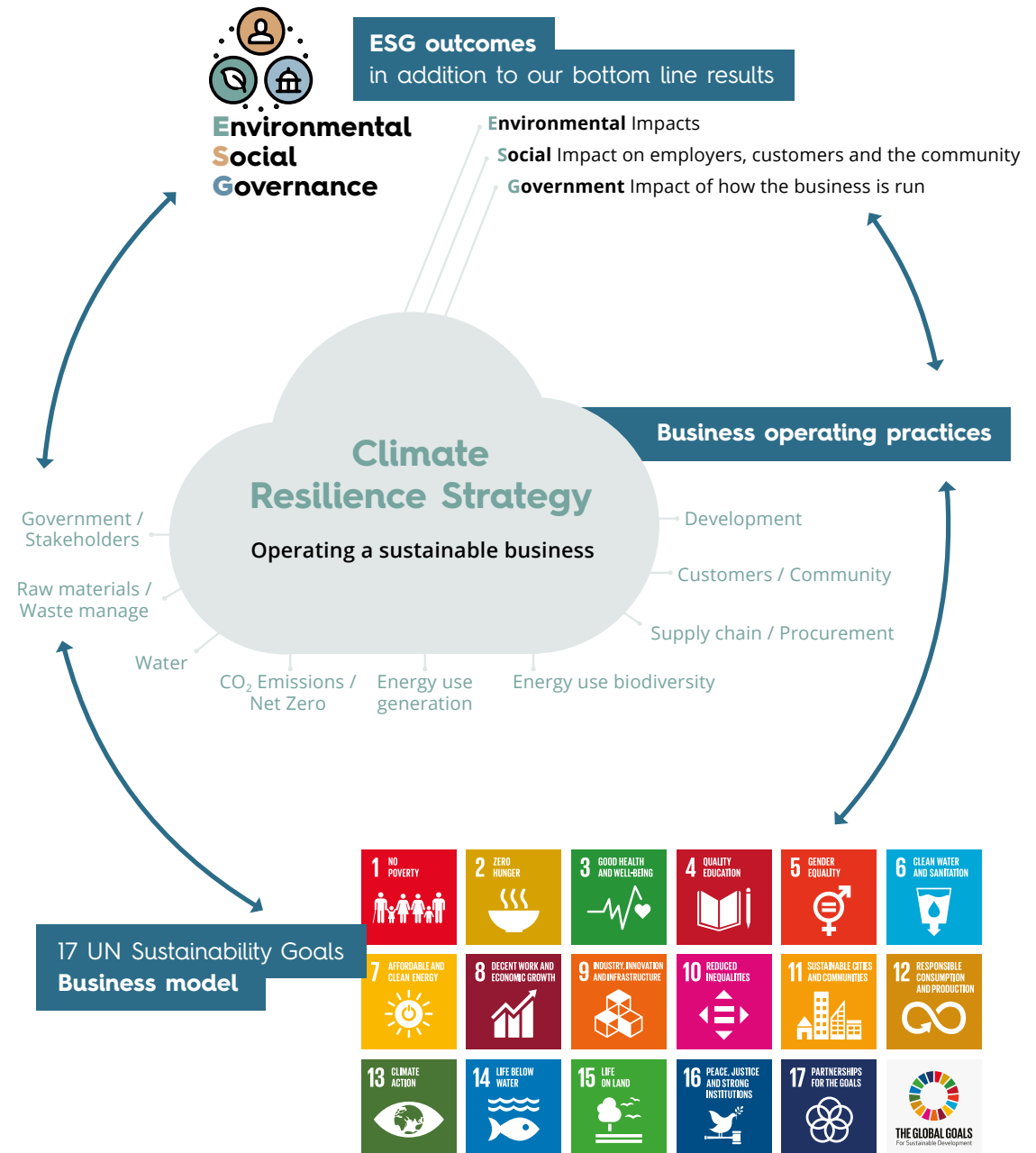
# Our response

Seek out opportunities for social and environmental changes.

Integrate social and environmental changes into business strategy and decision-making.

The effects of climate change threaten our homes, customers, and business. To keep our customers safe and healthy and our business resilient to these changes, we are adopting a strategy that will enable us to navigate the challenges ahead sustainably.

This strategy is based upon The United Nations 17 Sustainable Development Goals (SDGs), which aim to create a safer, more sustainable, and fairer world. The 17 SDGs integrate economic, social, and environmental dimensions to maintain a healthy planet, which is essential for our health and financial well-being.



# The strategy

## 1 Environmental Stewardship

A2Dominion will manage natural resources in a way that reduces harm and seeks to preserve the environment.

## 2 Triple Bottom Line (TBL)

A2Dominion will appraise social, environmental, and financial performance in the decision-making process.

## 3 Cradle 2 Cradle (C2C)

A2Dominion will consider the whole lifecycle and environmental impact of materials and services used in our operations, even beyond our involvement.

### OBJECTIVE 1 Decarbonisation

**Goal:** To reduce carbon emissions and meet the 2050 net zero carbon target.

### OBJECTIVE 2 Community engagement

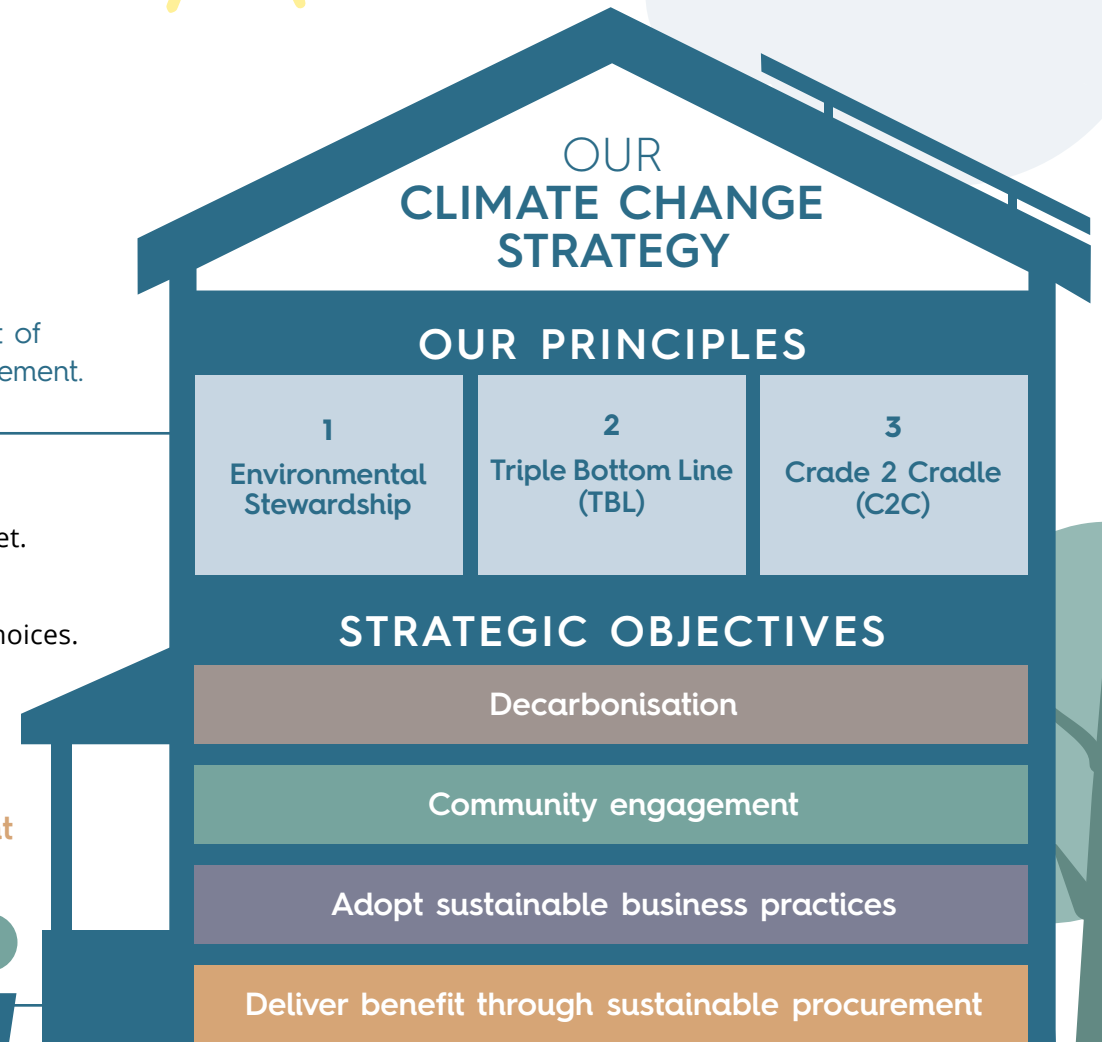
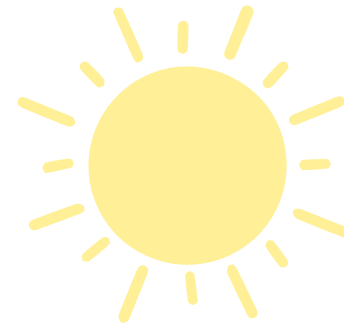
**Goal:** Engage with residents to improve homes and promote sustainable choices.

### OBJECTIVE 3 Adopt sustainable business practices

**Goal:** Promote sustainable business and construction practices while maintaining profitability.

### OBJECTIVE 4 Deliver benefit through sustainable procurement

**Goal:** Support our sustainability goals to achieve the lowest possible environmental impact, to meet the needs of our stakeholders while optimising return on investment.



# The approach

## Meeting our customers' needs

We need to ensure the safety and quality of our homes while satisfying customer needs and meeting regulatory requirements.

A net zero economy will see considerable changes to how we live and manage our homes. We will move away from gas-heating and fossil fuel vehicles to electric heating and battery electric vehicles (BEVs). Working with our customers will make for an easier journey and a better destination.



## Outcomes

- Improved customer engagement
- Warmer homes lower heating costs
- Reduced risk of overheating
- Lower environmental impact
- Reduced costs & less environmental impact
- Adaption to climate change risks

## Improving business impact areas to meet customer needs

To help make better decisions, there are three strategic questions to identify sustainable choices:

1. Is it a move in the right direction?
2. Is it a flexible solution?
3. Is it a good return on investment?

## Delivering customer needs

### 1. Stakeholder involvement:

Involve residents, local communities, and local authorities in the decision-making process and the implementation of climate policies.

### 2. Education and awareness:

Raise awareness about climate change and the importance of sustainability among residents and staff.

### 3. Community initiatives:

Support community-led initiatives for sustainability and climate resilience.

## How improving our homes will benefit our customers

Energy-inefficient homes are not just damaging to the environment; they are detrimental to the well-being of our customers. Many feel the pressures of high energy prices, and energy inefficient homes can push residents into fuel poverty. When this happens, many may face choices between heating or eating.

**Making our homes climate resilient and as energy efficient as possible will provide better quality, healthier homes that are affordable to run while supporting carbon reduction objectives.**

# How will we develop our net zero plans?

To deliver the Climate Strategy it will be necessary to develop a range of policies to support the strategy.

## Decarbonisation Policy for Existing Stock

How we will reduce greenhouse gas emissions across our operations for Scope 1, 2 and 3 emissions.

## Sustainable and Ethical Procurement Policy

How we will meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis whilst minimising damage to the environment.

## Net Zero New Development Policy

How we will deliver new homes that are net zero.

## Energy Transition policy

This policy will cover how we will move from fossil fuels for heating and transport to electric heating and transport.



- Board oversight
- Develop climate team with adequate resources
- Set demanding but realistic targets
- Embed sustainability within A2Dominions culture
- Measure, monitor and review performance

**Bridging the gap between sustainability ambition and practice can be difficult, and cultural change needs to cascade down from the top.**

Every area of our organisation must be engaged to help us move forward on this journey. While clear leadership is required the process is one of constant learning and improvement. This includes scope three emissions (indirect emissions, which include our supply chain and homes.)

# Keeping on the right track

The UK has set legally binding **carbon budgets** to create a **balanced pathway to net zero**.

A carbon budget places a restriction on the total amount of GHGs the UK can emit over five years.

Housing providers have a particularly challenging time creating net zero pathways due to the nature of our emissions. The overwhelming majority of emissions come from our homes, which gives us only limited controls. We have begun improving the energy performance of our homes, but we will need to work with our residents to influence behavioural change.

A2Dominion has been investing in understanding the energy performance of stock.

EPC Bands	31/03/2019 %	31/03/2023 %
A - C	56%	81%
D - G	44%	19%

## Decarbonising our homes

### 1. Strategic intent

Establishing carbon reduction as an organisational priority

### 2. Asset intelligence

Deep understanding of asset condition and improvement potential

### 3. Option appraisal

Accurate assessment of stock refurbishment barriers and potential improvement measures using the energy hierarchy principles

### 4. Business case

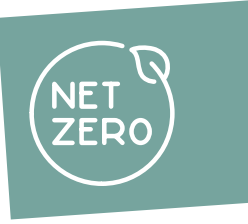
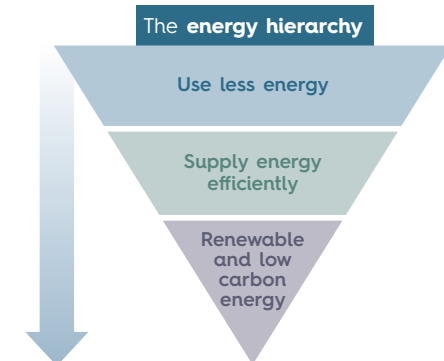
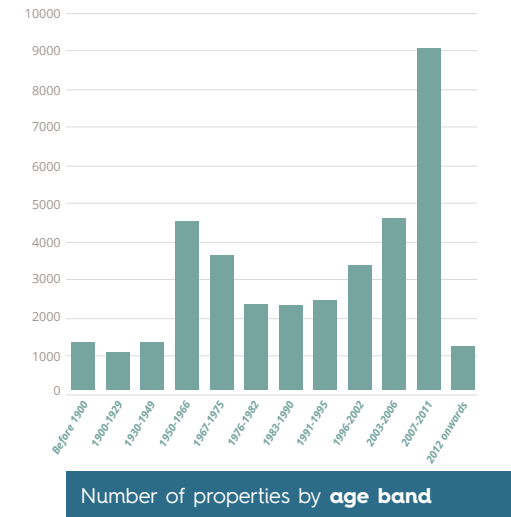
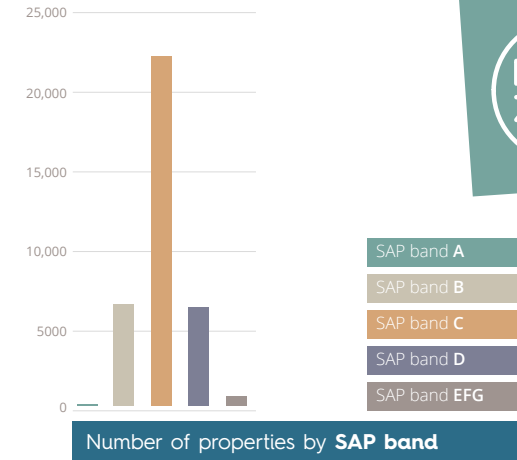
Identify cost effective measures and delivery method

### 5. Delivery

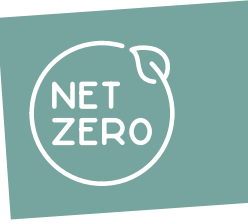
Adopting a variety of delivery methods

### 6. Procurement

A suitably skilled and competent delivery vehicle



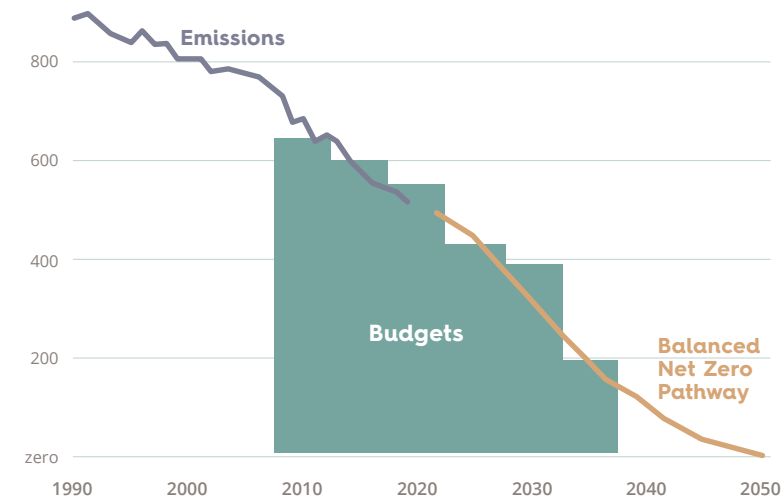




A2Dominion has a similar pathway in line with government policy to reach **net zero by 2050** with **various milestones**.

These need to remain flexible as changes in customer attitude, policy, and technology can inform the path we choose. To meet net zero the electricity grid needs to be decarbonised by 2035. This will allow us to decarbonise areas such as transport, and heat, through the adoption of technologies like electric vehicles and heat pumps.

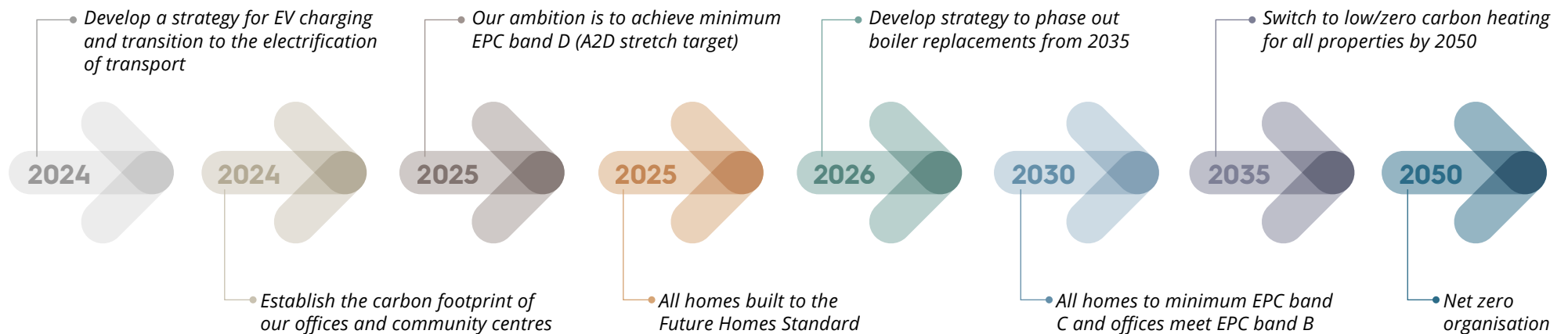
The milestones are set out below and aligned with government targets.



Note: Emissions series excludes the EU Emissions Trading Scheme which is included in measurement of progress against budgets.  
Source: The Sixth Carbon Budget. The UK's path to Net Zero, Committee on Climate Change.

**UK emissions, budgets and the Balanced Pathway**  
million tonnes of CO<sub>2</sub> equivalent

### Key milestones for the roadmap



# Overview of action plan

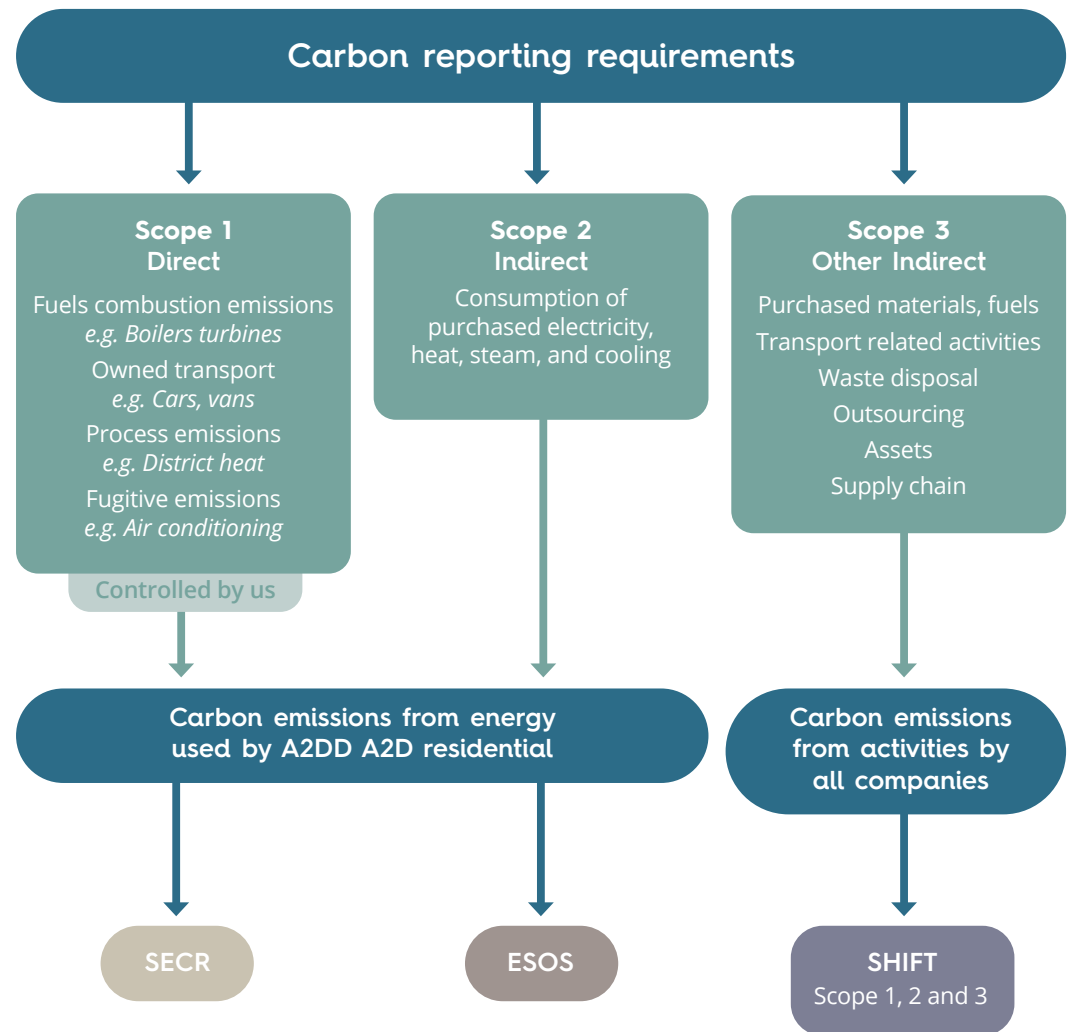
## Implementation steps

The adage goes that you cannot manage what you do not measure, which is as true of environmental performance as of any other business area.

To help with monitoring and reporting, options for adopting the ISO 14001 Environmental Management framework are similar and are being explored as this would streamline data collection and quality while helping to embed sustainability across the organisation.

There are already several methodologies through which our environmental performance is reported. SECR and SHIFT are annual reports, and ESOS is every four years. We also report annually through the ESG.

SHIFT provides a third-party verification on environmental performance for Registered Providers (RPs). It allows us to measure and track performance in a comprehensive range of sustainability metrics while benchmarking with 39 other RPs. The report also provides recommendations on where and how to improve, helping us manage our sustainability journey. We currently hold a silver shift award and will need to achieve gold award to become a net zero organisation.





**A2Dominion Group**  
113 Uxbridge Road  
Ealing  
W5 5TL

020 8825 1000  
info@a2dominion.co.uk

a2dominion.group.co.uk  
a2dominion.co.uk

A2Dominion Housing Group Ltd (an exempt charity registered under the Co-operative & Community Benefit Societies Act 2014  
Sco. No. 28985R, RSH Reg. L4240). Registered office: A2Dominion, 113 Uxbridge Road, Ealing, W5 5TL

