

Welcome To Sanctuary's Decarbonisation And Net Zero Progress Report 2025



An operative installing an air source heat pump at Southam Road, Banbury

It's been two years since we published our

Decarbonisation and Net Zero Strategy 2023-2026

and we are pleased to be making a significant impact on our emissions and the environment around us. Decarbonisation remains one of

Sanctuary's strategic priorities, with full commitment across the organisation to achieve the targets and carbon savings within the strategy.

We pride ourselves on our authenticity when it comes to discussing sustainability and climate change. We committed to providing a progress report annually during the lifetime of this strategy, summarising and disclosing our progress each financial year. This way, we can be honest about our challenges but also maintain momentum towards our targets: halving our operational carbon by 2030, significantly reducing extended carbon by 2030, and achieving net zero emissions by 2050.

This year, while we are seeing reductions against our baselines, some reductions are lower than in previous financial years. This is due to the full integration of carbon data from Cornwall Care, Swan Housing Association, and Johnnie Johnson Housing, our recent acquisitions. We are now able to compile a full picture of all sites and operations across our greenhouse gas emissions, which provides a springboard for solid decarbonisation moving forwards.

Due to our position as a growing organisation, we not only look at our emissions changes absolutely, but also relatively. Strong reductions on a relative basis show that we are performing well in spite of our operations and portfolio of homes growing.

Over the financial year 2024/2025, against our respective baselines, we can report:

- An absolute reduction of 28% in operational carbon emissions.
- A reduction of 41% in operational carbon per home in management.
- An absolute reduction of 14% in extended carbon emissions.
- > A reduction of 27% in extended carbon per home in management.

Our <u>Sustainability Hub</u> offers insight, success stories, and up-to-date information around the delivery of our <u>Decarbonisation and Net Zero Strategy</u>.

Decarbonisation Progress

At A Glance



41% reduction in operational carbon per home in management (against 2019 baseline)



23 care homes with smart building management systems installed



Over **120** electric fleet and salary sacrifice vehicles



3,269 food waste bins being rolled out across all commercial and corporate sites



125 sites participating in No Mow May



187 employees trained in Carbon Literacy since 2021, with 4 residents also receiving training



Over **2,300** additional homes now reaching Energy Performance Certificate Band C following retrofit interventions



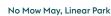
96% of waste disposed under contract diverted from landfill



A 27% reduction in extended carbon per home in management (against 2022 baseline)



3,275 colleagues completed our Commuting Survey



Operational Carbon Footprint

Progress Report



Our Operational Carbon Footprint is made up of the emissions over which we have the most control. Most of these are Scope 1 and 2 emissions, such as those produced from gas, fuel, and electricity, as they are generally directly produced by Sanctuary in our company-controlled buildings. Operational carbon also includes one Scope 3 emissions category, business mileage, as we have significant organisational control over how and where employees travel for work.

We first reported our **Operational Carbon Footprint** in financial year 2019/2020 as part of the Government's Streamlined Energy and Carbon Reporting (SECR) scheme.

Our progress for the past financial year is set out below.

We also report our operational carbon emissions on an 'intensity ratio' basis. This monitors the carbon we produce operationally per home that we manage. Per home, we produced 0.33 tonnes of CO2e in 2024/2025. This is a 41% reduction against our baseline of 0.56 tonnes of CO2e per home, indicating the strong progress we are making towards the halving of our operational emissions.

Our Progress So Ear (Tonnes of CO2e)

"Per home, we produced 0.33 tonnes of CO2e in 2024/2025. This is a 41% reduction against our baseline of 0.56 tonnes of CO2e per home"

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Greenhouse Gas Protocol Scope	Emission Category	2019/2020 Baseline	2024/2025
Scope 1	Gas	29,151	32,378
	Fleet	7,920	7,125
Scope 2	Electricity	19,497	1,178
Scope 3	Business Mileage	1,010	793
Total Operational Carbon Footprint		57,578	41,474

Overarching targets for carbon footprint:

Halve operational emissions by 2030 Reach net zero operational emissions by 2050

Our carbon emissions calculations are frequently updated, and we continue to iterate and refine our methodology.

Operational Carbon Footprint

Progress Report





Solar panels at Addenbrookes Hospital, Cambridge

Overall, we're pleased to report a 28% operational carbon reduction in absolute terms in 2024/2025 against our 2019/2020 baseline.

In the previous financial year, 2023/2024, we recorded a 41% reduction against our baseline operational carbon. While our absolute emissions have increased since last year, closing the gap to our baseline year, this is easily understood – we now have carbon data from all recent acquisitions fully integrated into our reporting processes. As a result, 2024/2025 sees an annual increase in emissions, as we are reporting a full year of data from Swan Housing Association, Johnnie Johnson Housing, and Cornwall Care.

Furthermore, when we look at our Operational Carbon Footprint on a relative basis – per home in management – we can report a 41% reduction against our baseline year. This proves that good carbon management is in place across Sanctuary in the face of a growing portfolio of homes. Over the coming year, we are looking to integrate Sanctuary's strong sustainability practices into the newer areas of the organisation, supporting further carbon reductions.

Some of the key work undertaken across 2024/2025 to support decarbonisation of our operational emissions categories includes:

- Surveying solar panels on company buildings to understand and improve performance.
- Rolling out smart building management systems and smart thermostatic radiator valves across 20 care homes.
- Setting up a Decarbonisation Steering Group, in addition to our long-running Environmental Strategy Working Group, giving our engaged senior leaders a vital platform to support our net zero journey.
- Working closely with our OneProperty teams to understand where environmental benefits can be maximised from our new system, particularly around travel efficiencies.

Some of our plans for 2025/2026 include:

- Publishing our first Energy Policy, setting a standard for heating and power usage across all company buildings.
- Putting decarbonisation at the heart of our office estate, with the aim to achieve ISO14001 across offices too.
- Scoping a range of quick-win decarbonisation projects across our communal areas in Housing and Independent Living.

Extended Carbon Footprint

Progress Report



Standing at over 90% of our total emissions, our **Extended Carbon Footprint** comprises Scope 3 emissions categories, such as the emissions from everything we buy, build, and throw away. It also includes the emissions of our customers living in our social housing, which is undoubtedly the most significant emissions category across our carbon footprint. However, Sanctuary has less control over these emissions as we are only indirectly responsible for them. We do not directly control how the goods we buy are made nor do we direct how customers use their energy at home. Despite this, our extended carbon is as important as our operational. The Extended Carbon Footprint figures are reported below.

This year, we took the decision to rebaseline our **Extended Carbon Footprint**. Previously, we had used a pandemic baseline year, 2020/2021, so there were significant caveats around the activity levels, expenditure, and backlogs of work. Therefore, we are now using the 2022/2023 financial year as our Extended Carbon Footprint baseline as this represents our earliest year of emissions data which demonstrates typical business activity.

Overarching targets for carbon footprint:

- Reduce extended emissions by 25% by 2030
- Reach net zero extended emissions by 2050

Our carbon emissions calculations are frequently updated, and we continue to iterate and refine our methodology.

		Our Progress So Far (Tonnes of CO2e)	
Greenhouse Gas Protocol Scope	Emission Category	2022/2023 Baseline	2024/2025
Scope 3	Purchased and Capital Goods or Services	187,039	158,244
	Fuel and Energy Related Activities	11,442	13,871
	Upstream Transportation and Distribution	13,071	4,920
	Waste	3,763	2,022
	Business Travel (Excl. Business Mileage)	307	650
	Employee Commuting	18,555	8,860
	Use of Sold Products	50,896	34,120
	End of Life Treatment of Sold Products	65	89
	Upstream Leased Assets*	n/a	2,914
	Downstream Leased Assets**	202,992	198,810
	Investments	6,633	1,479
Total Extended Carbon Footprint		494,763	425,979

^{*} This category was previously calculated as part of 'Purchased Goods and Services' and has now been split out.

^{**}This does not yet include data from Johnnie Johnson Housing.

Extended Carbon Footprint

Progress Report





Against this new baseline, we are pleased to record a 14% absolute reduction in extended carbon. Furthermore, on a relative level, our extended emissions per home in management have reduced by 27%, moving from 4.64 tonnes of CO2e per home to 3.38. It is important to acknowledge, however, that while we are investing more in our properties than ever before, resulting in more property-related emissions, this year we had fewer homes that we built for outright sale than in previous years, which is a critical factor in some of our reductions noted.

A number of collaborative financial and environmental efficiency initiatives are currently underway and we expect to see further positive reductions through sustainability-focused contract management going forwards.

We've taken constructive steps to reduce our Extended Carbon Footprint in 2024/2025, including:

- Every tender for services or goods across Sanctuary has asked suppliers for decarbonisation information, setting us up for long-term success in decarbonising what we buy.
- Over 2,300 homes have received retrofit interventions to achieve EPC band C, helping to reduce our emissions from Downstream Leased Assets by over 2,000 tonnes and remove energy inefficiency as a driver for fuel poverty.

Running our second Commuting Survey to gather up-to-date, accurate data on the commuting patterns of our colleagues, which has had a tremendous impact on our commuting emissions.

We are committed to going further and faster with our decarbonisation journey, particularly given the scale of our extended emissions. Over the next financial year, we aim to make further positive progress with a range of initiatives:

- We are driving forward compliance with the Simpler Recycling 2025 legislation, with over 3,200 food waste bins landing in our workplaces and new Waste Management e-learning launching to key colleagues.
- We're kicking off a new cycle of retrofit, with plans to improve the energy efficiency of over 8,200 homes over the next three years, which will play a key role in reducing our extended emissions.
- We've launched our new Development Specification.
- We're supporting teams across the Group to reduce travel and commute more sustainably, with comprehensive communication packages in progress to support incentives like Cycle to Work, Electric Vehicle Salary Sacrifice, and public transport-friendly events.

Sanctuary

To find out more about environmental projects and plans at Sanctuary, visit our <u>Sustainability Hub</u>.

If you would like to speak to Sanctuary's Sustainability Team directly, get in touch at sustainability@sanctuary.co.uk.

Accessibility

If you require this document in an alternative format or language, please email <u>communications@sanctuary.co.uk</u>.

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#LifeatSanctuary

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