
Environment and
Climate Change
Strategy **2022**



Sanctuary



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Group Chief Executive

FOREWORD



It's important to hold ourselves accountable as we aim to become a more sustainable organisation, which is why we are updating this strategy.

In the 12 months since we released our first Environment and Climate Change Strategy, we have seen progress against climate change at a national and global scale. From COP26 and the post-pandemic green recovery, to the UK's first ever Net Zero Strategy and the launch of the Social Housing Decarbonisation Fund, positive steps have been made.

Significant activity has also taken place over the last year at Sanctuary. We continue to improve our understanding of the impact we have on the environment and match our drive to become a net zero organisation with action. With large-scale retrofitting programmes, a new fleet strategy, and innovative projects launched across the Group, our Environment and Climate Change Strategy 2022 accelerates our trajectory towards net zero.

In November 2021, when all eyes were on Glasgow to watch political leaders negotiate new climate agreements and ambitions, I was pleased to see so many colleagues engage with Sanctuary's COP26-themed Sustainability Focus Fortnight. I was also delighted to see our Environmental Community of Interest launch during the week, a network of 98 residents who have volunteered to give their perspective on our Environment Strategy. This is part of a broader commitment to place our customers at the centre of our net zero journey.

COP26 heralded many achievements, but also showed the scale of the climate challenge. At Sanctuary, we are tackling this challenge head on. You may have noted that we signed up to the UN-backed 'Race to Zero' campaign in the autumn. As part of our pledge, we committed to halve our operational emissions by 2030 and reconfirmed our target of becoming a net zero organisation before 2050.

To reach these targets, we will need to change. We will need to move to lower carbon forms of heating, adopt greener methods of travel, and reduce, or even remove, high carbon options, such as single-use plastic.

We will need to change as a sector, too. There are many grey areas and questions when it comes to environmental sustainability; it makes sense to work on answering them together. Sanctuary aims to do this as part of the Greener Futures Partnership, where we're collaborating on research and pooling lessons learned with Hyde Group, Home Group, Abri, and Anchor Hanover.

Our homes will also need to change. Sanctuary's flagship retrofit programme improved the energy performance of 500 homes in the last year, securing over £2.5 million in funding with multiple local authorities as part of the landmark Social Housing Decarbonisation Fund. I look forward to collaborating with our funding partners to improve the environmental performance of over 1,000 properties, including 345 of Sanctuary's homes.

It's important to hold ourselves accountable as we aim to become a more sustainable organisation, which is why we are updating this strategy. I hope it demonstrates both how far we have come on our path to net zero and where the journey will take us to next.

Craig Moule
Group Chief Executive

Group Director – Sustainability and Climate Change

FOREWORD



At Sanctuary, sustainability means positively impacting our environment, our communities, and our wider society. We recently released our first **Sustainability Report**, which pulls together the Group’s efforts across the UN Sustainable Development Goals to help our communities thrive socially, environmentally, and economically.

In this report we will largely focus on the goals of climate action, affordable and clean energy and responsible consumption and production, as well as life below water and on land.

Projections show we need to halve global carbon emissions by 2030 to prevent the most catastrophic effects on the climate – yet, currently, emissions are still rising. That’s why the next few years are being referred to as ‘the decisive decade’. We must make a dent on climate change now to avoid the worst impacts of rising temperatures.

It’s easy to feel anxious or even miserable about this. But by taking positive action and working with campaigns like Race to Zero, we can play our part in making meaningful, evidence-led commitments, providing a solid trajectory to reach net zero carbon emissions before 2050. In our Environment and Climate Change Strategy 2021, we created five, cross-cutting themes to shape our approach: People, Data, Assets, Procurement, and Evaluation. Our progress in these areas is set out below.



Delivering a net-zero, sustainable Sanctuary

ASSETS

Priorities

- Improve all homes in England to EPC band C by 2030
- Improve all homes in Scotland to EPC band B by 2032
- Improve commercial buildings to EPC B by 2030
- Enhance biodiversity at sites

Examples



£12m retrofit spend committed in 2021/2022



Over 1,000 homes retrofitted in 2021/22



55% of homes are EPC C or above

EVALUATION

Priorities

- Assess progress against carbon targets through full evaluation
- Evaluate future risks, such as overheating and flooding

Examples



93 environmental projects monitored



Average annual employee commute of 1.62 TCO2e



EMS: Silver Phase achieved

DATA

Priorities

- Halve our Operational Carbon Footprint by 2030
- Achieve net zero emissions across our Operational and Extended Carbon Footprint by 2050

Examples



Group Operational Carbon Footprint: 42,135 tonnes of CO2e



Group Extended Carbon Footprint: 430,215 tonnes of CO2e



TCO2e per home: 0.40 tonnes of CO2e

PROCUREMENT

Priorities

- Procure across the Group with an Impact Assessment Tool
- Electrify our fleet where practicable by 2035
- Implement circular solutions

Examples



Electric vehicle pilot launched



8 tenders with an Environmental Impact Assessment



10,000 tonnes of waste diverted from landfill in 2020/2021

PEOPLE

Priorities

- Promote sustainable travel and commuting
- Identify resident champions for retrofit engagement
- Roll out sustainability education
- Collaborate to drive change in the sector

Examples



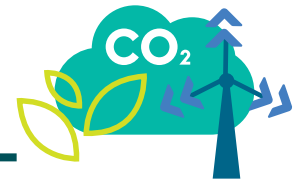
58 employees completed Carbon Literacy training



98 residents in our Environmental Community of Interest



200 employees in our Sustainability Community



Delivering on our Corporate Strategy

To successfully deliver our Environment Strategy, alignment to our wider Corporate Strategy is key. By working in parallel with the principles driving forward all of Sanctuary's operations, we can ensure that environmental changes are appropriate for Sanctuary's mission.

HOW ARE WE DOING THIS?



Investing in homes and places to create low-carbon neighbourhoods



Engaging with our customers, employees, and suppliers to inspire change



Advancing our ways of working to reduce carbon emissions and increase efficiencies

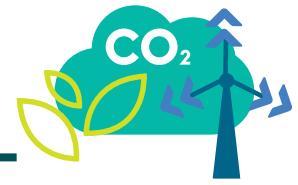


Growing our communities, building resilience to climate change and creating opportunities to live healthy, safe, and sustainable lives

This strategy updates on our progress so far and ambitions going forward. If you're interested in finding out more about what Sanctuary is doing to improve environmental performance, don't hesitate to get in touch by emailing environment.strategy@sanctuary.co.uk.

A handwritten signature in black ink that reads 'D. M. Williams'.

Donna Williams
Group Director - Sustainability
and Climate Change

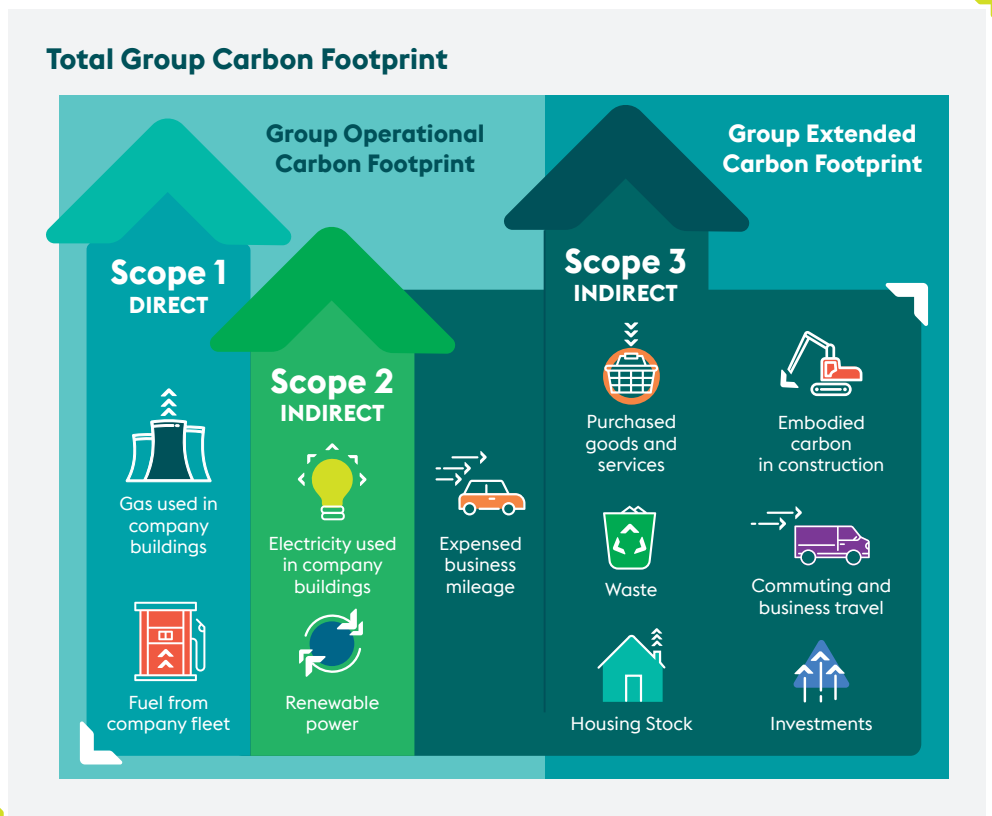


Our Carbon Footprint

Monitoring our carbon emissions is critical to understanding our impact on the environment.

Monitoring our carbon emissions is critical to understanding our impact on the environment. By sharing our carbon emissions, we are evidencing our journey towards net zero.

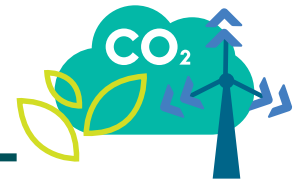
We've been sharing our Operational Carbon Footprint for three financial years. This year, as we start to share information on a wider range of emissions sources, we'll be referring to our Total Group Carbon Footprint, which is made up of both our Operational Carbon Footprint and our Extended Carbon Footprint. This is set out below.







We report our Operational Carbon Footprint publicly every year, as part of the Streamlined Energy and Carbon Reporting (SECR) scheme. It is made up of the emissions sources most central to our operations: those which we have the most control over and the most power to change.

Specifically, the Operational Carbon Footprint includes:

- Scope 1 emissions, directly created on-site and controlled by Sanctuary (fleet, gas)
- Scope 2 emissions, created elsewhere but consumed and controlled on-site, such as electricity used in company buildings
- One element of Scope 3: any employee business mileage carried out in personal vehicles



Operational Carbon Footprint	 Gas	 Electricity	 Transport	 Total
Tonnes of CO2e				
2021/2022	28,563	6,201	7,371	42,135
Baseline year (2019/2020)	29,151	19,497	8,930	57,578

EMISSIONS



Extended Carbon Footprint

430,215 tonnes of CO2e

We have been analysing our Operational Carbon Footprint for three financial years and we are pleased to see a substantial reduction in our emissions. We've reduced our Operational Carbon Footprint by 27% from our baseline year of 2019/2020. This equates to a saving of 15,443 tonnes of CO2e, which is roughly equivalent to the emissions from 4,898 return flights from London to Perth, Australia. Despite having made significant savings, there is more to do to reduce our Operational Carbon Footprint.

Our Extended Carbon Footprint includes all other material aspects of Scope 3. Consisting of indirect emissions which we have reduced control over, the Extended Carbon Footprint looks at where we spend our money, how we work with suppliers, and where we can influence behavioural changes.

We have less control over and less power to change Scope 3 emissions, because some of them aren't necessarily produced by Sanctuary's own direct operations. However, this does not mean that we are any less determined to reduce them. More information on our Scope 3 emissions can be found in our [Data section](#).

Beyond carbon

Given our 2030 and 2050 targets, carbon emissions are our primary indicator of environmental impact. But they aren't the only indicator. Work is underway across Sanctuary to save water, increase biodiversity, and reduce waste.

There's also a social impact to everything we do to improve our environmental sustainability. When we improve the energy efficiency of our homes, we do so to improve the financial wellbeing of customers at risk of fuel poverty. When we enrich our green spaces and enhance air quality, we do so to improve the physical and mental health of local residents. Bringing people along with us ensures that we don't 'do sustainability to' anyone; instead, we engage and communicate from the beginning to deliver solutions together which are fit for the customer.



PEOPLE



PEOPLE



OUR STAKEHOLDERS



Customers

Listen to and consult

Successfully delivering environmental change involves giving our people the opportunities to shape the changes we are making. This pillar of our strategy therefore aims to bring along and empower every stakeholder on our journey to becoming a net zero organisation.

As a provider of housing and services, our customers must be central to this strategy. We aspire to offer healthy homes with high levels of energy efficiency, low emissions of greenhouse gases, high quality green spaces, accessible active travel options, efficient use of resources, and a strong level of adaptation to the effects of global warming. As we work towards this goal, we hope to improve customer wellbeing, health, accessibility, and equality.



Colleagues

Support and empower

As we transition to more environmentally sustainable ways of working, we aim to give colleagues as much information as possible. We also want colleagues to shape our actions: we've set up an open, live Microsoft Teams channel for sharing and debating environmental ideas as well as hosting various live events and working with champions in each operational area. We also want to empower employees to act on climate change themselves, with quality training and resources available to all.

Collaboration with partners and building relationships with the rest of the sector is key. Sanctuary is proudly part of the Greener Futures Partnership, a unique collaboration of five of the UK's largest not-for-profit social housing providers. We also continue to work with a range of other stakeholders to achieve environmental improvements, including local authorities, universities, and community groups.



Suppliers and Partners

Influence and collaborate

Colleagues training to tackle climate change

As part of Sanctuary's ongoing collaboration with the University of Worcester, we've teamed up with colleagues from the University and Platform Housing Group to pilot a Carbon Literacy training programme, open to all staff from across all three organisations.

Carbon Literacy training supports colleagues in developing greater awareness of the carbon costs of daily activities. Through the training, individuals are equipped with the ability to reduce emissions.

The cross-sector nature of the programme is giving colleagues in all three organisations the opportunity to share valuable insights and experiences around climate action. So far, 58 employees at Sanctuary participated in the training offer and, of these employees, 18 have taken the extra step of writing an action plan for which they have received certification from the Carbon Literacy Project.

Dan Brown, CSSC Improvement Manager, passed the Carbon Literacy programme with flying colours. He quoted that "the best part of the Carbon Literacy training was the way a serious topic was made enjoyable, with some excellent tips and tools to ensure everyone could relate to the topic."

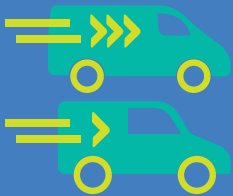
Carbon Literacy Project





We Said, We Did

We laid out some key priorities for our People workstream in our 2021 strategy. Below, we update on progress achieved in the last 12 months:



We said that we would work on a new fleet strategy. A new approach to reducing mileage across the Group and decarbonising our fleet was approved in early 2021. Ten electric vehicles have been purchased, with plans to rapidly roll out more electric options.



We promised to increase our use of paperless solutions. Our Modern Workplace programme has deployed over 4,000 devices and has overhauled how we use technology. Innovative products like [DocuSign](#) are also rolling out across the Group.



We committed to build a platform for staff engagement on environmental issues. We've established a group-wide Sustainability Microsoft Teams site, which is open to all colleagues who wish to find out more.



We also wanted to work with our National Resident Scrutiny Panel to build a Community of Interest. Launched as part of our Sustainability Focus Fortnight, the [Environmental Community of Interest](#) has 98 members and has provided crucial customer insight.

What's next?

- Launch an electric van pilot to understand alternatives for high-emission commercial vans.
- Develop a community-driven, on-the-ground approach to retrofitting homes for our customers.
- Identify opportunities to deliver environmental change through volunteering.
- Explore how we can incentivise behavioural change effectively across a number of environmental aspects (waste, travel, paper, power).
- Collaborate with partners and employees in Scotland to deliver sustainable solutions.



Involving our customers in decision-making

As a housing and care provider, we want to enable our customers to live sustainably. This means that it is critical to not only communicate what positive, environmental changes we're making, but also to involve our customers in the design of those changes.

By consulting with our residents, we create shared learning. We can learn about what it's like to live in Sanctuary's homes and communities, just as customers can learn about our environmental ambitions and plans. To do this, we set up an Environmental Community of Interest with our Housing England and Supported Living customers in 2021.

Led by Dylan Asphar, a member of our **National Resident Scrutiny Panel**, the Community of Interest provides valuable feedback on environmental documents, policies, and new initiatives affecting customers or their homes. So far, 98 residents have signed up to be part of the Community.

The Community of Interest has reviewed our communications about planned energy improvement works in their homes and we have made changes to our letters as a direct result of their feedback. We have also had our electric vehicle charge point policy reviewed by the Community of Interest and offered residents within the Community free Carbon Literacy Training in partnership with the University of Worcester. Going forward, we will expand the Community of Interest to include customers living in Sanctuary Scotland homes.



Partnerships for sustainable and affordable homes

In 2022, following a successful funding bid, Sanctuary launched its first ever Knowledge Transfer Partnership, an innovation project that will rethink how we build sustainable and affordable homes.

Lead by Innovate UK, the UK's national innovation agency, Knowledge Transfer Partnerships (KTP) is a government funded programme, designed to support businesses to address a strategic need through partnership with an academic partner and postgraduate associate.

Having partnered with an academic team from the University of Lincoln, Sanctuary's KTP will look at the whole procurement process of developing a home. The project will run over three years, aiming to provide Sanctuary's Development teams with an evaluative framework for the design and construction of sustainable, affordable homes. By collaborating with academics, Sanctuary will benefit from cutting-edge research and ideas.

KTP Associate Emilia Sage, who is leading on the project internally, said: "I am excited to be working in this critical partnership, working together to rethink the whole lifecycle of housing development, especially given it matters now more than ever where, how, and why we build houses."



Sustainability Focus Fortnight builds momentum

In November 2021, Glasgow played host to COP26, the 26th annual UN climate change conference, or ‘Conference of the Parties’, hailed as the most important climate summit in history. At Sanctuary, we launched our first ever Sustainability Focus Fortnight to coincide with COP26. The Focus Fortnight aimed to raise awareness of climate change on global, national, and local levels.

During the Sustainability Focus Fortnight, we asked Sanctuary employees to make their own pledge to adopt a more sustainable behaviour when at work: over 125 did. In addition, over 300 employees engaged with our roundup of daily COP discussions and almost 100 employees attended our COP26 lunchtime learning events.

While COP27 in November 2022 is taking place further afield in Egypt, it remains as significant as ever. We look forward to having more meaningful and challenging conversations about the environment at Sustainability Focus Fortnight again.

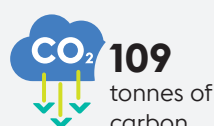
Reinventing our documents

DocuSign is a piece of software enabling employees, suppliers, and customers to securely sign and send documents digitally. Previously at Sanctuary, documents would be printed, packaged, and then posted or transported. DocuSign completely removes the need for physical paper or transport.

Housing England, Legal Services, Sales & Marketing, Care HR and Group HR are now using DocuSign for fully digitised processes. As of September 2022, by digitising some of Sanctuary’s documents, including tenancy sign-up packs, new hire forms, and commercial agreements, we have to date, since 2019 saved 2,840,977 sheets of paper.



THIS IS EXPECTED TO HAVE SAVED:



Excitingly, the above figures only account for a few digitised processes. Early scoping has shown that, if used across the Group, savings may increase to 3,000,000 sheets of paper (355 trees) a year. Furthermore, if used across Sanctuary, DocuSign has been pivotal in saving time for colleagues: no more waiting by the printer, driving a contract out to a site, or trying to find the right file for a paper document.



DATA



DATA



Our aim is to achieve a full understanding of environmental performance through high-quality, complete, and accurate data, across a broad range of environmental metrics.

Data underpins our environmental performance. To understand any environmental impact, positive or negative, we must collect data and interrogate it accordingly. This is critical to ensuring we can track progress towards our targets of halving operational emissions by 2030 and reaching net zero before 2050.

Our aim is to achieve a full understanding of environmental performance through high-quality, complete, and accurate data, across a broad range of climate-related impacts. Over the past year, we've worked hard to take steps towards this goal. This work has used a two-step approach.

Firstly, we've taken stock of the data we currently use for observing environmental performance. We've reviewed our stock condition datasets, EPC information, spend data, and information coming from new builds. As we now understand the levels of existing data quality, accuracy, and completeness across these critical datasets, we can initiate projects to improve them.

Then, we carried out gap analysis to identify where we would like to acquire more data or carry out new analysis activity. Some of our ambitions around our data gaps include creating a full data directory of our green spaces, understanding our on-site production of solar energy better, and improving the consistency of water data.

At times, a variety of datasets are required to build up the most comprehensive pictures of environmental performance. Regular collaboration and communication with data owners across Sanctuary is pivotal to building a cohesive view of how we impact the environment.

As we continue to drive new insights from data, such as understanding the number of green spaces we manage, or how employees commute to Group locations, we will need to work together with operational teams and changemakers in the organisation to ensure that knowledge is shared and that action plans are established cooperatively. We will continue to use our Environment Strategy Working Group to achieve this.





We Said, We Did

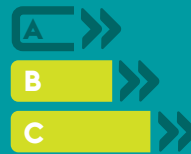
In our Environment and Climate Change Strategy for 2021, we set out some key priority activities in each workstream to be achieved over the next 12 months.



We said that we would assess our Scope 3 carbon footprint. Read all about what we've done to measure our indirect, Scope 3 emissions below.



We mentioned that we wanted to pilot a new approach to Environmental Management Systems. Our EcoHousing project, set up in conjunction with the University of Worcester, Platform Housing Group, and Loreus Consulting Ltd, has successfully resulted in Sanctuary and Loreus Ltd passing the Silver Phase of an Environmental Management System auditing process.



We promised to improve energy efficiency data for our homes. This has quickly become a key objective to developing knowledge around retrofitting and low-carbon homes. We've kickstarted a diverse range of projects over the last 12 months, including procuring Intelligent Energy, a software which will perform enhanced property data analysis, and improving the data we hold on heating systems for our homes.

What's next?

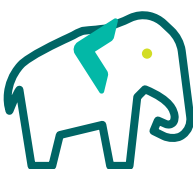
- Develop accessible dashboards of data to visualise our Operational Carbon Footprint.
- Create a fully documented, golden thread of data across our homes using Intelligent Energy.
- Improve reporting in areas where data is in short supply, as identified in our gap analysis.



CASE STUDY



Our Extended Carbon Footprint is equivalent to 136,446 flights from London to Perth, Australia.



At 430,215 TCO₂e, our Extended Carbon Footprint weighs the same as 56,607 Savannah elephants.

Measuring our indirect emissions

We’ve been able to calculate the emissions from our Operational Carbon Footprint for the past three financial years. Naturally, our Extended Carbon Footprint is more difficult to calculate, as we have limited control over the emissions produced within it.

However, we’ve previously been able to estimate some of these emissions: in last year’s Environment Strategy, we shared that our residential properties in 2020/2021 contributed 226,474 TCO₂e, and that business travel contributed 1,447 TCO₂e. Until now, though, we’ve not known the full extent of all Scope 3 emissions going into the Extended Carbon Footprint.

By working with Corporate Citizenship, a global environment and climate change consultancy, we’ve been able to produce a high-level calculation for all of Sanctuary’s areas within our Extended Carbon Footprint for 2020/2021. This calculation has also been enabled by a significant data collection process, requiring engagement with data owners across Sanctuary.

Our Extended Carbon Footprint currently sits at 430,215 TCO₂e. This is clearly a significant sum, making up 90% of our total carbon emissions when combined with our Operational Carbon Footprint. This is a trend found in most organisations. Sharing data on greenhouse gas emissions with other housing and care providers will enable the sector to track progress together.

Within our Scope 3 emissions calculation, we have identified key hotspots where high levels of greenhouse gases are produced.

Following this high-level calculation, we are now working with Corporate Citizenship to carry out deep-dives into hotspots of data. This will include carrying out lifecycle analysis (LCAs) on key activities, like construction, and refining our calculations where better data can be provided.

The work will run until the end of the calendar year, when we will share the comprehensive findings across Sanctuary. We will also repeat the exercise using data from 2021/2022, following the agreed methodology.

Greenhouse Gas Protocol Scope 3 Category	Description	TCO ₂ e
Downstream Leased Assets	Emissions from our leased social and supported homes in England and Scotland	243,659
Purchased Goods and Services	Emissions from all general purchased products and services from across the Group	64,528
Capital Goods	Emissions from any purchased materials, components, or equipment used in delivering a service (e.g. pipes purchased for refurbishment of a void property, trucks used in construction)	50,812
Use of Sold Products	Emissions from the operation of homes we sell or provide shared ownership for, and from the vehicles we sell	31,053
Employee Commuting and Homeworking	Emissions from how our employees travel to and from their place of work. This also includes emissions from homeworking.	20,343



Retrofit powered by data, analytics, and intelligence

In early 2022, Sanctuary's Technology and Sustainability departments invested in an energy performance modelling and planning system, Intelligent Energy.

This investment will enable internal teams to better understand the energy efficiency of assets and identify cost-effective improvement options to inform our whole-home retrofit programme. It will also support enhanced integration of decarbonisation into our Asset Management Strategy.

Asset modelling software services provide a suite of improvement measures for homes at the click of the button.

THIS WILL ENABLE US TO:

- Enhance customer service, with more in-depth data available to us about each property
- Package programmes of works in a smarter, more agile way
- Fully assess the impact of installing measures to customers, including fuel bill impact
- Plan how to reach our EPC-related targets



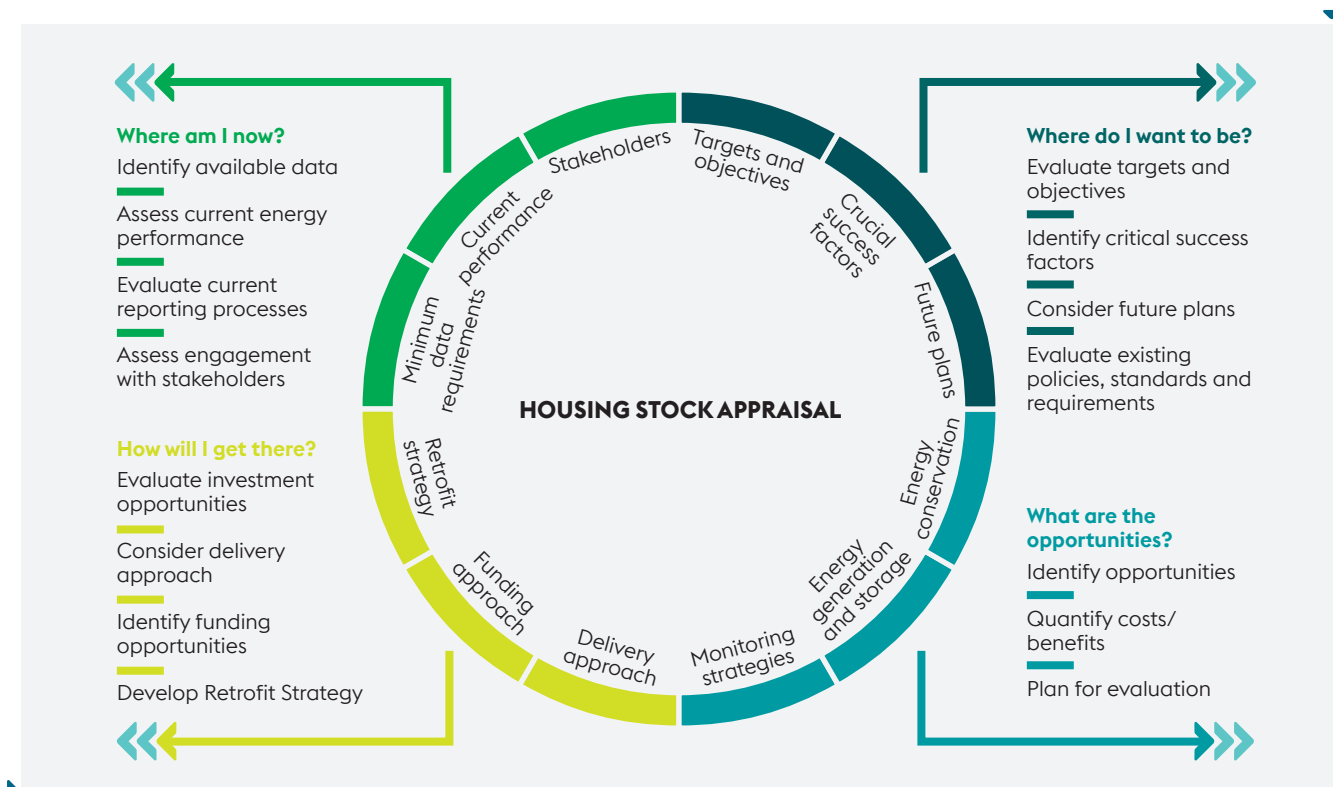
We've also been able to access open data sources to improve accuracy and fill gaps in EPC ratings.



Analysing energy performance in the North West

The North West Technical Assistance Fund was set up in 2021 to support social landlords in developing data-driven retrofit approaches in line with improving all homes to EPC band C by 2030.

The programme aimed to provide textbook approaches for the sector to follow, through intensively analysing housing data, while also reporting back some of the challenges around data that housing providers face to the Department for Business, Energy, and Industrial Strategy (BEIS).



Sanctuary was chosen to be the case study housing association for developing a 'Programme Approach to Whole Stock Retrofit'. Thanks to the funding from the North West Local Energy Hub, data about our properties in the North West was analysed by consultants from AECOM, who spent three months reviewing data and mapping out scenarios to reduce emissions and lower fuel bills.

A comprehensive report resulted from this analysis. Setting out how to potentially create a retrofit programme covering all of Sanctuary's homes in the North West, it proposed various options relating to programme scale, speed of delivery, building archetype, and location. Going forward, we will look to adopt findings into our retrofit plans where possible and hope that it will support other organisations as they develop their own strategies.



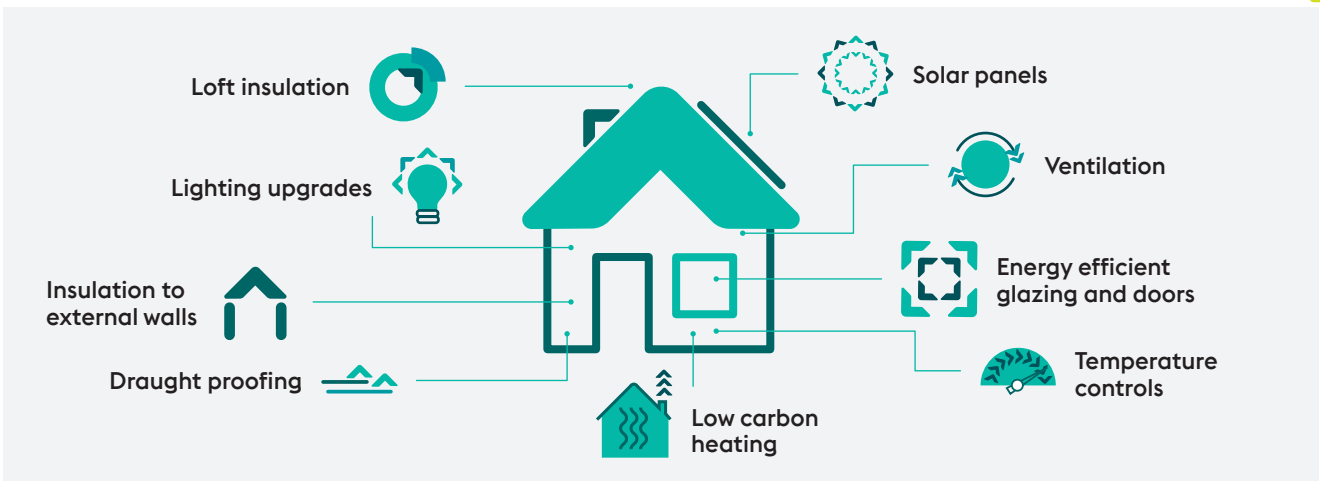
ASSETS



ASSETS



If the UK is to meet its net zero targets, decarbonisation will be required for virtually all buildings. This will be driven by energy efficiency improvements, removal of fossil fuel heating systems, and renewable energy. Sanctuary manages a range of buildings from 81,000 social and affordable homes through to 98 care homes, 34 homes for students and 28 offices. It is no surprise that emissions from properties form the most significant part of Sanctuary’s Total Carbon Footprint, one of our biggest challenges is how to safely decarbonise homes and buildings.



Decarbonisation is about more than cutting emissions. It is also about enhancing customer experience by creating smarter, healthier, more comfortable and affordable homes. To achieve this, we combine decarbonisation with measures that improve the warmth of properties and support the reduction of energy bills.

In line with government strategies for social housing, our aim is to improve our homes to EPC Band C by 2030 in England (by 2028 if possible) and to EPC Band B by 2032 in Scotland. With a strong whole-house retrofit programme that delivered works to 500 properties last year, we are on track to meet these targets.

We are also improving the performance of our commercial buildings, including an insulation top-up programme across all applicable care homes, heating pilots in student accommodation, and an Environmental Management System pilot for our offices.

Our Construction team has created new standard house types, complying with the Future Homes Standard and reducing emissions by 70%. Our standard house types will mostly use air source heat pumps for heating and hot water; they will also achieve high EPC B ratings before any solar panels or additional renewables are added.

As we look to make our homes more sustainable, customers must remain at the forefront of all decisions. While we know how beneficial retrofitting can be for an energy-inefficient property, we must be aware that, fundamentally, we are making substantial changes to someone’s home. Engaging early and attentively with customers, providing comprehensive information on any home improvements carried out, and sensitively managing expectations are integral to ensuring that a customer feels at home.





We Said, We Did

Last year, we set out key actions for our work on our assets. We are pleased with progress in this workstream:



We said that we would invest £12 million to upgrade the energy performance of our homes. In the last year, 500 properties have received whole-home retrofit work, 300 have been surveyed and are ready for installation of energy improvement measures, and almost 300 homes have received an air source heat pump as part of work with the Warm Homes Fund. We have committed a minimum of £12 million for retrofit spending in 2022/2023.



We committed to develop an organisation-wide strategy on the future of heating. Read all about the work of our Future of Heating Task Force and their recommendations for low-carbon heating adoption on page 23.



We promised to develop a better understanding of the impact of our operations on ecology. We have recently set up a Biodiversity Working Group, where subject-matter experts from across Sanctuary are working on improving ecological knowledge. The Working Group are now mapping out all of Sanctuary's green spaces on a register.

What's next?

- Launch new and improved ways of engaging with our residents receiving retrofit measures, including establishing earlier communication on the ground and enhancing aftercare.
- Begin moving properties away from relying on fossil fuel heating systems when appropriate to do so. We have over 5,000 new builds planned to be built up to March 2026 and it is expected that the vast majority of these will include low-carbon heating systems.
- Continue to improve the energy efficiency of our commercial properties: surveying key office locations and understanding the energy performance of our student accommodation.
- Roll out energy performance programmes to improve homes in Scotland in line with energy efficiency and decarbonisation standards, looking to access funding from the Scottish Social Housing Net Zero Heat Fund.
- Develop biodiversity flagship sites, across new build and existing homes, with bespoke approaches in place to support and increase native species.



Securing £2.5 million of funding for 350 warmer and more sustainable homes

The £3.8 billion Social Housing Decarbonisation Fund was introduced as part of the government’s election manifesto in 2019. Created to help housing providers improve the energy efficiency of their homes, the flagship fund will ensure that vulnerable residents live in warm and low-carbon homes.

Wave one of the Social Housing Decarbonisation Fund launched in 2021, with an allocation of £160 million from the total funding commitment of £3.8 billion. Sanctuary collaborated on three consortium bids with Essex County Council, Shropshire Council, and Cheshire West and Chester Council.

The Department for Business, Energy, and Industrial Strategy granted all requested funding (£4.9 million) towards the three bids, with £2.5 million going towards retrofitting Sanctuary’s homes alone. Sanctuary will match this with over £1.5 million of our own funding.

We are delighted to successfully receive such a sizeable grant from the Social Housing Decarbonisation Fund. The funding will enable the retrofitting of an additional 350 Sanctuary homes. This will accelerate progress towards reaching the Group’s target of improving all homes to EPC band C by 2030 at the latest. With a focus on installing fabric improvement measures, such as loft and wall insulation, reducing fuel poverty will be central to the funded works. Resident liaison will continue to be a central theme of our retrofit works.

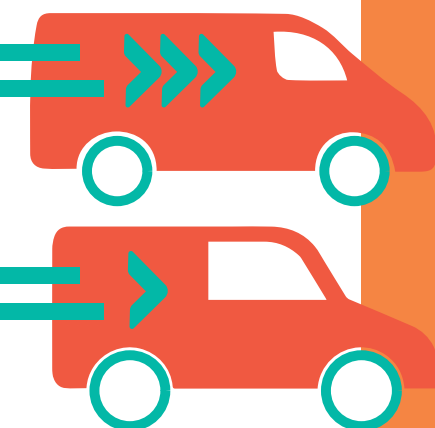
Sanctuary Scotland drives electric vehicles forward

Homes in the Toryglen district of Glasgow will soon be benefitting from electric vehicle charging points, communal electric cars, and rejuvenated green spaces.

Acquired in 2021, our Toryglen properties have been chosen as the flagship site to trial residential electric vehicle charging facilities. Over the course of 2022, four charging points will be installed, empowering residents and members of the public to take up electric vehicles where possible.

An Enterprise Car Club electric vehicle will also be located at the site. This is a communal hire car, which can be booked by residents through an app. As purchasing an electric car can be expensive, a communal vehicle offers a cost-effective option for low-carbon driving without incurring high emissions.

Our residents are helping us with the designs to improve green spaces in Toryglen. We’re also installing new smart street lighting and enhanced CCTV after residents indicated that they wanted to live in a safer community.





Task Group set up to confront challenges of clean heat

77% of buildings in the UK (approximately 23 million) are heated by gas. To reach net zero targets, by 2025, gas boilers will be banned in new-build homes, and by 2035, it is likely the UK will begin to phase out gas heating installations in all buildings. Low carbon solutions, like heat pumps, will replace gas heating.

At Sanctuary, gas is our primary heating fuel. Emissions from gas make up 68% of our Operational Carbon Footprint for 2021/2022. This includes the delivery of heat to care homes, offices, student homes, and many communal areas in housing schemes. In our Extended Carbon Footprint, we estimate that 80% of the homes we rent are heated by gas: almost 60,000 homes.

To comply with future legislation, we must understand how our homes can transition to using clean heat. Consequently, Sanctuary's Future of Heating Task Group was set up to interrogate heating system data, low-carbon solutions, customer experience, skills required for maintenance of new technologies, and financial implications to the Group.

THE FUTURE OF HEATING STRATEGY HAS SEVERAL KEY RECOMMENDATIONS:

- To place our customers, and their experiences of heating their homes, at the heart of our strategy.
- To become early adopters of technology such as air source heat pumps within our new build development and when retrofitting off-gas and electrically heated properties.
- To focus on fabric improvements during the current decade to prepare for mass rollout of low-carbon heating systems from 2030 onwards.
- To prepare our data so that low-carbon heating transition pathways can be easily identified and colleagues can access relevant information to make case-by-case decisions.
- To identify a series of innovation pilots to expand our knowledge in areas like hydrogen, mechanical ventilation with heat recovery and innovative forms of electric heating.



Students supporting species diversity

In May 2022, Sanctuary Students continued taking steps to promote biodiversity across their sites by participating in No Mow May. Eight student accommodation sites took part in the national campaign, which encourages individuals, communities, and organisations to avoid mowing throughout the month of May.

To support No Mow May, our Estates teams let green spaces from Brighton to Glasgow grow and rewild, while regional teams engaged with students and other community members to gather their feedback on Sanctuary's participation in No Mow May.



The humble bee

A 1m² sample from one of our participating sites was found to be producing over 90mg of nectar a day, enough to support eight worker bees for a day and 250 worker bees across the month.

We're now looking at longer-term ways we can include reduced mowing and other nature-positive solutions at the sites we manage.

Strategising with the sector to improve energy performance

In 2021, Sanctuary became a founding member of the Greener Futures Partnership: a unique collaboration of five of the largest housing associations in the UK. Teaming up with Abri, Anchor Hanover, Home Group, and Hyde Group, we aim to collectively provide influential insights on sustainability in the housing sector.



Together, we are investigating some of the trickier, unanswered questions which challenge the sector. So far, the Greener Futures Partnership has:

- Launched a research project in conjunction with specialist housing consultancy Altair, looking at the benefits and challenges of different methods of measuring energy efficiency
- Commissioned an in-depth report, The Social Housing Retrofits for the Future Report, from academics at Northumbria University. This outlines best practice for retrofitting homes, explores the most effective ways to engage with customers and provides insight on legal and financial challenges





PROCUREMENT



PROCUREMENT



We aim to use our strength and scale as a purchasing organisation to influence and challenge the environmental performance of suppliers, services, and products.

As a large organisation, everything we purchase affects the environment. To meet this challenge we must consume less and do things differently as an organisation. This will enable us to not only reduce our emissions and impacts, but also influence more sustainable market conditions across all sectors in which we operate.

We aim to use our strength and scale as a purchasing organisation to influence and challenge the environmental performance of suppliers, services, and products. We are quickly taking up better environmental specifications where cost-effective to do so and we're piloting the use of a dedicated Procurement Impact Assessment Tool for reviewing tenders. We firmly believe that environmentally-focused tenders can be the key to unlocking enhanced standards of purchased products and minimised emissions.

We're also thinking about how we assess the whole lifecycle of materials and purchased products, from cradle to grave. Our work in examining our Scope 3 emissions, detailed in the Data section of this strategy, is helping us to build a full picture of how we are interacting with the environment. By using spend data to analyse emissions, we can identify initial key categories of purchases impacting our environmental performance, before working with suppliers to access higher quality datasets.

We aim to work with suppliers who are innovative in their approaches to sustainability and who want to take an active role in delivering environmental improvement across Sanctuary. This won't stop at the sourcing of a supplier: through proactive contract management, we will aim to continually assess whether environmental commitments have been delivered.



Simple sustainable switches

After launching our first ever Environment and Climate Change Strategy, we wanted to achieve some simple, but sustainable, quick wins in what we were procuring. Our Procurement and Facilities teams identified a range of supplies and products where more sustainable and ethical alternatives could be purchased instead. This included:

- reams of recycled paper for any necessary printing
- recycled envelopes for any necessary postage
- a range of recycled notepads and pens
- Fairtrade coffee and sugar
- Removing paper hand towels where possible in office locations

We've also switched our group supply of electricity to a 'green' tariff. As explained in our Carbon Footprint section, this means our electricity supply is carbon neutral, as it comes fully from a range of renewables: either from solar panels and farms, hydroelectric plants, or wind turbines.

At office locations, starting at our Worcester Campus, we have also removed disposable cups from coffee machines. This encourages employees to bring reusable cups to work and reduces our reliance on single-use plastic, saving 300,000 disposable plastic cups a year!



We Said, We Did



We said that we would gain a better understanding of the environmental performance of our key supply chain, based on the procurement pipeline. Over the last 12 months, environmental performance has been considered as part of a range of tender exercises, ensuring that any environmental standards implemented are intentional.



We committed to increasing the emphasis on environmental performance within tender processes. We have piloted and then rolled out the Procurement Impact Assessment Tool (PIAT) within Procurement. From October 2021, a range of tenders launched within Procurement have used the PIAT.



We committed to improve communication with suppliers about environmental impact. Procurement's Environment Workstream, made up of key representatives who engage with unique product categories, has been instrumental in having meaningful conversations with suppliers to understand and align environmental expectations. By creating an environmental agenda item in contract meetings, this ensures regular communication about performance.

What's next?

- We will launch and embed a Group Procurement Environment Plan across all areas of Sanctuary to set out a clear and cohesive direction of travel, with a Procurement Environment Policy developed consequently.
- We will influence a minimum specification of services and products through use of the PIAT and monitor compliance with the specification.
- We will make sure that there is a comprehensive environmental question bank available to anyone conducting a tender on our e-tendering portal.
- We will develop a mechanism for reporting internally on activity and performance. Alongside monitoring the procurement pipeline through a project management system, we will evaluate the actions arising from impact assessment of tenders.



Procuring to reduce travel in Property Services

To reduce our emissions from travelling in company and personal vehicles, it is critical that we reduce the miles that we travel in them. Driving in smarter, more efficient ways will result in time, cost, and carbon savings. Our suppliers can help up to do this.

80% of company vehicle travel is completed by employees in Property Services.

With most operatives on the go every day to serve customers, this is to be expected. In 2021/2022, however, over 5,900 tonnes of carbon were produced from just travelling to complete repairs and routine maintenance.

Minimising travel not only reduces carbon, but also enables operatives to spend more time completing repair work to provide better customer service. Several key pilots have therefore been launched with suppliers of capital goods to cut down mileage requirements.

A 'Stock and Go' app for commercial vans has been launched in three regions in conjunction with Buildbase. The app ensures operatives only carry exactly what is required for jobs in their vans. This helps us to achieve a 'fix it right, first time' approach by checking exactly what is required through an app for the repair and filling the vehicle accordingly. This lightens the load in vans, reduces fuel consumed on journeys, and prevents additional trips to building merchant sites.

To further reduce miles travelled in Property Services, Buildbase have worked with Sanctuary to set up pop-up stores of materials and equipment in Ely, Stoke, and Paignton. Rather than requiring operatives to travel to building merchant sites to stock up on tools and equipment, the fully-stocked pop-up stores are placed in central locations where Sanctuary has a high density of homes. Only one bulk delivery is then received from our supplier on a weekly basis.

Through collaborative work with an environmentally-minded supplier, we've been able to design solutions that benefit both parties. In return for our continued purchasing, Buildbase has supported Sanctuary to adopt more sustainable behaviours.



Warriors on food waste in care homes

Food is central to Sanctuary Care's service provision. Every care home has a professional restaurant, responsible for providing nourishing and balanced meals to residents. But, as with every restaurant, a care home can often end up wasting food.

MARK ORD, HEAD OF HOSPITALITY FOR SANCTUARY CARE, SAID:

"We knew food waste was a problem, but it was the scale of the problem that we didn't fully understand. So, over the lockdown periods, we organised a food waste trial. We estimated that, if the trial expanded to cover all homes, Sanctuary Care was potentially wasting significant and avoidable amounts of food a year."

To tackle this, Sanctuary Care launched the 'Warriors on Waste' programme in March 2022. Following on from the trial, the programme works with all Sanctuary Care homes to weigh, categorise, document, and take action on food waste. Chefs will work to adapt food buying profiles based on occupancy numbers and will limit menu options.

The Hospitality team aims to fully understand the root causes behind the waste, to avoid the problem going forward. Additionally, a range of care homes across England and Scotland are now growing herbs, fruit, and vegetables, and where possible, some care homes have introduced composting of food waste.

Overall, Sanctuary Care aims to use these initiatives to reduce food waste levels by 40%. So far, engagement has been very encouraging from all chefs involved, with recorded food waste weights dropping week on week.





Providing energy-efficient care

With almost 100 care homes and 5,000 bed spaces, colleagues at Sanctuary Care rely heavily on appliances for their essential day-to-day tasks. So, in order to reduce energy consumption, the appliances must be as energy efficient as possible. Therefore, Sanctuary Care has been rolling out an Appliance Replacement programme.

Since it began in 2021, over 130 appliances at the end of their lifecycle have been replaced with newer, more efficient, and lower-carbon options. Before replacing, a complete review has taken place of every appliance: weighing up energy usage, appliance size, age of the appliance, capacity, and cost.

As part of the programme, heat pump tumble dryers are being installed as a low-carbon appliance. By installing 3 heat pump dryers at Pinewood Residential Care Home and Sherwood Forest Residential Care Home, 3.2 tonnes of CO2 and 13,456 kilowatt hours of electricity will be saved annually as opposed to using a standard condensing dryer. A further 5 heat pump dryers are planned to be installed.

In addition to appliances, the specification for furniture is also being amended. Rattan garden furniture has been swapped for polywood garden furniture, which is made from recycled milk bottles and lasts considerably longer. Battery recycling boxes are also being placed at a range of care homes, meaning traditionally 'difficult-to-recycle' items can be easily and sustainably disposed of.

Being conscious of water consumption

Did you know...

that Sanctuary has procured a range of water-saving measures across a variety of operations?



For new build developments, we implement sustainable drainage systems (SuDS) to divert water away from overloaded sewers. Sanctuary is actively considering water run-off issues.



In offices, we've installed water-saving sensors across toilets and bathrooms. At several key locations, taps are controlled by motion sensors and efficient flushing systems have been implemented.



At housing estates up and down the country, water butts are available for our customers to safely reuse rainwater for gardening.



EVALUATION



EVALUATION



As the climate around us changes more, we must monitor, predict, and analyse the potential impact of different weather patterns, temperatures, and emissions levels.

Our Evaluation workstream enables us to measure the impact and value of environmental performance. By understanding how much we have influenced the environment, positive or negative, we can learn about where we need to improve performance, where performance is good, and where lessons can be learned.

Decarbonisation remains an area overflowing with unanswered questions and evolving answers. Therefore, evaluating potential new low-carbon technologies, approaches, and metrics is essential to solidifying sector-wide solutions. With significant investment required to move towards net zero targets, evaluation crucially helps us to scrutinise value for money, customer benefits, prioritisation of actions, and payback options.

By evaluating projects, we aim to consistently carry out analysis that highlights the benefits and drawbacks of environmental initiatives. We expect some of the case studies mentioned earlier in the strategy to eventually move into our Evaluation workstream, as we fully analyse their impact.

However, evaluation can also involve looking to the future. As the climate around us changes more, we must monitor, predict, and analyse the potential impact of different weather patterns, temperatures, and emissions levels. Part of this evaluation process includes thinking about how our behaviours need to adapt to living in different climates. A fully-considered plan to climate adaptation, including an in-depth range of scenario models and plans, will be critical to protecting and futureproofing our communities, homes, and people.



The impact of innovation in Learning and Development

Restrictions on travel throughout 2020 and 2021 didn't deter our Learning Academy, who innovated to deliver their Virtual Classroom offer. Provided almost completely online, the team rolled out webinar-based training, ensuring colleagues could continue their professional development remotely.

This new way of working resulted in a 100% increase in training with no accompanying travel, through the roll out of webinars delivered directly to employees. In comparison to 2019/2020, there was a 95% reduction in travel to attend training in 2020/2021, with only 28,276 miles travelled in comparison to the 581,883 miles travelled the year previously – saving around 553,607 miles of travel.

Data was not readily available to calculate the emissions of the journeys taken to in-person courses in a 'normal' year, so we used estimates provided by the Department for Transport. If the journeys taken to Learning Academy courses mirrored the national picture of modes of transport for business travel, we saved an estimated 113.2 tonnes of CO2. This equates to taking 47 average cars off the road for an entire year, according to the Financial Times.





We Said, We Did

Alongside continuing to provide evaluative support on environmentally-positive projects around the Group, we've followed through on several priorities from our Evaluation workstream.



We said that we would design a handful of key pilots with innovative decarbonisation technologies.

From a district heating system in Cambridgeshire to battery storage systems at our net-zero new build development in Whitby: we are piloting a range of technologies currently and look forward to sharing the results with you.



We also wanted to develop a scorecard of environmental performance metrics. This is now produced monthly and shared with our Executive Committee to ensure environmental performance has visibility across the organisation.



We committed to standardise data collection of customer experience of retrofit. We recently piloted a survey for customers using alternative heating technologies. This enabled us to gather feedback on successes, challenges, and recommendations for improvement as we move to deploy low-carbon heating systems at scale.

What's next?

- Carry out performance evaluation of homes, pre- and post-retrofit, aligned to the new British Standard, BS40101.
- Produce findings on the results of our Electric Vehicle Pilot, evaluating employee experience.
- Build up an in-depth understanding of how retrofit affects fuel bills and how we can maximise both fuel bill and carbon savings.
- Develop our Environment Project Tracker to carry out scenario modelling to map how the Group's environmental initiatives impact our emissions, including understanding ROI.



Evaluating environmental performance in offices

In early 2021, Sanctuary partnered with the University of Worcester, Platform Housing Group, and environmental consultancy Loreus Ltd to launch the EcoHousing project. Led by the University of Worcester, a well-established leader in sustainability, the project is an opportunity for partners to improve environmental performance by implementing Environmental Management Systems.



At Sanctuary, we are currently developing an Environmental Management System to support us with managing our operational impact on the environment across 29 of our office locations. To do this, the Sustainability and Group Facilities teams have collaborated to better understand the impact our offices have and identify fresh ways to reduce this.

In July 2022, we successfully passed the Silver phase of the EcoHousing programme. The Silver phase has two key requirements: completing an environmental impact assessment, then using information from the assessment to set meaningful environmental objectives. To meet these requirements, team members from Sustainability and Group Facilities worked together to develop a tailored register that identifies environmental impacts of offices and evaluates their significance.

In addition to helping to shape our work under the operational Gold phase, the register will enable Sanctuary to set meaningful environmental objectives. This further commits us to taking steps towards reducing the impact of our offices on the environment.

Managing and mitigating the risks of climate change

To help us improve sustainability and climate change governance across Sanctuary, we've developed a sustainability and climate change risk map. The map captures our key risks, evaluates their significance to us as a Group, and sets out current and future controls to manage them. Evaluating our risks is helping us to understand our risk exposure, which better positions us to build targeted climate change action and resilience into our ways of working. While carbon is important to this analysis, our risk map focuses specifically physical risks, such as overheating, water scarcity, and extreme weather scenarios.

Our risk map is also helping us to understand our distribution of sustainability and climate change risk controls. By mapping out current controls, we are better able to see where controls are effective, while also identifying areas where introducing additional controls would be beneficial. For example, our risk map has highlighted adaptation risk as a priority area to develop additional controls moving forward, and since developing our risk map, we've already begun work on this area.

As we continue our transition to a net zero carbon organisation, and as the impacts of climate change are increasingly felt, our sustainability and climate change risks will change. To make sure that we're continually evaluating these changing risks and our capabilities to manage them, we will regularly review our sustainability and climate change risk map.



This is the second publication of our Environment and Climate Change Strategy and updates on our priorities accordingly. While we celebrate the positive steps forward taken across the Group, we recognise that there is a long road with many challenges ahead. We are committed to engaging internally and externally between now and our 2023 strategy about the steps we are taking to minimise environmental impact.




We aim to be transparent and authentic about our environmental performance. We therefore hope this strategy sparks conversations. If you would like to provide feedback on our strategy or get further details about content within this document, Sanctuary's Sustainability and Climate Change team will welcome you getting in touch at: **environment.strategy@sanctuary.co.uk**.

Accessibility

We want this strategy to be accessible to all. If you would like it in a different format, call **01905 334000** or email **pr@sanctuary.co.uk**.

Sanctuary

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