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On the cover: Resident Margaret Stephens and Maintenance Operative Petrut-Aurel Vintilescu





Sanctuary is an organisation that seeks to make a positive difference in society and ultimately that means a positive impact for our customers. This has been an exciting year for our sustainability agenda with significant progress made across all three areas (environment, society and governance), a few of which I would like to highlight.

In November 2023 we published our Decarbonisation and Net Zero Strategy. This is the evolution of all our learning since our first Environment and Climate Strategy was issued in 2021, presenting a quantified and targeted roadmap to net zero by 2050. It puts us in a better position than ever to both understand and explain the actions we are taking to meet this important goal.

We also continue to be driven by our social mission to build affordable homes and sustainable communities where people choose to live. Last year I was pleased to inform you about our acquisition of Swan Housing Association, whose data is now reflected in the pages that follow, and this year I am equally delighted to welcome customers and colleagues from Johnnie Johnson Housing (JJH). JJH joined Sanctuary in March 2024 because they recognised that Sanctuary's size and strong financial position, combined with our shared values, would support them in achieving their aims for customers. We look forward to providing more information about the role of JJH in our sustainability journey next year.

I am particularly proud to share that in February 2024 we launched our new Inclusion for All strategy. This builds on our

first strategy and is shaped by our customers and colleagues. It also has an enhanced focus on our customers, recognises the importance of equity rather than equality, and sets out a more ambitious set of targets with tools to track them.

Sustainability is embedded in everything we do: from investing in our properties so that they continue to provide homes where customers can thrive as the climate changes (pages 9 to 15), through to nurturing community-led projects that make the areas in which we operate strong, connected places to live (pages 26 to 27), and supporting colleagues to achieve their best (pages 31 to 36). There are many other achievements from this year that I could highlight and more examples of our commitment to operate in a sustainable way than would fit within this report.

Our Sustainability Report continues to be a streamlined summary of key information related to all three pillars of sustainability. A full range of content, including case studies that provide a glimpse into the impactful stories behind our metrics, is available on our online sustainability hub—a dedicated area of our website.

I hope you enjoy reading this report and that it helps to show how we hold ourselves to account, as we strive to be the best organisation we can.

Craig Moule
Group Chief Executive

"Sustainability is embedded in everything that we do"





We recognise that we impact on all 17 of the United Nations Sustainable Development Goals; however, our sustainability strategy prioritises those goals where we have the greatest potential to contribute. This report outlines how we are doing this, and the diagrams on pages 6 to 8 highlight our key activities.



Environment

Strategic aim

To understand and limit our environmental impact, taking tangible steps on the journey to net zero by 2050.



Society

Strategic aim

To provide high-quality homes and services that support our customers to lead healthy and fulfilling lives.



Governance

Strategic aim

To act at all times as a responsible organisation that is here for the long-term, recognising the positive role we can play in the lives of our colleagues as well as of our customers.













- Mitigate the impacts of fuel poverty by investing in the energy efficiency of our homes.
- Maintain our long-term commitment to delivering and sustaining affordable homes.
- Use our specialist expertise to support customers experiencing financial difficulty.
- Ensure that we pay our colleagues and supply chain fairly and on time.



- Reduce our impact on air quality by improving our fleet and operational processes.
- Create green spaces that support mental and physical health and wellbeing as well as biodiversity.
- Recognise the role that having a high-quality home has on living a mentally and physically healthy life.
- Provide a range of vital care services with a focus on enriching lives and fostering independence.
- Support our customers in leading healthier lifestyles through our Sustainable Communities programme.

Support the physical and mental health of our 14,000 colleagues.





- Embed social justice within our Environment Strategy.
- Ensure inclusive access to our services for all customers.
- Recognise the role we can play in supporting inclusion within our communities as part of our Sustainable Communities programme.
- Report both our gender and ethnicity pay gap.
- Create a vibrant workplace where everyone is able to be themselves.













- Decarbonise all of our homes by 2050.
- Reach EPC band C on all social homes by 2030.
- Transition to low-carbon heating while prioritising wellestablished technologies and customers' fuel bills.
- Use energy efficiency measures to make our homes warmer and more affordable for customers.
- Encourage the growth of 'green' skills and supply chain expertise.
- Transition energy contracts within our commercial buildings to low-carbon alternatives, which started with a switch to green electricity in October 2021.



- > Support the development of green skills.
- Work with SMEs wherever possible to support growth and local employment.
- Support enterprise, employment and learning opportunities through our Sustainable Communities programme.
- Remain committed to offering colleagues opportunities for growth and training, including apprenticeships.
- Become an employer of choice.



- Ensure our new developments are designed with the long-term needs of our customers in mind.
- Support biodiversity in green spaces we manage throughout the country.
- Support organisations and initiatives that build resilience and connection within our communities through our Sustainable Communities programme.
- Make decisions based on building connection and resilience in a way that can be sustained by communities.
- Understand our role as a local employer and contractor of services to support vibrant communities.













- Achieve net zero by 2050 at the latest.
- Halve operational carbon emissions by 2030.
- Develop a procurement plan to leverage positive environmental action throughout our supply chain.
- Raise awareness of sustainability and climaterelated action by engagement with our customers.
- Support customer-led environmental initiatives through our Sustainable Communities programme.
- Build sustainability into our strategic decision making.
- Assess and mitigate climate change-related risk effectively.



- Work in partnership with other leading voices to support the decarbonisation of our sector.
- Recognise our role working with a range of external organisations as part of the fabric of local communities.
- Learn from our mistakes and strive to always do better for our customers.
- Benchmark ourselves against the highest standards of governance.

Environment



We recognise both the impact delivering our services has on the environment and the need to adapt in response to climate change. Wherever possible, we want to mitigate our negative environmental impact and harness opportunities for nature-positive solutions.

To maintain strategic focus, we have set the target of being net zero carbon by 2050 at the latest and of halving our operational carbon emissions by 2030. This year saw us issue our first <u>Decarbonisation Strategy</u> outlining how we are going to do this.

It is a big task that will require us to decarbonise over 100,000 social homes as well as 109 care homes, plus student accommodation and offices. We will also need to decarbonise our operations carried out by 14,000 colleagues, from our in-house Maintenance team to person-centred support and telecare.

Over the last four years, since the launch of our first <u>Environment Strategy</u>, we have made considerable progress. Our operational carbon emissions are down 38%, we have retrofitted nearly 2,700 homes to a minimum EPC band C and we have assessed the full scope of our carbon footprint.

Our <u>online sustainability hub</u> provides a range of case studies and further information about our work in this area, and there is a summary of key metrics and activities to date in the following section.











Using a combination of EPC certificates and modelled data, the average EPC rating for our homes is 71.5. Our stock condition survey programme remains vital for continually improving our EPC data.

We continue to make good progress on our target of all social housing properties being at least EPC C by 2030, although we recognise the size of the challenge still to go with over 24,000 properties requiring some level of energy efficiency works. New organisations joining Sanctuary also increase the size of our retrofit programme.

Building on the success of our Social Housing Decarbonisation Fund (SHDF) Wave 1 programme, Sanctuary is currently one year into a three-year programme to retrofit a further 2,000 homes to EPC Band C utilising £12.5 million of funding under SHDF Wave 2.1. This sees us continue to work with the Greener Futures Partnership as part of a wider consortium receiving £40.4 million of grant. Our retrofit works focus on fabric measures like insulation, providing the maximum positive impact for our customers by reducing heating demand, and reducing the risk of fuel poverty. We avoid measures that might decrease carbon emissions but result in increased energy bills.

We are also pleased that 83% of our care homes and 96% of our student accommodation is rated EPC C or above, with the majority of our student properties reaching B ratings. All of the new housing we delivered this year was rated EPC B or above.

EPC ratings across Sanctuary's housing operations

> A	2022/2023	0.18% (116)
A	2023/2024	0.19% (143)
> B	2022/2023	16.71% (11,023)
/ D	2023/2024	15.81% (11,885)
10	2022/2023	48.88% (32,253)
1	2022/2023 2023/2024	51.99% (39,075)
> D	2022/2023	29.23% (19,286)
70	2023/2024	27.76% (20,862)
> E	2022/2023	4.51% (2,975)
/ E	2023/2024	3.81% (2,867)
> F	2022/2023	0.47% (308)
/ F	2023/2024	0.40% (298)
> G	2022/2023	
7 6	2023/2024	0.03% (22)

Unknown (7.153)

Percentage is based on stock with EPC excluding unknowns.

Key: **Percentage of properties** (Number of properties)







Carbon **emissions**



We categorise our carbon emissions in two different ways. Firstly, we measure our operational carbon footprint, which is made up of:

- the emissions from gas we use to heat our buildings and fuel used within our company fleet (Scope 1 emissions);
- electricity we use within our company buildings from nonrenewable sources (Scope 2 emissions); and
- carbon generated by business travel (a Scope 3 emissions category).

This methodology was agreed with the Carbon Trust and has been used for the last four years to calculate our carbon emissions within our Annual Report and Financial Statements under Streamlined Energy and Carbon Reporting requirements.

We then also measure our extended carbon footprint, which contains all other material sources of carbon emissions indirectly generated by our activities (the remainder of Scope 3). This includes areas such as the emissions from the homes we rent to our customers or from our supply chain when we buy goods. With support from consultancy Corporate Citizenship, we calculated our Scope 3 carbon emissions for the first time in 2021 and used 2019/2020 data to build a full picture of our emissions baseline.

Group Operational Carbon Footprint

Gas used in company buildings Fuel from company fleet



Electricity used in company buildings



Scope 3 Indirect



mileage

Group Extended Carbon Footprint



Carbon emissions

"Carbon emissions

decreased by 38%"

from operations have



Since we introduced our Environment Strategy, using financial year 2019/2020 as our baseline, we've reduced our operational carbon emissions by 38% and we can meaningfully track performance against all Scope 3 areas too. As an organisation, we continue to grow, both from development and acquisitions, and we also remain committed to reinvesting heavily in our existing homes. We began our Extended Carbon Footprint calculation journey with baseline year 2020/2021, one which was significantly impacted by the pandemic. This combination means we anticipate our Scope 3 emissions will remain higher than the baseline in the short to medium-term.

Even accounting for our increase in size this year, our Extended Carbon Footprint has reduced by 4% in absolute terms since 2022/2023, and has reduced on an intensity ratio basis too. Since our baseline year, our extended emissions per home in management have positively reduced from 3.97 tonnes of CO2e to 3.76. This shows our decarbonisation efforts are paying off, despite our growing size and scale.

For example, retrofits completed under the Social Housing Decarbonisation Fund Wave 2.1 programme alone are estimated to have saved 2,000 tonnes of carbon dioxide equivalent each year. Our new <u>Decarbonisation Strategy</u> outlines our expected reduction journey to 2050 for all categories of carbon emissions.

2022/ 2023/ **Emission Baseline** 2023 2024 category year* Operational carbon Scope 1 37,071 33,356 34,542 emissions 0 Scope 2 19,497 323 1,010 655 842 Scope 3 Total 57,578 34,011 35,707 Scope 3 **Extended carbon** 417,763 494.743 469.322 emissions (remainder)



^{*} Operational carbon emissions baseline is 2019/2020 and Extended carbon emissions baseline is 2020/2021.

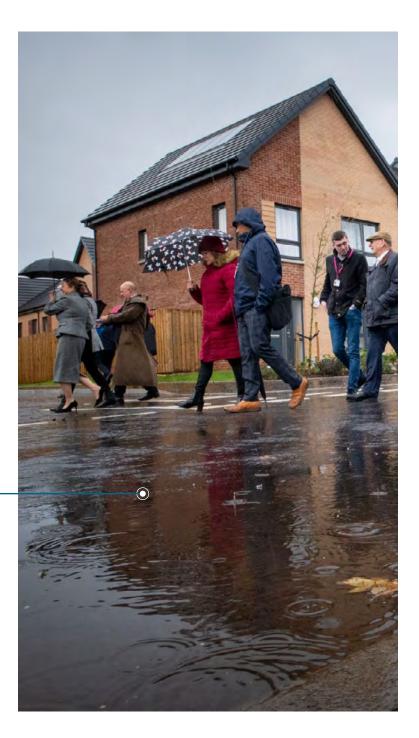


Adaptation



The Group Board visit Skye Crescent, Paisley





It is important that we take our responsibility to mitigate our negative impact on the environment seriously. It is also vital that we adapt to the potential impacts of climate change on our buildings and customers. Last year Sanctuary launched a project with RSK Group's Centre for Sustainability Excellence, a leading provider of climate change scenario modelling, to better understand what this impact could be. Under two specifically-selected climate change scenarios we sought to understand the effect of flooding, rising temperatures, coastal erosion and supply chain disturbance.

This work has highlighted a range of highly geographical factors that Sanctuary will need to consider and our potential risk exposure to them. For example, our adaptation planning will need to reflect that increased cooling demand will increase costs and health risks for customers nationally but particularly in the South East of England. Meanwhile, in other areas, damage caused by high winds, subsidence, and infrastructure disruption could be more significant issues.

Details of our findings can be found on our online sustainability hub.



Ecology



Ecology is the science of how the natural life and habitats around us change. We recognise that building and operating homes can have a significant impact on the environment, so we have been taking steps to understand and mitigate against the negative ecological impacts we make.

One way to support the ecology in our communities is to focus on improving the biodiversity – the variety of natural life we find around us – of our green spaces. Enhancing our green spaces carries many benefits for our customers, communities, and the biodiversity of our ecosystems. A rich variety of native plants and species is essential to creating a thriving green space, which in turn provides a welcoming outdoor space for our customers.

A more biodiverse green space is also able to sequester (or 'trap') carbon dioxide released into the atmosphere. Therefore, our biodiversity work goes hand-in-hand with our work on decarbonisation, as enhancing our green spaces can help us to reduce our carbon footprint.

Over the last year, we've been actively working on some key projects affecting biodiversity:

- Our No Mow May campaign this year saw over 70 sites take part in a rewilding, naturepositive pilot.
- Our Green Space Mapping App is now live, with colleagues from our Estates teams recording key information about over 200 of our green spaces.
- Our development specification has been reviewed to ensure biodiversity and nature-positive practices are prioritised when constructing green spaces as well as considering net gain requirements.

However, thriving green spaces for both nature and our customers are not created overnight. Our work around biodiversity is less mature than our decarbonisation plans and we are working on publishing a full strategy of biodiversity commitments. We need to get solutions for our green spaces right, ensuring they fit the needs of our customers and the surrounding ecosystems, so we are taking the time to do this properly.





Resource management



The Orchards development site in Drakes Broughton





As a new-build developer and provider of vital property maintenance services, it's not surprising that purchased and capital goods make up 35% of our Extended Carbon Footprint.

While we will always need to maintain our homes so that they are safe, warm, and decent, we can do so in a more sustainable way. This also applies to where we build new homes; we aim to go beyond building regulations to offer customers sustainable, low-carbon materials in the construction of their home. A Knowledge Transfer Partnership supported by the University of Lincoln is furthering our experience in this area.

Managing our resources sustainably involves working with our suppliers, prioritising sustainability in tenders and purchasing processes, and sharing knowledge on environmental purchasing principles with colleagues across Sanctuary.

In the last year, we've made huge strides forward around how we manage resources to reduce our impact on the environment:

- In Development, we are looking at Environmental Product Descriptions (EPDs) of materials and components used in the construction of Sanctuary's new homes. We will also mirror this approach in our Property Services operation.
- We are actively seeking products with recycled materials as part of their specification in both reinvestment and construction processes.
- Forest Stewardship Council (FSC) standards have been written into the specification used with contractors for our new-build homes.
- We are working with suppliers to encourage take-back and recycling scheme usage. This has been particularly successful with suppliers of office furniture and mattresses in care homes.

Society



As a socially-motivated organisation, our impact on society is deep and far-reaching. We provide homes that meet a diverse range of needs as well as providing a range of care and support services. This year we had 250,000 customers including tenants, residents at 109 care homes, students at 30 halls of residence and 336 people buying a new home.

Fundamentally, the work we do is about building sustainable places and communities and this is core to our mission. But our impact extends to a range of other areas including the role that high-quality housing plays in supporting good health, and how we contribute to a broader local network of organisations and institutions, from partnership working with local authorities and the police, through to supporting community-led enterprise and social initiatives.

Alongside this, by providing affordable homes we can make a tangible impact on alleviating poverty, which is connected to broader goals such as achieving quality education, decent jobs and a fairer society.











Delivering affordable homes



Social and not-for-profit activities account for 76% of our homes, with the remaining 24% of our activities used to generate income that is reinvested directly into our organisation's charitable aims. This remains consistent with balanced growth across both our non-profit and our commercial activities.

	(2022/2023)	(2023/2024)
General Needs (Social Rent)	50.5%	51.2% (61,533)
Intermediate Rent	0.8%	1.4% (1,734)
Affordable Rent	6.0%	6.4% (7,675)
Supported Housing	4.5%	4.3% (5,111)
Housing for Older People	10.5%	8.9% (10,684)
Low Cost Homeownership (less than 100% purchased)	3.4%	4.2% (5,036)
Social and Not-for-Profit Activities	75.7%	76.4% (91,773)
Care	5.5%	4.7% (5,683)
Private Sector (Non-Social and Commercial)	0.7%	0.7% (875)
Homeownership (Initial sale or purchased 100%)	7.8%	9.0% (10,814)
Commercial and Students	10.3%	9.2% (10,987)
Predominantly Commercial Activities	24.3%	23.6% (28,359)

Proportion of units Proportion of units

Shaftesbury Court resident Christine Akhurst







Delivering affordable homes



We work hard to make our homes truly affordable, and our average social housing rent is just 59.4% of private sector levels, which reflects the large number of sheltered and supported services we manage and the current cost-of-living crisis. Looking at our non-specialist accommodation alone, our average rent represents 51.7% of the private sector average.

It is also important that the customers who rent from us feel secure in the long-term future of their home and have a stable base from which to thrive. Therefore, in 2020, we were one of the first in the sector to stop offering fixed tenancy

agreements for general needs social housing. Sometimes specialist support services need to be for a fixed period for a variety of reasons but, aside from these instances, 99% of our social housing tenancy agreements in both England and Scotland are lifetime tenancies.

Rental value % of private sector



General needs

2022/2023

Sheltered and supported

2022/2023

2023/2024



All social housing

2022/2023

59.4%





Safety and quality



Building Safety Manager Patrick Achief at Crawford Place in London



Our focus has long been on providing homes that are both safe and high quality, principles that were reinforced in our asset management plan — with an emphasis on prioritising work that makes sure all homes are watertight, safe and warm. We believe these are the fundamentals of providing homes where people choose to live. By utilising repairs intelligence, we also know that these areas of focus cause the most dissatisfaction from customers if we do not get them right.

We have always proactively assessed hazards associated with damp and mould however, recognising the cross-sector concern about this issue, a taskforce has been created. This enables closer monitoring of this key strategic issue.

The Building Safety Act is now fully in force along with the secondary legislation that confirms the detail of our responsibilities. During the past year we have successfully registered all our Higher Risk Buildings (HRBs) with the new Building Safety Regulator and provided the additional building information requested. Resident Engagement Strategies and bespoke fire safety information have been produced for each of these buildings. Collaboration across Sanctuary ensures effective assessment of fire safety risks and supports a culture of continuous improvement.





Safety and quality



Quality

The Asset Management Strategy is supported by a stock condition programme that monitors the quality of our homes via a cycle of surveyor visits. This enables a proactive approach to maintaining our current metric of 99.6% of homes surveyed meeting the Decent Homes Standard, with properties only falling outside of this due to tenant refusals or when empty awaiting regeneration or remodelling.

Quality is also about the services we provide. We are delighted by the consistently high levels of customer experience across our care homes and supported living services. This is evidenced by both strong CQC performance and our award-winning colleagues and schemes (read more on our online sustainability hub).

Homes surveyed that meet the Decent Homes Standard

98.8%

99.6%

2023/20

Sanctuary Care CQC rating (outstanding or good)

94%

2022/2023

95%

2022/2023 (excluding Cornwall Care) 2023/2024

Sanctuary Supported Living CQC rating (outstanding or good)

98%

98%

2022/2023

2023/2024

Safety

The safety of our residents is a core priority for Sanctuary. Our continued focus on compliance has enabled our compliance performance to remain consistent with previous years. This year also saw the successful completion of our smoke detector and carbon monoxide alarm programme.

Compliance figures for our properties across England and Scotland, including our social housing, student accommodation and care homes, are presented below.

In-date gas safety check

99.7%

99.6%

2022/2023

2023/2024

Fire Risk Assessment in place

100%

100%

2022/2023

2023/2024

Checked for asbestos with suitable inspection regime in place if required

100%

100%

2022/2023

2023/2024

From this year we will also include three new metrics to provide a wider view of our compliance position, see below:

Electrical safety checks (EICR)

Lift safety checks

Water hygiene

95.5%

2023/2024

2023/2024

2023/2024

Putting our customers first



Sanctuary is made up of different operations providing a range of housing, care and support services. One thing that unites all the areas of our organisation is a commitment to delivering a good customer experience as we strive to be a customercentric organisation. This is at the heart of our Corporate Strategy and is embedded in the values of our organisation.

Each of our operational areas express this in a way that is relevant to their customers and that brings it alive to their teams. We share some in-depth case studies on our online sustainability hub.









Where people choose to live





Pathways for independence







Enriching lives





Customer voice

In last year's report we talked about our Resident Engagement Strategy, 'Shaping our Future'. Here we show the significant progress we have made against the priorities our customers and colleagues told us were most important for that Strategy:



Having more focus on local engagement – in the first year of the strategy, we learned from our customers that local engagement works best for them, we have tried a number of new things to provide greater choice for customers. There is now a new Local Engagement Process as part of the Housing Operating Model that sets out the range of activities that we are doing locally.

This includes surgeries, drop-in sessions, and estate walkabouts, depending on what works best on each patch. Customer Focus Days bring together local teams across Housing and Property in one place to deal with issues, including repairs, there and then whenever possible. When something can't be resolved on the day, actions and time scales are agreed with customers. Feedback from customers on the events has been very positive, making Customer Focus Days an integral part of our engagement approach.



Improve Customer Experience, with a focus on hearing the voice of every resident – we expanded our real-time feedback across our services last year and have now heard from more than 11,000 customers through these methods. Most tell us that our people provide a great service. Where they tell us that we could do better or improve, we follow this up and make changes. They also help us spot patterns and trends so we can improve our services in the longer-term.

We're introducing this feedback at our Contact Centres and within our Gas Servicing and Lettings teams. We've also heard from more than 3,000 customers in the first year of the new Tenant Satisfaction Measures (TSMs) survey, which is part of new regulation. They have said we do many things well, and need to improve how we listen to customers and act upon what they tell us, particularly dealing with repairs faster and keeping them informed with progress. We've got plans in place to improve this in the year ahead, including our OneProperty transformation and the introduction of a new Customer Relationship Management (CRM) system.

"Customer
Focus Days – an
integral part of
our engagement
approach"



Customer **voice**



"In addition to having more customers as members of our Group Housing Board, we've created two new panels"



Strengthening our strategic engagement, giving a greater voice of customers at our top tables – in addition to having more customers as members of our Group Housing Board, we've created two new panels:

- A new Resident Advisory Panel (RAP) to work collaboratively on developing future strategy, policies, and new ways of working. We had more than 500 residents apply to join the new panel, with tremendously diverse characteristics and lived experience.
- The new Resident Scrutiny Panel (RSP) has a more focused role than our previous National Resident Scrutiny Panel (NRSP), reviewing performance against standards and doing detailed scrutiny investigations of specific services.

Both Panels had their induction in March 2023, including meeting with Group Board, and began work early in financial year 2023/2024. Already they have had a major influence. The RAP met the Chief Executive and Chief Financial Officer in September 2023 to feed directly into the Group's strategy for 2024/2025. They have also directly influenced the Group's new Inclusion for All strategy and Customer Outcomes Framework. The RSP has been holding the Group to account for performance against TSMs and is now beginning a major scrutiny review of empty homes using co-production. The RAP has also been fundamental in the development of the Group's new policy for vulnerable customers, which was approved in April 2024.

Shaping service delivery around individual needs is paramount to meeting the requirements and aspirations of our diverse customers. In our services for those with complex care and support needs, this starts with every client having a person-centred and tailored care and support plan, building on their personal strengths and identified areas of need and development.

Regular house meetings provide opportunities for customer feedback and we are committed to coproduction. This has seen the development of Resident Ambassador roles that see residents engage in a range of activities to shape their home – from being part of interview panels through to formally meeting with the home and chef managers to discuss the views of themselves and their 'neighbours'. Targeted onsite inspections are also undertaken by our 'Experts by Experience', a group of engaged customers who, as part of the Resident Scrutiny Panel, support us to continually improve our services and build on our strengths.

It's important that we hear from our customers and listen to what we get right and what we need to improve, tailoring our approach for each service we provide. National satisfaction surveys help with this for example, in our student accommodation, we engage in an annual survey as part of the updated Global Student Living Index 'You said, we did' customer improvement plan.



Learning from complaints



We recognise that fixing things when they go wrong for our customers is key to delivering a great customer experience. Last year we supported 9,002 customers who told us something had gone wrong. Although this was more than in the previous year we were happy to be able to resolve 88% (slightly up from 85% last year) of issues at the first stage of our complaint process.

For the most recent year statistics that are available (2023/2024), where a customer is unhappy with how we resolved their complaint, they can escalate to the Housing Ombudsman to provide an independent review. Last year 103 complaints (1.6% of our total number of complaints) were escalated in this way.

Of these, 76 were upheld by the Ombudsman in part or full. We continue to work closely with the Ombudsman and welcome the opportunity for learning and improvement that these reviews provide. This year we have also implemented root cause analysis capability within our Complaints team to support us when identifying and addressing any underlying trends for complaints.





Customer **support**





Welfare Rights Officer Lesley Johnston

As a provider of housing and care services, Sanctuary has the potential to support customers in ways that go beyond our day-to-day operations. Our broader role is to act as listeners and connectors across communities. When our customers face difficulties that make it harder to pay rent and manage their finances, our tenancy model supports customers to stay financially secure in their home. We can also work with customers on income maximisation and support to prepare for independent living, such as assisting with employment, education or training opportunities – often doing this across a range of specialist services.

Examples of our tenancy support model in action include our teams providing advice and assistance to customers on claiming Housing Benefit or Universal Credit, or guiding customers to apply for Discretionary Housing Payments to obtain additional financial support to help with housing costs. We also support customers facing broader financial challenges by signposting to specialist agencies such as Citizens Advice Bureau, Money Advice Service, and National Debtline, as well as a range of locally-based organisations.

We are also developing a suite of national customer support offers in response to the cost of-living crisis, including a Hardship Fund. Building resilience and personal confidence for many of our supported living customers lies at the heart of our approach, we work with multiple partners who add value to our support. Examples include the unique partnership with Dame Kelly Holmes Trust who help our younger customers by promoting health, wellbeing and personal resilience through sport and mentoring from award-winning athletes.

We recognise that many of the services we provide support customers and their families through some of the most significant transitions in their lives. For example, moving away from home for the first time or moving out of a beloved family home in order to access care and support needed in later life. Alongside having truly caring, empathetic and well-trained teams, we fully involve our residents in shaping the homes in which they live.

Additionally in our Student and Keyworker Living properties, we connect with our customers by offering access to mental health, financial, legal, and wellbeing services through our 'We're Here If You Need Us' engagement platform, reinforcing our position as the place 'Where People Choose to Live' and supporting our Sustainable Communities initiatives.

See our online sustainability hub to find out more.

One of the ways that we support thriving communities is though our Sustainable Communities programme, which aims to build resilience and connection with our customers and their communities. We define this as:



Building resilience – aiming for communities to have the resources, capacity, and confidence to support each other, to learn and adapt through change to emerge strong.



Building connection – supporting a healthy, thriving community and individual aspirations through building relationships and sharing local knowledge and skills. A connected community has confidence, shared goals and support to realise these.

Our approach is community-led and focuses on growing capacity at a local level, by building on the existing skills, assets and passions of people living in our communities. Last year we directly invested £1.4 million in community initiatives which attracted £2.6 million of additional resources including external grant funding and contributions by our supply chain partners. This supported 312 projects with over 40,000 interactions with our customers and their communities.

This builds on successful prior year achievements, deepening social impact for our community group partners and our customers amid the cost-of-living crisis.











The investment



40,111 interactions with beneficiaries

£2.6m match funding

(external investment) – inc. £320,288 supplier social value contributions



Difference made

179
community
groups
supported

9,765

supported to

improve physical

people

wellbeing

> 10,518

people supported to increase connection

17,811

lives positively impacted by wellbeing projects*

312 projects

1,093

people engaged in improving spaces or places 2,086

people engaged in shaping local investment

2,494 people supported

through financial inclusion

£774,900

personal debt reduced

"Our approach is community-led and focuses on building capacity at a local level"

^{*} Excludes Swan Housing Association

Governance



Our impact on society is not limited to our social aims. We recognise that we have a range of other responsibilities, not least as a large employer and purchaser of goods and services, and to set a good example in the way we operate.

In order to maintain good governance practices, we have to consider a lot of different factors. Some of these are well established, such as having an experienced Board that can hold us to account or having clear practices to identify and mitigate organisational risk. Other factors are newer and still evolving, in particular our approach to managing risks around changes to the environment caused by climate change. For example, this year will see us issue a case study on our readiness for Task Force on Climate-Related Financial Disclosures (TCDF) requirements in preparation for our first disclosure in 2025.

The following section and the related pages on our <u>online sustainability</u> <u>hub</u> outline what good governance means to us and how we go about achieving it.









Corporate **governance**



Executive Director – Corporate Services Nicole Seymour



Full information on a range of governance topics, updated for the 2023/2024 financial year, is available on our <u>online sustainability hub</u>. On these pages you can find a full range of metrics and case studies on how we structure our organisation, manage risk and operate our Group Board. The following interview with Nicole Seymour, Executive Director – Corporate Services, outlines why these structures matter to us and how they help us to be a strong, well-managed organisation.

What is the role of Group Board and how do you ensure that it follows best practice?

Group Board works alongside our Executive team to set the goals and strategic objectives of Sanctuary. They scrutinise and approve key business decisions and they hold us to account by looking at a range of key indicators. The Group Board includes eight independent, non-executive directors from a range of backgrounds, bringing a breadth of experience. We have also adopted the NHF Code of Governance and the Regulator for Social Housing has given us G1, the highest rating, for our governance.

How does good governance help Sanctuary to make better decisions?

Good governance helps ensure we make decisions in the long-term interests of the organisation and our customers. We recruit board members with experience from a range of sectors from housing to the NHS and treasury roles. This provides the skills we need to meet our long-term strategic plan and helps to guide, advise and scrutinise our decisions. Our customers and residents are also at the centre of our decision making; for example, we recently created a new Resident Advisory Panel to help us to shape our future decisions.

Sanctuary operates across several different business areas, how do you manage risk?

Our Group Board sets out our overall approach to risk appetite and we always consider how business decisions fall within our overall approach to risk. Because we are a large and diverse organisation it is not possible to have one board overseeing all areas of risk. However, there are a range of committees and boards across the organisation assessing the risk profile of our different business areas. Our Group Audit and Risk Committee sets out our systems of internal control and manages our internal and external audit programme.

What sets Sanctuary's corporate governance structures apart?

Sanctuary's corporate governance structures are designed to protect the organisation and our customers because we are committed to being here for the long-term. Our high standards are there for a reason. We want our board members to consider our customers in all aspects of our decision making and ensure they get out and speak directly to our colleagues, hearing about both their successes and the challenges that they face.



Working with our **supply** chain



We work with over 6,000 suppliers and last year spent £650 million procuring everything from office furniture to specialist care equipment, technology services, and contractors that deliver our new build programme.

Having fair and transparent procurement processes is important not only to ensure best value, but also to demonstrate that we are acting with integrity. This is why, alongside complying with public procurement regulations and having robust systems in place for monitoring supply chain quality, we design our tenders into smaller lots where possible to enable better access for SMEs, and expect our suppliers to follow our behaviours, values and ethical standards.

For 2023/2024, we've calculated that 35% of the Group's total carbon emissions related to the purchased and capital goods we buy. This is equivalent to 165,871 tonnes of CO²e. Our Decarbonisation and Net Zero Strategy sets out an ambition to reduce these emissions by 10% by 2030, which we aim to achieve through assessing the materiality of our purchased goods and engaging with suppliers.

This year, we have completed deep-dive analysis on the emissions from our supply chain: identifying where we can embed more sustainable specifications; engaging with suppliers to understand decarbonisation activities; and embedding environmental questions in our tender process. Our purchasing will also impact other environmental aspects such as biodiversity, waste, and pollution, and we recognise that procuring less is the most material way to reduce these impacts on the environment.

Building partnerships with our suppliers also helps us to achieve additional social impact. Together we build a more responsible and community-focused approach to maximise environmental and social impact for our customers and communities. Social value requirements, such as funding local community initiatives and volunteering, are built into all our tenders. We work proactively with our suppliers to identify areas of synergy in our environmental and social strategies. Last year this resulted in £320,288 of additional funding and resources for our communities, supporting a range of initiatives from refurbishing a social supermarket to funding Community Connector roles that support customers at risk of homelessness. Find out more on our online sustainability hub.





Colleague wellbeing



It is important to us that we provide an environment where our people and our organisation can flourish. Our <u>People Strategy</u> outlines the things we are doing to create a positive and inclusive culture.

This year we have partnered with external experts to identify ways to make our recruitment processes more inclusive and improve our attraction and recruitment of diverse talent. We have refreshed our recruitment training as a result and started to revise advert content to help make vacancies attractive to a wider group of people. Over the next 12 months we will be further embedding our learning, reviewing and implementing innovative solutions to enhance our recruitment practices.

This year 272 of our colleagues were Staff Council representatives; we respect the role they play in championing the voice of our people. This is reflected in our employee engagement score which was 77% in 2024, a one percentage point increase on last year.

We have continued to provide wellbeing support, encouraging employees to look after their own physical and mental health through high-quality communication and engagement activity using multiple channels. Our new employee platform, e-hub, is accessible to all employees, from any mobile device and includes a wellbeing hub, providing access to a wide range of resources alongside workplace webinars on topics such as nutrition, financial wellbeing, anxiety, mental health, and addiction. Support and promotion of Time to Talk Day, Mental Health Awareness Week, and World Suicide Prevention Day also continued.

Employee recognition has been a key focus. We are aiming to build a culture where managers and employees can celebrate and recognise the great work that our teams and colleagues do. We have launched our Sanctuary Stars awards, celebrating the achievements and contributions of our colleagues under seven categories. E-cards continue to be popular and these now operate through e-hub which includes a social recognition wall that displays those sent publicly. We have also changed the way we recognise the loyalty of our people. Celebrating service from one year and awarding e-hub credit and badges from five years as well as extra special elements such as a tree being planted at 15 years and a tea party at 25 years.



Senior Legal Services Officer Amy Turner and Solicitor

Zishaan Saleem at Cultural Diversity Day



Colleague wellbeing



Our Employee Volunteering scheme enables colleagues to spend up to two days each year to volunteer with the communities where we live and work. As well as encouraging our colleagues to give time to local causes, share and learn new skills, the programme helps our team to gain a wider understanding of the diverse communities that we work in.



Number of people employed across England and Scotland **14,335** 2022/2023

14,199



Employee engagement score

76% 2022/2023 **77**%

2023/2024



Number of colleagues on **Staff Council championing** the voice of our people and engaging with management on key issues

258 2022/2023 **272**

2023/2024

Housing Officers Heather Paterson and Ainsleigh Butters







Learning and development opportunities

Providing high-quality learning and development opportunities continues to be a priority for us. Our Learning Zone is successfully providing colleagues with on-demand access to a range of content to develop and support them in their roles and averages around 4,000 visits per month. For people joining Sanctuary our Induction Zone provides an online resource with everything someone new to Sanctuary may need to know about or want to ask – from videos of Directors explaining their business areas through to links to employee benefits and rewards and company information such as strategy and policies.

This year has also seen us launch our internal mentoring programme, allowing us to match people with mentors in a structured way supported by a framework enabling both the mentee and mentor to get the most out of the development opportunity. This complements our existing coaching programme.

We promote development through our qualification and apprenticeship schemes. We are a recognised qualification centre, delivering certifications up to and including level 7 in distinct areas across the Group. This is growing further as we look to take on level 4 and 5 CIH qualifications. We also offer apprenticeships in several areas and have supported over 290 apprenticeships through their placements over the last 12 months. Meanwhile our graduate scheme supports recently qualified individuals through a two-year structured programme, giving them great exposure to how the business operates and allows them to have an accelerated career path.

Our extensive programme of training is available to all Sanctuary colleagues and offers a variety of courses from those supporting application-based training directly needed for specific roles through to management and leadership programmes that empower our people to progress and lead with confidence.

Number of apprentices supported

223

294

2023 202

Number of colleagues completing qualifications

221 2022/2023

277

2023/2024

People attending learning events

45,991

43,294

Number of e-learning modules completed by colleagues

190,144

218,132

2022/2023



Equality, diversity and inclusion



Creating a more inclusive workplace is one of the ways that Sanctuary helps to shape the wider society that we would like to see. Sanctuary's goal is to be a diverse, inclusive organisation where our people thrive and meet our customers' needs with fairness and empathy.

Listening to and learning from our family of four networks (Parent Network, Race Equality Network, LGBTQIA+ Network (PRISM), and our Disability Employee Network), each sponsored by a member of our Executive Committee, is vital to achieving this.

These growing communities provide peer-to-peer support, offer education and insight on the lived experience of these often-marginalised groups, and influence the development of policy and procedure.

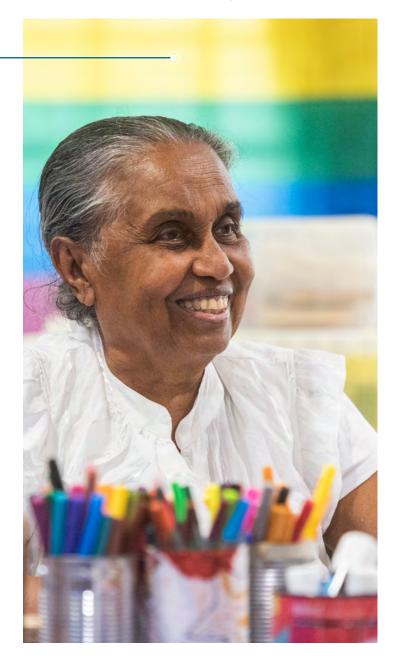
We launched our new <u>Inclusion for All strategy</u> in early 2024. To develop this, we spent time listening to our customers and working closely with our staff networks and colleagues from across the business. Listening to these voices has enabled us to be more challenging and ambitious.

Our new strategy focuses on creating the conditions in which our people, in all their diversity, can thrive. Throughout the new strategy, there is a greater focus on our customers – listening to their diverse voices and ensuring we design and deliver services that meet their needs. It also emphasises the importance of equity in our processes and services.

We know that treating people fairly is not about treating them the same. Equity is about recognising that people may need to be treated differently in order to get equality of opportunity. Our focus is on removing barriers that get in the way of people's ability to work to the best of their skillsets or to access services.







2

Equality, diversity and inclusion



"We recognise issues around our pay gap and are proactively working to remove barriers to equal opportunity"

We have reported our gender pay gap for the last seven years. In common with many large UK employers, we note that where a gender pay gap exists this is largely because there are more women in the lowest paying roles and fewer women in the highest paying roles. Our analysis suggests that gender stereotypes, held and reinforced by wider society, are part of the root cause for our gender pay gap. This is particularly apparent in certain roles like maintenance repair operatives and cleaning colleagues.

In 2022, we reported our ethnicity pay gap for the first time. Our median ethnicity pay gap overall is 6.4%. As we have grown, by acquiring other businesses in our sectors, our ethnicity pay gap has increased. This is because, though the numbers of additional ethnic minority and white staff are roughly similar, their distribution across the four pay quartiles is uneven. Over 80% of the additional white staff fall into the upper two pay quartiles. Over 90% of the additional ethnic minority staff fall into the lower two pay quartiles. For example, there has been an increase in the number of ethnic minority care assistants.

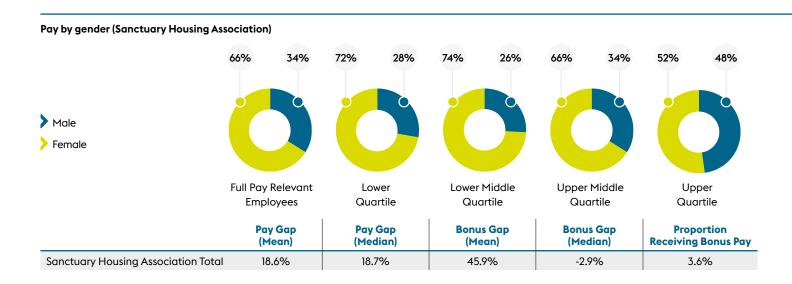
We recognise issues around our pay gap and are proactively working to remove barriers to equal opportunity. Read more and see a full breakdown by operational area in our <u>Gender and Ethnicity Pay Gap Report</u>.

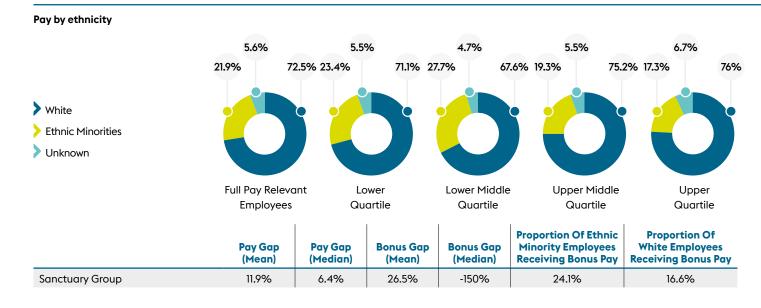




Equality, diversity **and** inclusion







Want to find out more or get involved?



This report outlines the key areas where we are contributing to a more sustainable society. Thank you for taking the time to find out more about this area of our work. If you would like to find out more, please use the hyperlinks embedded within the report or alternatively visit www.sanctuary.co.uk.

Part of our commitment to sustainability is our belief in UN SDG 17: Partnership for the Goals. If you would like to work with us on any of the areas featured within this report, please get in touch with our Sustainability team on sustainability@sanctuary.co.uk.







Sanctuary

Accessibility

We want this report to be accessible to all. If you would like it in a different format, email contactus@sanctuary.co.uk.







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