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On the cover: A visitor to Blacon Adventure Park





Within the following report we have integrated a full year of environmental data from Swan Housing Association, Johnnie Johnson Housing and Cornwall Care, entities that have recently joined Sanctuary (see page 12). Organisational growth impacts our carbon footprint in absolute terms, leading to a rise in operational carbon emissions of 5,767 tonnes of carbon dioxide since last year, however when considered as a ratio of our total homes in management we are on track for a 41% reduction in carbon emissions from the 2019/2020 baseline. Embedding Sanctuary's existing environmental practices in these operations will move performance to broadly on track with our pre-acquisition trajectory.

We are pleased to see progress with reducing our extended carbon footprint (defined as sources of carbon outside of our direct control), with total extended emissions dropping 9% since financial year 2023/2024. This is due to a combination of our ongoing programme of energy efficiency works to our social housing, better understanding of carbon within our supply chain and improving the green credentials of our new home development specifications.

Pages 16 to 27 demonstrate how Sanctuary's benefit to society is deep and far-reaching. We are committed to providing homes that are affordable, safe and of a high quality as well as to going beyond service requirements to support our customers and invest in our communities. We ensure that customers are genuinely engaged in shaping our services and that we have a focus on learning from mistakes when we get things wrong.

Finally, I am proud that our Inclusion for All strategy continues to go from strength to strength, in particular the excellent work this year embedding inclusive recruitment practices (see page 31). We remain committed to diversity and inclusion and believe that a thriving organisation is one where difference is celebrated and everyone is supported to bring their best selves to work. In turn, this enhances our focus on our customers and delivering services that they can trust will meet their different needs.

The centrality of sustainability to the way Sanctuary operates is shown by our Euro Medium-Term Note program issued in March 2025, which features our new Sustainability Finance Framework. The framework links funding directly to projects that support either our environmental or social aims. We hope this will provide greater transparency for stakeholders on the social purpose underpinning our investment strategy.

There are many achievements from this year that I could highlight and more examples of our commitment to operate in a sustainable way than would fit within these pages.

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 <u>online sustainability hub</u> — 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.

"We strive to be the **best organisation we can**"

yhh

Craig Moule
Group Chief Executive





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 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 Energy Performance Certificate 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 areen skills.
- Work with small and medium enterprises 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 longterm needs of our customers in mind.
- Support biodiversity in green spaces we manage throughout England and Scotland.
- 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 social 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. Our sector-leading <u>Decarbonisation and Net Zero Strategy 2023-2026</u> outlines how we are going to do this.

It is a monumental 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 14,274 colleagues, from our in-house Property Services team to personcentred support and telecare.

Over the last five years, since the launch of our first Environment Strategy, we have made considerable progress. Our operational carbon emissions are down 28%, despite significant organisational growth, and we have retrofitted over 2,300 homes to a minimum of Energy Performance Certificate Band C.

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.







Energy efficiency



Using a combination of Energy Performance Certificates and modelled data, the average Energy Performance Certificate rating for our homes is 71.5. Our stock condition survey programme remains vital for continually improving our data on energy performance.

We continue to make good progress on our target of all social housing properties being at least Energy Performance Certificate Band C by 2030. Although we recognise the size of the challenge still to go with over 33,000 properties requiring some level of energy efficiency works, an exciting retrofit pipeline is being established to tackle the remainder of our homes below Band C head on. New organisations joining Sanctuary have naturally increased the size of our retrofit programme.

Sanctuary is progressing at pace with retrofitting over 2,000 homes to Energy Performance Certificate Band C under Social Housing Decarbonisation Fund Wave 2.1, utilising £12.5 million of grant funding. We remain on track to complete this programme by September 2025. During this time, we will also launch work on our Warm Homes: Social Housing Fund programme, where we will retrofit over 7,200 homes to Energy Performance Certificate Band C by 2028. 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 Energy Performance Certificate Band C or above, with the majority of our student properties reaching B ratings. All of the new housing we delivered this year was rated Band B or above.

Energy Performance Certificate ratings across Sanctuary's housing operations

> A	2023/2024 2024/2025	0.19% (143) 0.27% (212)
> B	2023/2024 2024/2025	15.81% (11,885) 15.93% (11,975)
> C	2023/2024 2024/2025	51.99% (39,075) 54.13% (40,683)
> D	2023/2024 2024/2025	27.76% (20,862) 27.73% (20,836)
> E	2023/2024 2024/2025	3.81% (2,867) 4.57% (3,433)
> F	2023/2024 2024/2025	0.40% (298) 0.30% (223)
> G	2023/2024 2024/2025	<u></u> _

Unknown (8,959)

Percentage is based on stock with Energy Performance Certificate 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:

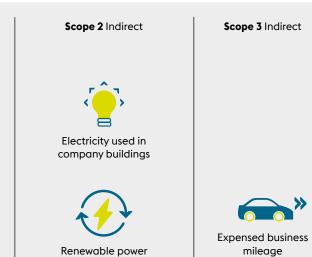
- the emissions from gas we use to heat our buildings and fuel used within our company fleet (Scope 1 emissions);
- electricity we use within our company buildings from nonrenewable sources (Scope 2 emissions); and
- carbon generated by business travel (a Scope 3 emissions category).

This methodology was agreed with the Carbon Trust and has been used for the last five 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. We first calculated our Scope 3 carbon emissions in 2021, using 2020/2021 data to do so, with the help of consultancy Corporate Citizenship. However, we have this year taken the view to use 2022/2023 as our baseline going forward, as the years of 2020 and 2021 were disproportionately low from the impact of Coronavirus.

Group Operational Carbon Footprint

Gas used in company buildings Fuel from company fleet



Scope 3 Indirect Purchased goods and services Waste Housing stock Scope 3 Indirect Embodied carbon in construction Commuting and business travel

Carbon **emissions**

"Carbon emissions

decreased by 28%"

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 28% 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. Our Extended Carbon Footprint now uses the baseline year of 2022/2023, a decision taken to ensure our baseline reflects business-as-usual activities across Sanctuary.

Through sensible rebaselining, ongoing methodology refining, and environmental performance improvements across a broad range of emissions categories, our Extended Carbon Footprint has reduced by 14% in absolute terms against our baseline year, and by 9% against 2023/2024. On a relative basis, this year's extended emissions have also fallen by 27% against the rebaselined year, moving in the right direction from 4.63 tonnes of carbon dioxide per home in management to 3.38.

Our significant progress in this area shows that our work on the net zero transition is paying off. For example, retrofits completed under the Social Housing Decarbonisation Fund Wave 2.1 programme alone are estimated to have saved around 2,000 tonnes of carbon dioxide equivalent each year. Our <u>Decarbonisation and Net Zero Strategy</u> outlines our expected reduction journey to 2050 for all categories of carbon emissions.

Emission Baseline 2023/ 2024/ 2024 2025 category year* Operational carbon Scope 1 37.071 34.542 39.503 emissions Scope 2 19,497 323 1.178 Scope 3 1,010 842 793 57,578 Total 35,707 41,474 **Extended carbon** Scope 3 494,743 469,322 425,977 emissions (remainder)



^{*} Operational carbon emissions baseline is 2019/2020 and extended carbon emissions baseline is 2022/2023 (was previously 2020/2021).



Adaptation



Coppice View, Malvern





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. In 2024, Sanctuary completed 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 bring 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 125 sites take part in a rewilding, nature-positive project.
- Our Green Space Mapping app is now live, with colleagues from our Estates teams recording key information about over 900 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 find the correct solutions for our green spaces, ensuring they fit the needs of our customers and the surrounding ecosystems, so we are taking the time to do this properly.





Resource **management**



Southam Road development in Banbury





As a new-build developer and provider of vital property maintenance services, it's not surprising that purchased and capital goods make up 37% of our Extended Carbon Footprint.

While we will always need to maintain our homes so that they are safe, warm, and decent, we can find ways to do so more sustainably. 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 has furthered 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 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 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 262,197 customers including tenants, residents at 111 care homes, students at 30 halls of residence and 252 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 77% of our homes, with the remaining 23% 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.

	Proportion of units (2023/2024)*	Proportion of units (2024/2025)
General Needs (Social Rent)	51.2% (61,533)	50.7% (63,712)
Intermediate Rent	1.4% (1,734)	1.4% (1,775)
Affordable Rent	6.4% (7,675)	6.3% (7,972)
Supported Housing	4.3% (5,111)	3.6% (4,566)
Housing for Older People	8.9% (10,684)	10.2% (12,824)
Low Cost Homeownership (less than 100% purchased)	4.2% (5,036)	4.5% (5,694)
Social and Not-for-Profit Activities	76.4%	76.8%
Care	4.7% (5,683)	4.7% (5,843)
Private Sector (Non-Social and Commercial)	0.7% (875)	2.0% (2,495)
Homeownership (Initial sale or purchased 100%)	9.0% (10,814)	7.3% (9,130)
Commercial and Students	9.2% (10,987)	9.3% (11,708)
Predominantly Commercial Activities	23.6%	23.2%

^{* 2023/2024} comparative numbers exclude Johnnie Johnson Housing.



Avenue Services staff member Sarah Cooper with visitor Lillie at Blacon Adventure Playground





Delivering affordable homes



We work hard to make our homes truly affordable, and our average social housing rent is just 59% of private sector levels, which reflects the large number of sheltered and supported services we manage and the ongoing cost-of-living crisis. Looking at our non-specialist accommodation alone, our average rent represents 52% 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

52% 2023/2024

Sheltered and supported

75% 2023/2024



All social housing

59% 2023/2024

59% 2024/2025





Safety and quality



Building Safety Coordinator Sabrina Raphael



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, the Building Safety team has continued to develop our building safety cases and operationalise our business processes to demonstrate full compliance with the Building Safety Act. A key component of this is strengthening our resident engagement, ensuring that we work collaboratively with both our customers and stakeholders.

This long-term and consistent collaboration across Sanctuary ensures effective assessment of building safety risks. It underlines our culture of continuous improvement and putting safety first in our higherrisk buildings and our approach to remediation.





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 99.8% 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 Care Quality Commission performance and our award-winning colleagues and schemes (read more on our online sustainability hub).

Homes surveyed that meet the Decent Homes Standard

99.6%

2023/2024

Sanctuary Care Care Quality Commission rating (outstanding or good)

95%

2023/2024

2024/2025

Sanctuary Supported Living Care Quality Commission rating (outstanding or good)

98%

2023/2024

2024/2025

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

99.6%

2023/2024

2024/2025

Fire Risk Assessment in place

99.3%

2023/2024

2024/2025

Checked for asbestos with suitable inspection regime in place if required

100% 2023/2024

2024/2025

Electrical safety checks

98.1%

2024/2025

2023/2024

2024/2025

Lift safety checks

2024/2025

Water hygiene

93.5%

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

We've talked in previous reports about our progress meeting the priorities of our Resident Engagement Strategy, 'Shaping our Future'. As we begin to develop our new strategy for engagement, we can reflect on what we've done over the last few years.



Having more focus on local engagement – from our learnings about what works best locally, we have developed new ways of engaging so that we can provide greater choice for our customers. We've held almost 3,000 local events, attended by around 20,000 customers, including surgeries, drop-in sessions, house meetings, and estate walkabouts. Customer Focus Days remain integral to our engagement, bringing local teams across housing and property together in one place to deal with customer issues, including repairs, there and then whenever possible, and agreeing with customers the action that will be taken when things can't be resolved on the day. Customer satisfaction for these events is fantastic.



Improve Customer Experience, with a focus on hearing the voice of every resident – we've continued to expand our real-time feedback across our services and are hearing from more customers than ever. We take this approach to feedback across all our key customer touchpoints, including when a customer moves in, when we do repairs, when there is contact with our customer hub, and when we have dealt with a complaint or an anti-social behaviour case. We also continue to hear from customers through our Tenant Satisfaction surveys in England and Scotland, which is part of how we're regulated. We've heard from more than 25,000 customers through these methods.

This feedback, part of our Customer Outcomes
Framework – "I feel proud"; "I feel respected"; "I
feel safe" – enables us to focus our improvements
on what customers tell us is most important. Most
tell us that our people provide a great service. We
know we need to do more repairs on time and keep
our customers more informed with progress. Keeping
customers informed with progress about a repair is
especially important and the biggest driver of overall
satisfaction. The Group is investing more than ever to
achieve this.

"We have developed new ways of engaging so that we can provide greater choice for our customers"



Customer **voice**



"We've built on the strengths of our Resident Advisory Panel, who are now working collaboratively with us to develop future strategy"



Strengthening our strategic engagement, giving a greater voice of customers at our top tables - we've continued to evolve our approach, giving our resident panels a greater role. We've built on the strengths of our Resident Advisory Panel, who are now working collaboratively with us to develop future strategy; they have been fundamental to our new Good Neighbour agreement. Our Resident Scrutiny Panel has taken on a focused role beyond performance against standards and now, based on feedback from members, undertakes detailed scrutiny investigations of specific services. They have already looked at how we work with young people in Supported Living, how we communicate with customers when we need to service their boiler, and how we're doing with 'Shaping our Future'. As well as our two panels, we have lots of customers involved in other areas, including 17 who are mentors to our senior leaders, sharing their direct experience of what it's like being a customer. We also have about 1,000 customers directly involved each year in our 'Communities of Interest' on specific topics such as procurement or communications.

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 with our customers. This commitment has led us to introduce 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 so the Resident Ambassadors can share their views and those of 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 10,998 customers who told us something had gone wrong. In line with the sector and broader service industry, we have seen the number of complaints we receive increase. However, despite the increase, we are now resolving customers' issues more quickly (Stage 1 completed in timescale is 92.26%, up 21% from last year), demonstrating that although we sometimes get things wrong, we then deal with it quickly.

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 218 complaints (2.8% of our total number of complaints) were escalated in this way.

Of these, 171 were upheld by the Ombudsman in part or in full. We continue to work closely with the Ombudsman and welcome the opportunity for learning and improvement that these reviews provide. We continue to implement a root cause analysis capability within our Complaints team to support us when identifying and addressing any underlying trends for complaints.





Customer **support**





Resident Shanice Merry-Taylor and her son

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.

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 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 <u>online sustainability hub</u> 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, adapt and ultimately emerge strong from change.



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 the support needed 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 our Sustainable Communities programme achieved £3.1 million charitable investment in our customers and their communities: this includes £1.4 million direct contribution; £1.8 million contributed in partnership with our suppliers and external grant funders. This supported 333 community projects with 46,654 interactions with our customers and their communities. Through our National Customer Support Offers we awarded £173,218 across 1,007 customers to help those impacted by the cost of living with food, energy and essential household costs.

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











Sustainable Communities **programme**

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

THE INVESTMENT

£3.1m

charitable investment in our customers and their communities

Made up of £1.4m direct contributions,

£1.8m contributions by suppliers and external funders.

£674,018 supplier social value contributions



252employee volunteers - 1.661 hours

THE REACH

150 community groups

> 333

initiatives

46,654 interactions with beneficiaries

THE IMPACT

17,944

lives positively impacted by wellbeing projects

2,244

people supported through financial inclusion



people supported to increase connection

1,898
people engaged in shaping local investment





Resulting in £1.2m increased savings

> 1,007

people supported through Hardship Fund awards

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.

During the year the Regulator of Social Housing conducted its periodic review of our organisation. We are proud to have maintained our Gl and V2 status and to have achieved a C2 in our first inspection under the new consumer standards. As a not-for-profit housing provider this is an important recognition of the robustness of our governance and financial management practices. Our work continues to put customers at the heart of everything we do.

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 as discussed <u>above</u>.

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



Watch Nicole's interview about the role of Group Board

Over the 50 years since we were established, Sanctuary's success has been based upon our robust governance frameworks. Our corporate governance structures are designed to protect the organisation and our customers because we are committed to being here for the long-term.

Sanctuary is governed by our Group Board, which comprises eight independent, non-executive directors from a range of backgrounds, bringing a breadth of experience. Group Board works alongside our Executive team to set our strategic direction and make sure policies and plans are in place to achieve our objectives. They scrutinise and approve key business decisions and they hold us to account by looking at a range of key indicators.

We recruit board members with experience from a range of sectors from housing to the National Health Service 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 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 aspects 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. Our Group Housing

Board puts Sanctuary residents at the heart of our decision-making process, monitoring the delivery of our customer outcomes. Four customers sit alongside members from our Group Board and Executive teams, providing valuable insight from the residents directly affected by the strategic decisions we make.

We are committed to listening to our customer's voices and continue to invest in mechanisms to strengthen resident influence and accountability. Our two resident panels work closely with our Group Board, Group Housing Board and Executive team, enabling diverse residents' views to influence our services. Our Resident Scrutiny Panel monitors and challenges our operating performance, while our Resident Advisory Panel helps us develop new policies, strategies, and ways of working.

We are focused on upholding the highest standards of corporate governance and we continually review our effectiveness against best practice. We have adopted the National Housing Federation Code of Governance and undertake a thorough review each year to assess how we are performing.

We were pleased to retain our G1 governance and V2 viability ratings following our planned inspection by the Regulator of Social Housing in 2024. The ratings reflect both the strength of our governance arrangements and our continued financial stability and resilience against a challenging economic backdrop. In addition, the Regulator of Social Housing has also inspected us for the first time under its new consumer standard, and our rating of C2 demonstrates we are generally meeting the consumer standards expected.



Working with our **supply** chain



We work with over 7,200 suppliers and last year spent £807 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 small and medium-sized enterprises, and expect our suppliers to follow our behaviours, values and ethical standards.

For 2024/2025, we've calculated that 37% of the Group's total carbon emissions related to the purchased and capital goods we buy. This is equivalent to 158,244 tonnes of carbon dioxide. 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 £674,018 of additional funding and resources for our communities, supporting a range of initiatives from digital inclusion initatives 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.

Building on the learning from the external review of our recruitment processes in 2023, we have continued to embed changes to make our approach more inclusive and to help us attract diverse talent. This year we have added to our attraction methods by partnering with a specialist inclusion job board (Vercida) and were pleased to receive their 'Outstanding Debut' award. Our new careers pages ensure our external facing communication shows our commitment to diversity and inclusion and inclusive recruitment practices. Improved guidance has been made available to hiring managers to support them with shortlisting, managing adjustment requests and interviewing. This included producing a bank of standard questions for regularly-recruited roles, to increase consistency and help hiring

managers focus assessment on the key skills needed to be successful in these roles. We will continue to embed these improved processes and practices over the next 12 months.

This year 276 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 80% in 2025, a three percentage point increase on last year.

We continue 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 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 to support a healthier life. This year we've partnered with a new wellbeing provider to expand the topics we cover; each month we deliver resources on a different subject alongside monthly webinars. Support and promotion of our annual campaigns including Time to Talk Day, Mental Health Awareness Week, and World Suicide Prevention Day also continues.





Colleague wellbeing



focus. Our aim to build a culture where managers and employees can celebrate and recognise the great work that our teams and colleagues do has made notable progress. Our Sanctuary Stars awards event was a huge success as we celebrated the achievements and contributions of our colleagues under our seven categories. We've expanded our range of e-cards as they continue to be popular and showcase peer-to-peer recognition on our social recognition wall on e-hub. We've also added separate ranges for specific businesses so that they can recognise their own achievements. 2024 saw an almost 50% increase in the number of e-cards sent in comparison to the previous year.

Employee recognition has continued to be a key

Our Employee Volunteering scheme enables colleagues to spend up to two days each year volunteering 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

14,199

14,274

2023/2024

2024/2025



Employee engagement score

77%

80%

2023/2024

2024/2025



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

272 2023/2024

276

2024/2025

"Our Sanctuary Stars awards event was a huge success as we celebrated the achievements and contributions of our colleagues"



Learning and development opportunities

We are committed to helping our people grow and reach their full potential, offering development opportunities for everyone, regardless of their career stage. All Sanctuary colleagues have access both to training tailored to specific roles and content designed to support managers to lead with confidence and empower team members.

Our Apprenticeship Programme supports 300 apprentices through their Level 2 to Level 7 apprenticeships in areas such as Health and Social Care, Housing, and Maintenance. Last year 214 individuals achieved Regulated Qualifications Framework and Scottish Credit and Qualification Framework certifications, ranging from Levels 2 to 5. Our highly sought-after Graduate Development Programme also remains strong, with our next intake beginning in September 2025 on a two-year structured development pathway. In addition, we currently have 42 formal mentors offering personal development to colleagues via a guided development framework.

Everyone has access to a comprehensive range of personal development content. We've added more "Skills for All" webinars and "Manager Boosts" to help people develop and refine their interpersonal skills. We've also supported individuals and teams with personal development plans, career coaching, Insights, and bespoke team days.

We are empowering leadership capabilities through our four leadership development programmes alongside various other opportunities to enhance leadership skills, including an inclusive leadership course and a dedicated Learning Zone page for leadership content. Coaching for our senior management population has continued throughout the year.

The Learning Zone and Induction Zone continue to grow, averaging over 5,000 views per month, supporting our people in their daily work and enabling self-service access to on-demand learning content.

Number of apprentices supported

294 300 2023/2024 2024/2025

Number of colleagues completing qualifications

277 214 2023/2024 2024/2025

People attending learning events

43,294 46,528 2023/2024 2024/2025

Number of e-learning modules completed by colleagues

218,132 226,745 2023/2024 2024/2025



Resident Sid Rayner and Peripatetic Home Manager Nabela Shahid from Rowanweald Residential and Nursing Home

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 <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 strategy focuses on creating the conditions in which our people, in all their diversity, can thrive. Throughout the lifetime of the strategy, we enhance our 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.







Diversity and inclusion



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.

Our median ethnicity pay gap has fallen to 4.2%. This reduction is largely because of an increase in the number of ethnic minority employees working in our residential care operation in higher paid locations. However, because of acquiring businesses that did not gather ethnicity data, there has been an increase to 12% of employees for whom no ethnicity data is held. We are therefore being careful not to make assumptions about this decrease.

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>.

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

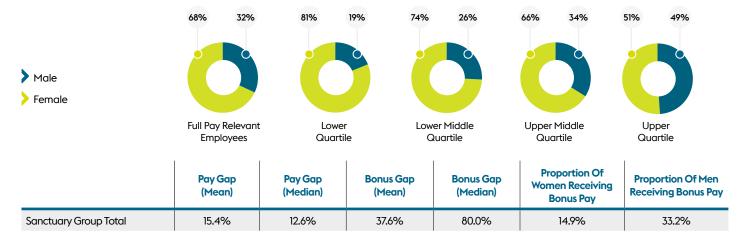




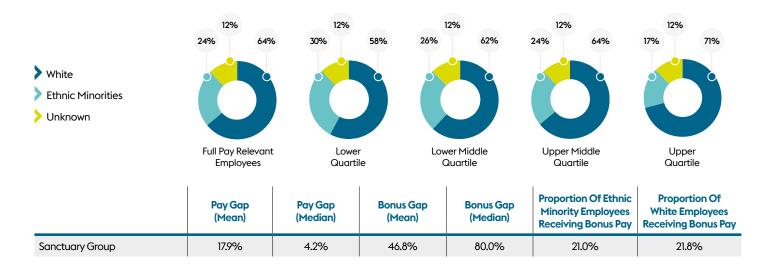
Diversity and inclusion



Pay by gender (Sanctuary Group)



Pay by ethnicity



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 United Nations Sustainable Development Goal 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.





Accessibility

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

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Sanctuary #LifeatSanctuary

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Published: June 2025



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