

**Streamlined Energy &
Carbon Reporting (SECR)**
Sovereign Housing Association
Limited
FY22/23

SECR Highlights

Sovereign Housing Association Limited

Reporting Year: 1st April 2022 – 31st March 2023

Total Carbon Emissions

Total Carbon Emissions: 11,224.95 tCO₂e
 YOY percentage change (tCO₂e): -2.00%

Overall Carbon Intensity

Intensity Metric: 25.06 tCO₂e per revenue (£m)
 YOY percentage change (tCO₂e): -7.52%

Intensity Metric: 5.11 tCO₂e per FTE
 YOY percentage change (tCO₂e): -3.34%

Intensity Metric: 0.18 tCO₂e per total number of properties
 YOY percentage change (tCO₂e): -5.00%

Table 1: Energy Source Breakdown

	Natural Gas	Electricity	Transport
Carbon & Energy Consumption			
kWh	21,846,643	17,113,971	16,410,735
tCO ₂ e	3,987.89	3,309.50	3,927.57
YOY percentage change (tCO ₂ e)	-13.15%	-13.30%	+28.95%
UK Carbon Intensity Metric			
tCO ₂ e per revenue (£m)	8.90	7.39	8.77
YOY percentage change	-18.03%	-18.18%	+21.70%

Energy Saving Projects

- Energy Efficient Buildings
- Office Space Optimisation
- Lighting Upgrades
- Tree Planting
- Repurpose Office Furniture

Contents

- 1** **Executive Summary**
- 2** **Annual Reporting Figures**
- 3** **Energy Efficiency Narrative**
- 4** **Appendix**

Executive Summary

SECR disclosures are mandatory for listed and large unlisted UK companies with reporting cycles beginning on or after 1st April 2019.

This report summarises Sovereign Housing Association Limited’s energy usage, associated emissions, energy efficiency actions, and energy performance under the government policy Streamlined Energy & Carbon Reporting (SECR). This is implemented by the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Also, it summarises in the appendix the methodologies utilised for all calculations related to the elements reported under energy and carbon.

Sovereign Housing Association Limited are a UK-incorporated business. Under SECR legislation, Sovereign Housing Association Limited are mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented in their most recent financial year, for their UK operations.

An organisational boundary has been applied for the purposes of the reporting.

A total of 1.37% of consumption data used for SECR has been estimated to achieve 100% data coverage.

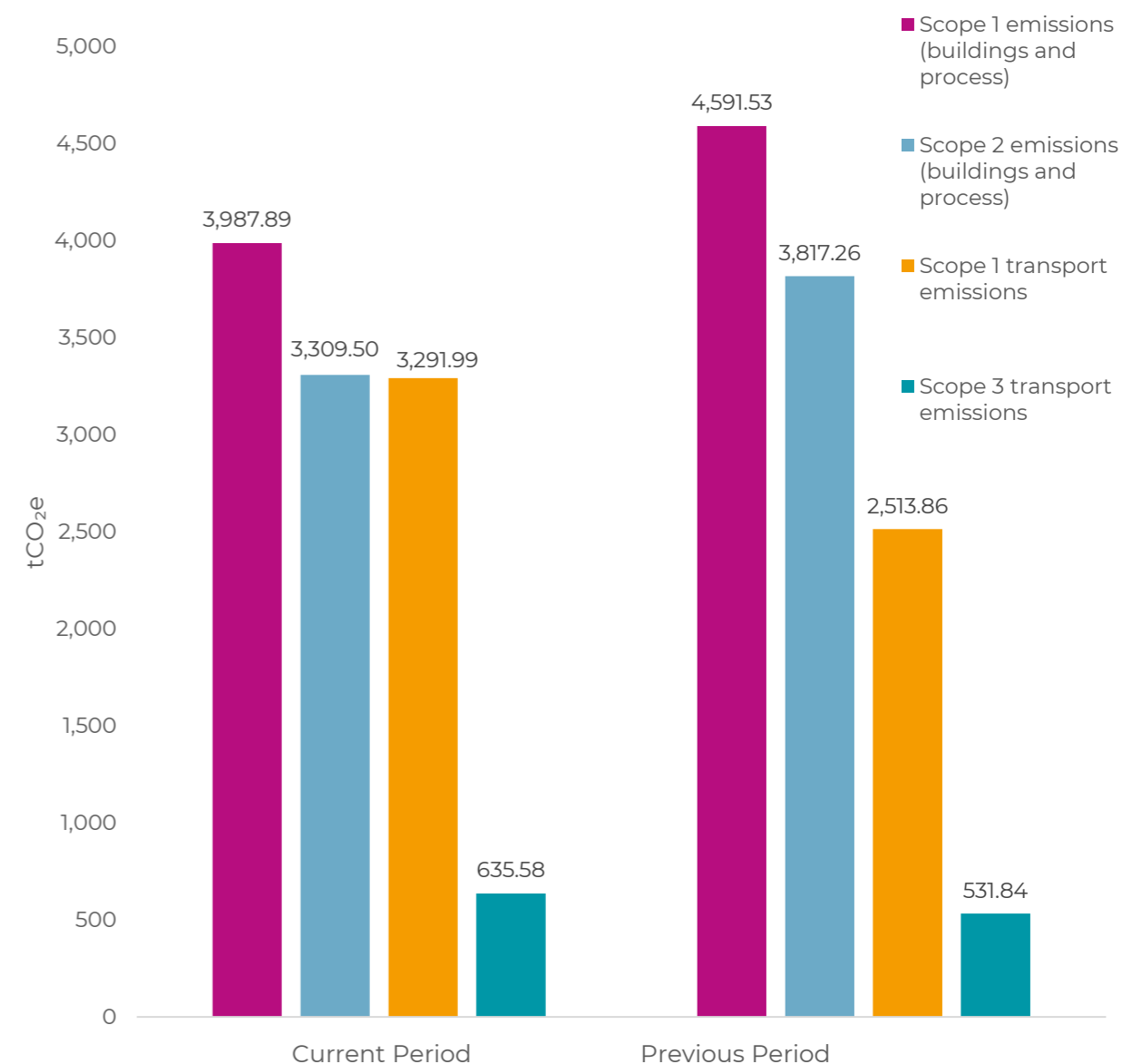
FY22/23

Sovereign Housing Association Limited’s Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 7,915.45 tCO₂e, resulting from the direct combustion of 38,257,378 kWh of fuel. This represents a carbon increase of 3.64% from last year (Figure 1).

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 3,309.50 tCO₂e, resulting from the consumption of 17,113,971 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 13.30% from last year (Figure 1).

Sovereign Housing Association Limited operations have an intensity metric of 25.06 tCO₂e per revenue (£m) for this reporting year. This represents a reduction in the operational carbon intensity of 7.52% from their previous reporting year.

Figure 1: Scope 1, 2 and 3 emissions (tCO₂e): this reporting period vs the previous reporting period.



Annual Reporting Figures

The following figures show the consumption and associated emissions for this reporting year for Sovereign Housing Association Limited's operations throughout the UK, with figures from the previous reporting period included for comparison.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by Sovereign Housing Association Limited. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Table 2: Sovereign Housing Association Limited UK Emissions Intensity Metrics.

Intensity Metrics	Location-based tCO ₂ e	
	FY22/23	% change
All Scopes tCO ₂ e per revenue (£m)	25.06	-7.52%
All Scopes tCO ₂ e per FTE	5.11	-3.34%
All Scopes tCO ₂ e per total number of properties	0.18	-5.00%

Table 3: Sovereign Housing Association Limited UK Total Energy Consumption (kWh).

Utility and Scope	FY22/23 Consumption (kWh)	FY21/22 Consumption (kWh)
Scope 1 Total	35,501,818	35,682,844¹
Gaseous and other fuels (Scope 1)	21,846,643	25,068,421
Transportation (Scope 1)	13,655,175	10,614,423 ¹
Scope 2 Total	17,113,971	17,977,956
Grid-Supplied Electricity (Scope 2)	17,113,971	17,977,956
Scope 3 Total	2,755,560	2,293,653
Transportation (Scope 3)	2,755,560	2,293,653
Total	55,371,348	55,954,452¹

Table 4: Sovereign Housing Association Limited UK Total Location-based Emissions (tCO₂e).

Utility and Scope	FY22/23 Consumption (tCO ₂ e) Location-based	FY21/22 Consumption (tCO ₂ e) Location-based
Scope 1 Total	7,279.87	7,105.39
Gaseous and other fuels (Scope 1)	3,987.89	4,591.53
Transportation (Scope 1)	3,291.99	2,513.86
Scope 2 Total	3,309.50	3,817.26¹
Grid-Supplied Electricity (Scope 2)	3,309.50	3,817.26 ¹
Scope 3 Total	635.58	531.84
Transportation (Scope 3)	635.58	531.84
Total	11,224.95	11,454.49¹

Energy Efficiency Narrative

Energy Efficiency Improvements:

Sovereign Housing Association Limited is committed to year-on-year improvements to its operational energy efficiency. A register of energy efficiency measures has been compiled with a view to implementing these measures in the next five years.

Measures ongoing and undertaken through FY22/23:

Energy Efficient Buildings

Sovereign Housing Association opened a new building in Exeter with modern fittings, allowing for the closure of old, inefficient buildings. As a result, energy reductions and cost savings were incurred.

Office Space Optimisation

Where colleagues work remotely, and office space is not used, Sovereign Housing Association has closed floors of office buildings. In all void buildings, the water and electricity supplies have been isolated, and the air conditioning units have been decommissioned to reduce emissions.

Lighting Upgrades

In FY22/23, Sovereign Housing Association updated fittings to accommodate LED panels and lighting timers at their Ryde office.

Tree Planting

Sovereign Housing Association works with stationary supplier RedBox to plant 818 trees as a carbon offset scheme.

Repurpose Office Furniture

Where Sovereign Housing Association has moved offices, unwanted office furniture is repurposed by Waste-2-Wonder. This year 4.5 tonnes of office furniture was repurposed from the Exeter site, representing a carbon saving of 18,400 kgCO₂e.

Measures prioritised for implementation in FY23/24:

Ongoing Compliance with Energy Reporting Legislation

Sovereign Housing Association is mandated to comply with SECR and produce a summary of all viable energy efficiency improvements annually.

Sovereign Housing Association is reviewing the changes in consumption patterns found in this reporting and will be making changes and updates to their estate, where appropriate, based on these figures.

I: Compliance Responsibility

This report has been prepared by the ESG division of Inspired PLC for Sovereign Housing Association Limited by means of interpreting the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as they apply to information supplied by Sovereign Housing Association Limited and its energy suppliers.

Sovereign Housing Association Limited's registered CEO and CFO are responsible for complying with the Regulations. They must be satisfied that, to the best of their knowledge, all relevant information concerning Sovereign Housing Association Limited's organisation structure, properties, activities and energy supplies has been provided to Inspired PLC.

This includes details of any complex ownership structures (for example, private equity funds, franchises for private finance initiatives) and electricity/gas usage that is covered by the EU Emissions Trading Scheme (ETS) or Climate Change Agreements (CCA) scheme, energy generated on-site (including Combined Heat and Power (CHP)) or supplied to/from a third party (i.e., not a licenced energy supplier or a landlord/tenant).

II: Reporting Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard* (World Business Council for Sustainable Development and World Resources Institute, 2004); *Greenhouse Gas Protocol – Scope 2 Guidance* (World Resources Institute, 2015); *ISO 14064-1 and ISO 14064-2* (ISO, 2018; ISO, 2019a); *Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance* (HM Government, 2019).

Government Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/04/2022 – 31/03/2023.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to Sovereign Housing Association Limited. These were calculated on a kWh/day pro-rata basis at the meter level.

These full-year estimations were applied to 229 electricity supplies. All estimations equated to 1.37% of reported consumption.

Scope 1 gaseous and other fuels consumption and resulting emissions have decreased considerably since the FY21/22 comparative period, by 13.15%. The associated Scope 1 emission totals have dropped from 4,591.53 tCO₂e to 3,987.89 tCO₂e in FY22/23. Scope 2 electricity consumption and the resulting emissions have also decreased considerably since the FY21/22 comparative period. The associated Scope 2 emission totals have reduced from 3,817.26 tCO₂e to 3,309.50 tCO₂e in FY22/23, a decrease of 13.30%.

This reduction in Scope 1 and 2 emissions is to be expected as Sovereign Housing Association Limited has disposed of old units and isolated power supplies where they are no longer in use, to incur energy reductions across the estate.

Scope 1 transport consumption (company cars) and resulting emissions for the comparative FY21/22 reporting period have been restated due to an extensive data review of the previous period's data. These Scope 1 emissions totals have been restated from 2,533.05 tCO₂e to 2,513.86 tCO₂e.

Transport (fleet vehicles and grey fleet) consumption and resulting emissions for the reporting period have increased considerably since the FY21/22 comparative period. The associated Scope 1 emission totals have increased from 2,513.86 tCO₂e to 3,291.99 tCO₂e in FY22/23. The associated Scope 3 emission totals have increased from 531.84 tCO₂e to 635.58 tCO₂e in FY22/23. This uplift in transport emissions is as expected as there has been an increase internally for staff to visit sites regularly, whilst the business returns to operations as per pre-COVID-19 levels.

Intensity metrics have been calculated using total tCO₂e figures and the selected performance indicator agreed with Sovereign Housing Association Limited for the relevant report period:

- | | |
|--|------------------------|
| • Total revenue (£m) FY22/23 (FY21/22) | £448m (£423m) |
| • Full-time equivalents (FTE) FY22/23 (FY21/22) | 2,197 (2,167) |
| • Total number of properties FY22/23 (FY21/22) | 62,190 (61,216) |

Inspired Energy PLC
Progress Business Park, Orders Lane
Kirkham, Preston
Lancashire
PR4 2TZ
United Kingdom

t +44 (0) 1772 689 250
investors@inspiredplc.co.uk
<https://inspiredplc.co.uk/>

