

Vico Homes 

# Sustainability plan
















2025 to 2030

Better futures,  
vibrant communities





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# Welcome

Vico Homes, and the social housing sector more broadly, has a critical role to play in decarbonising the built environment - by reducing energy demand in our homes and introducing lower carbon heating solutions. As anchor organisations in communities across the UK, housing providers also have the opportunity to have broader societal impacts - enhancing nature and biodiversity, tackling fuel poverty, providing warm homes and improving health and educational outcomes, amongst others.

This plan also forms a key part of our ESG (environmental, social, governance) Strategy and, as a business, we need to ensure that we're managing the risks associated with climate change and the natural environment as well as having a positive impact on the communities where we operate. We need to ensure that not only are we reducing the impact of our housing assets, but also that of our operations. We need to be considering the potential bearing that a changing climate could have on our customers and our operations in the future - adapting as well as mitigating a changing climate.

The regulatory landscape is also in a period of change, and we need to ensure that we are well positioned to meet any emerging requirements. In particular, meeting forthcoming minimum energy efficiency standards (MEES) which are likely to be linked to a revised Decent Homes Standard.

We're investing significantly in improving the energy efficiency of our homes and efforts to decarbonise. The costs associated with improving the energy efficiency of our housing stock are incorporated into our 30-Year Investment Plan and rolling Reinvestment Programmes.

We've accessed 'Green loans' in support of our efforts and external funding is actively sought to supplement our investments wherever possible - an area we have a great track record in over a number of years.

Our Sustainability Plan sets out how we intend to reduce our carbon footprint, improve the sustainability of our homes and lower energy bills, as well as make a positive impact on the natural environment for the benefit of our customers and communities we serve our colleagues and business foundations.



Best wishes,  
**Martyn**

Martyn Shaw, Chief Executive

## Wider context

The Paris Agreement was signed by 196 countries in 2015 to hold the increase in the global average temperature at well below 2°C and limit the temperature increase to 1.5°C above pre-industrial levels. The UK is committed to meeting its part of the agreement.

We're living in a warmer world, with the fastest annual rise in carbon dioxide and other greenhouse gases in the atmosphere being recorded in 2024. We're also seeing many more extreme weather events across the globe, and closer to home.

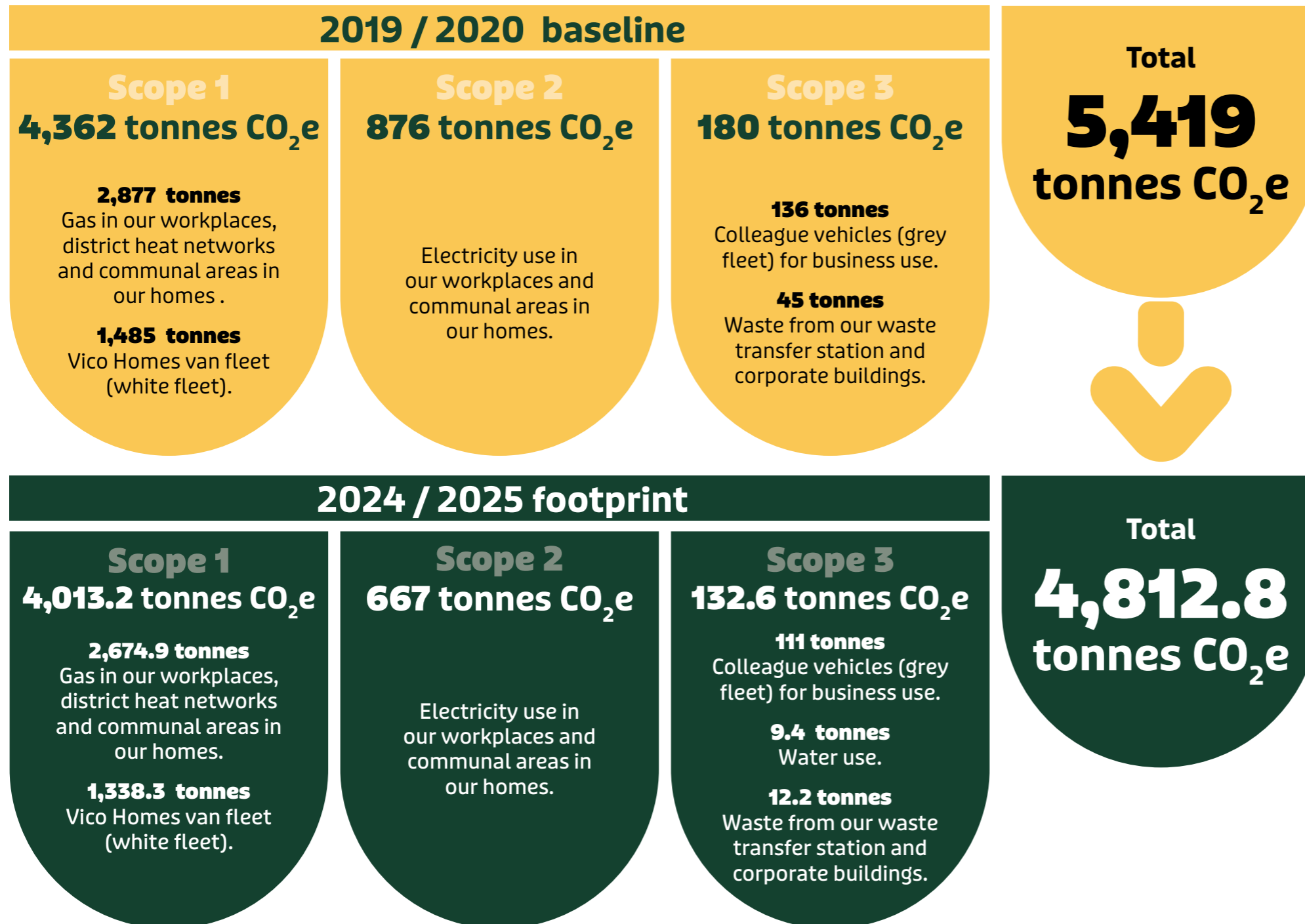
The impact of climate change on our business and our customers will be felt through increased extreme weather events such as overheating and flooding. These changes to weather patterns will test the resilience of our business, customers and our supply chains, and have an impact on our priorities and business and customer costs during the years to come.

Nature is equally affected by climate change, impacting upon the habitats and conditions for wild birds, plants and animals.

The UK is legally bound under the Climate Change Act 2019, committing the economy to net zero greenhouse gas emissions by 2050 and a 68% reduction in emissions by 2030. At a regional level, the West Yorkshire Combined Authority has set out carbon reduction pathways to decarbonise the economy and achieve net zero emissions by 2038.

# Decarbonisation pathway and climate change mitigation

Over the life of our last Sustainability Plan we reduced our operational carbon footprint by 11%. This included direct emissions from gas for heating our offices and corporate buildings and district/communal heating systems and vehicle fuels, used by our vehicle fleet and colleague vehicles for business travel and commuting, as well as indirect carbon emissions from electricity use, waste and water usage.



**11% reduction since 2019 / 2020**

In 2023 we commissioned an independent report on our carbon footprint, to review our progress on operational greenhouse gas reduction against our scope 1 and 2 emissions, identify gaps and areas for improvement in our data and better understand the various pathways to achieve net zero greenhouse gas emissions by 2050.

We'll adopt a pathway to net zero greenhouse gas emissions that strives to make positive investments in our communities, by prioritising making absolute emission reductions rather than paying for offsets to our emissions elsewhere. We'll take a responsible approach that follows climate science while delivering best value for our customers, meeting their needs and growing our business.

We'll match the pace of our transition with investments in low carbon technologies, skills development and knowledge sharing as we progress to our goal of net zero carbon.

We know there are some gaps in our carbon footprint reporting such as emissions from our supply chain - which will form a significant part of our scope 3 emissions - and this will be an area of focus to develop and improve upon.

We aim to reduce our operational footprint by 28% by 2030 (within current scope), with an interim target to achieve a 15% reduction by 2028.

By the end of this plan, we'll look to align ourselves with a science-based target to ensure we're taking a measured and proportionate approach to greenhouse gas reduction to 2050.

Our intended actions to reduce our carbon footprint are set out in this plan.

# Making our homes warmer and more efficient

Around a fifth of carbon emissions in the UK are from residential buildings, with our country's homes being some of the most inefficient in Europe and predominantly heated by fossil fuels.

Additionally, with energy prices remaining high, it's vital that we take into account the costs our customers face to heat and power their homes.

## Energy efficiency improvements

Making our existing homes sustainable is important for the environment and for keeping our customers warm, reducing energy bills, mitigating energy price rises and creating homes fit for the future.

Nearly 50% of our homes are already rated EPC C or better.

During the past five years we've significantly increased the number of energy efficiency improvements in our homes. During this time we've focused on a 'fabric first' approach to reduce heat loss using insulation measures - helping to reduce heat demand and lower carbon emissions.

We're committed to investing significantly in our homes so that we achieve a minimum of EPC C where possible. We've set targets for 75% of our homes to achieve EPC C or better by 2028 and 100% by 2030 (where practicable). We'll review the composition of EPC ratings across our portfolio against the new EPC (RDSAP 10) methodology and reset our targets and programme to 2030

based upon this and the proposals set out in the Government's consultation on the introduction of a minimum energy efficiency standard (MEES) in the social housing sector.

Compliance with MEES will be aligned with our approach to asset management as set out in our Asset Management Plan, for example, disinvestment in homes if appropriate.

As well as improving the energy efficiency rating of homes, our priority is to reduce energy costs, mitigate price rises and alleviate fuel poverty for customers, so that this is one less thing for them to worry about.

Whilst continuing with our fabric first approach we're now focusing on installing solar photovoltaic panels on our existing homes to generate decarbonised electricity which helps customers to reduce their energy bills.

We'll work with partners in the sector to access and scale up different, suitable approaches to decarbonising our homes, and incorporate into our longer-term plans where appropriate. This will include looking at where we can make our new and existing homes smarter, using innovative technology.

We'll look into how sensors and devices can monitor different aspects of homes to reduce energy costs for our customers and better inform our understanding of, and investment in, our homes.

But we can't do this on our own. We'll continue to work with partners and develop new relationships as we explore external funding to deliver our ambitious plans. This will allow us to complete pilot projects to test innovative heating solutions, whilst also installing solar PV panels, insulation and smart air bricks.

Our approach will also extend to our new homes. We have to deliver new homes to EPC B, but we have an aspiration to make them Band A, so where possible we'll take steps to make this happen. We'll continue to meet any new energy efficiency requirements for new build homes introduced through the government's Future Homes Standard.





## Fuel poverty

We know how much the impact energy prices have on our customers and their quality of life. Customers are at the forefront of our decision making and our approach is to not knowingly decarbonise our homes at the expense of our customers.

We're investing significantly to improve the energy efficiency of our homes and have taken a 'fabric first' approach to reduce energy demand, which should make homes warmer, more comfortable and less costly to heat.

We'll also continue prioritising gas central heating over lower carbon forms of heating due to the potential detrimental impact it would have on customer energy bills. We'll continue to review this position.

## Heating improvements

Our programme of gas boiler replacement and new central heating will continue. This will include new central heating for homes heated by older, inefficient solid fuel or electric storage heaters to ensure that customers are able to heat their homes with the most fuel-efficient boilers.

Trials of low carbon heating, including ground source and air source have shown they are effective and affordable heating solutions. Where practical and cost effective, we'll offer a heat pump as an alternative to gas boilers to customers in houses or bungalows heated by outdated electric storage heaters or solid fuel, and in apartments in low-rise blocks where all homes are reliant on inefficient electric storage heaters.

## We will:

**Continue to deliver our EPC improvement programme, delivering thousands of measures to reach our target of > 75% of our homes at EPC C or above by 2028, and 100% by 2030, where practicable to do so. (Target to be reviewed and reset post-Government confirmation of MEES regulations.)**

**Trial innovative technology - such as batteries - with an emphasis on participating in sector wide trials to support further decarbonisation of homes. A trial of battery storage to be undertaken by March 2028.**

**Increase the number of our homes with renewable heating, such as heat pumps.**

**Actively apply for external funding for our domestic energy efficiency programme.**

**Engage our customers in plans for net zero carbon homes and how they can benefit from the new technologies, and look to develop a blueprint for what a Vico Homes net zero home could look like by March 2030.**



# Heat networks in our homes

We provide heating and hot water to more than 1,200 homes through our 26 district and communal heating systems (also known as heat networks). These produce heat in a central location and provide it to connected homes through insulated pipes.

Carbon emissions from gas use makes up 59% of our operational carbon footprint (excluding homes and supply chain). Within that, our heat networks make up 95% of our carbon emissions from gas.

In 2024, we commissioned an external organisation to carry out condition reports and several feasibility studies on some of our heat networks to understand the current condition and explore the range of replacement options available.

Our focus is on improving the efficiency of existing heat networks and replacing gas fired systems due for upgrade to a form of low carbon heating wherever technically and financially viable to do so.

We've secured external funding through the Heat Network Efficiency Scheme (HNES) to make help make improvements and will continue to seek external funding to support our decarbonisation efforts.

The Energy Act 2023 provided additional powers to Ofgem to regulate heat networks. Going forward, we'll have to meet consumer and technical standards across our heat networks. These include standards for reducing carbon, increasing efficiency, improving customer experience, and better data collection.

## We will:

**Complete our meter replacement programme in homes connected to our heat networks, to improve billing for customers and to help reduce energy consumption and carbon emissions by March 2027.**

**Develop a comprehensive forward plan by March 2026 for replacements and efficiency.**

**Change our heat networks to low carbon heating when they're due for replacement, where feasible**

**Apply for further external funding to make improvements to our district heating to reduce carbon emissions.**

**Meet heat network regulations and ensure that our heat networks are running efficiently for our customers.**



## Offices and communal areas in our homes

Our office spaces and communal areas of apartment blocks are our second largest source of energy demand within our operational carbon footprint.

Carbon emissions from the electricity and gas we use in our offices and communal areas in our homes, makes up around 68% of our total carbon footprint.

Better data management to further improve how we measure and monitor our energy use will help us to be more efficient. By working with our energy suppliers, we can move away from the manual reading of electricity meters to automatic meter readings providing a 'live' view of energy consumption.

Teams with a role in managing the day-to-day use of buildings, from our offices to our independent living schemes and estates, will support active energy management. Energy data will provide our teams with accurate and intelligent consumption trends and enable actions to improve efficiency. This could provide the opportunity to set budgets and report on energy usage, costs and carbon emissions at service and team level, empowering colleagues to make changes at a local level.

Advances in technologies including LED, timers and sensors have helped reduce demand for lighting across our buildings.

We're now introducing smarter controls in our offices that respond to the demand for heat and lighting when it's needed. Opportunities to invest in solar photovoltaic (PV) panels would provide further potential to reduce the cost of electricity and decarbonise our buildings.

### We will:

**Embed a robust data management plan for our utilities, so we can take actions to improve energy efficiency at each of our sites by March 2027.**

**Invest in smart controls and energy efficient technologies in our buildings.**

**Identify opportunities to introduce more solar PV across our commercial buildings and independent living schemes by March 2028 and deliver by March 2030.**



# Water

Water is used throughout our operations as well as in our customers' homes.

This includes on our construction sites, at our independent living schemes, in our offices and at our depot, at allotments and our district and communal heating schemes also use water.

Carbon emissions from our water use makes up less than 1% of our total carbon footprint, but with increasing temperatures due to climate change and potential for more droughts, it's important that we reduce the amount of water we use. Being more water efficient is also more cost effective for the business.

## We will:

**Carry out a water awareness campaign for colleagues, to reduce water usage in our offices, our depot and other locations by March 2030.**

**Install water meters on the pumps in our district heating plant rooms to monitor water usage and identify leaks sooner by March 2027.**

**Improve the accuracy and completeness of our water consumption data to enable better targeting of improvement measures by March 2027.**



# Waste

Our waste comes from four main sources, construction and repairs waste from our Trident Park Waste Transfer Station (repairs and maintenance), office waste; construction site waste; and clearance of empty homes.

Carbon emissions from our waste only makes up around 1% of our total carbon footprint. But improving the way we manage our waste is important as it will provide other environmental and social benefits.

Around 63% our waste is recycled, however, further improvements in this area could be made. Although the amount of waste handled through the waste transfer station has reduced in recent years, we need to concentrate on increasing the segregation of waste, so we can move waste up the waste hierarchy and increase the amount recycled and reused.

In the last year, 10% of this mixed waste is now segregated as hazardous waste due to the Persistent Organic Pollutants (POPs) legislation, so now disposed of at a high cost. POPs in this context are mostly fire-retardant chemicals in home furnishings. A significant volume of unwanted furniture and household goods are also collected through empty home clearances, including those with fire retardant labelling, and electrical items. There is, therefore, a financial as well as environmental imperative for making changes to how we handle our waste.

Since March 2025, workplaces have had to separate plastic, metal, glass, paper, and food waste and we've implemented office waste segregation to comply with the Separation of Waste Regulations 2025.

## We will:

**Work with key suppliers to reduce the amount of waste packaging produced through the products we are supplied, and what materials can be reused / recycled from our sites by March 2028.**

**Review processes at our waste transfer station to improve waste segregation for recycling by March 2028.**

**Implement a recycling awareness campaign and train colleagues to help us achieve higher recycling rates by March 2029.**



# Vehicle fleet

Our vehicle (white) fleet emissions come from burning fossil fuels like petrol or diesel to run our vehicles and provide many of our services to customers.

Carbon emissions from use of our vehicles makes up around 25% of our total carbon footprint.

We have almost 350 vehicles with nearly 90% fuelled by diesel and it's forecasted that before the end of this plan our fleet will increase by over 100. Vehicles ordered during the plan will be Euro VI compliant (which emit less emissions) and will likely be a diesel derivative.

Although we have seen a reduction of over 20% in diesel litres purchased in the last financial year (2023/24) against the 2019/20 baseline, tailpipe emissions have an impact on air quality within the areas we operate.

The decrease in diesel purchased is thought to be due to newer vans with lower emissions and increased fuel economy in the fleet.

We'll begin to introduce electric vans into the fleet and the aspiration is to have more vans that are electric or hybrid over the course of this plan.

We need to make this change due to the anticipated phasing out of the sale of new diesel and petrol vehicles in the UK from 2030.

We've installed electric vehicle charging points (EVCPs) at our offices and depot to support the transition to electric vehicles and are planning to install them at some of our independent living schemes to extend infrastructure and opportunities to charge up our vehicles across a wider area for both colleagues and customers.

## We Will:

**Install further electric vehicle charge points at our independent living schemes and other locations across our area of operation to support colleagues and customers with electric vehicle charging by March 2030.**

**Introduce electric vans into our fleet for the first time by March 2030.**

**Identify ways of improving efficiency such as scheduling and reviewing of vehicle weights by March 2029.**

# Home working and travel to work

Our WorkSmart approach allows hybrid working, so our office-based colleagues can work in our office locations and from home.

This helps to avoid environmental impacts of air pollution and carbon emissions from travel.

It also means colleagues use heating, lighting and power they may have otherwise avoided using, creating carbon emissions associated with day-to-day business.

Further work is due to be undertaken to improve our knowledge and understanding of carbon emissions associated with our travel to work however, it's difficult to measure this.

To further support our colleagues in making active and sustainable travel choices – which are better socially, environmentally and economically – we're looking to improve facilities at our offices and depot. This includes EVCPs, as well as improved changing facilities and bike shelters.

# Enabling customers to travel more sustainably

We're seeing a greater number of requests from our customers to install EVCPs at their homes.

Our new build developments are building in spaces and infrastructure for EV charging where private off road parking spaces are not practical, enabling residents to own and charge a vehicle near their home.

## We will:

**Improve how we record and measure the impact of home working and travel to work in the reporting of our carbon footprint by March 2028.**

**Further improve facilities at our offices and our depot to make active and sustainable travel options an easier choice by March 2027.**

**Assess opportunities to increase customer access to EVCPs in our communities, particularly for those without dedicated, suitable off-street parking, by March 2030.**



# Our supply chain

The wider impact of our business through our supply chain forms a large part of our footprint and falls under our scope 3 emissions – those which are categorised as generating emissions outside of our direct control.

We use a wide range of businesses to supply us with goods and services each year, from office supplies, to providing new kitchens and roofs for our homes, as well as building new ones.

The carbon impact varies according to the amount and type of activity.

Our construction, repairs and waste management services have a higher carbon impact. But we don't measure this yet or include the information in our carbon footprint.

We'll focus on the carbon impacts 'upstream' of our services, to report on emissions associated with our suppliers, and work with them to reduce emissions across our supply chain and the environmental impact of the services we provide.

This focus on improving our scope 3 and, more specifically, supply chain, emissions data will put us in a stronger position as we look to broaden our carbon emissions reporting from 2030 onwards to align with a science-based target approach.

## We will:

**Work with our suppliers – beginning with our largest suppliers first – to measure, report and reduce carbon emissions from our supply chain in advance of us aligning to a science-based target for our emissions from 2030.**



# Skills and knowledge sharing

We'll aim to ensure that the wider benefits of this plan are experienced by the communities we serve, and that we raise awareness with customers and colleagues.

When we need new services or products, we'll ensure that we consider the social benefit for our communities.

To maximise these opportunities, we'll ensure that colleagues and customers can equip themselves with knowledge and skills. This may be helping customers operate their new heating system or learning more about the transition to net zero carbon and shaping the delivery of our plan.

We'll upskill colleagues and customers with knowledge and awareness of our net zero and nature plans through a programme of carbon literacy training.

We'll ensure that our customers are engaged with plans for net zero carbon homes and how to benefit from new technologies.

## We will:

**Upskill colleagues and customers with knowledge and awareness of our net zero and nature plans and how they can make a difference at work and at home by March 2029.**

**Provide carbon literacy training, with all people managers required to attend carbon literacy training, to demonstrate leadership in this area by March 2029.**

**Look at opportunities to provide carbon literacy training to our communities and customers by March 2030.**



# Greenspace, nature and climate adaptation

## Green spaces and biodiversity net gain

We own and manage over two million square metres of grass land, approximately 80,000 square metres of shrub beds, approximately 20,000 linear metres (12 miles) of hedging, and 24,215 trees.

Green spaces not only help nature recover, but they can also help communities to cope with hotter and wetter weather projected in the UK, as a result of climate change. There's also a regulatory requirement to manage our green spaces and consider biodiversity as part of the development of our reinvestment and development programmes. The UK Government's Biodiversity Net Gain Regulations, introduced early in 2024, mean that our boundary treatment / outdoor space work and new build developments must leave spaces more biodiverse than they were before.

There are also opportunities to use our existing land to meet the requirements and further enhance our green spaces. We'll commission advice and land audits to understand the opportunities and risks in relation to biodiversity net gain.

We'll continue to improve the biodiversity of the green spaces that we manage, look at how we can regenerate small unused sites that may work better as green space, and provide opportunities for our customers to create or maintain green spaces or community gardens of their own. We'll work with customers to develop our approach to green spaces and biodiversity across our communities.

Since 2021 we've planted 6,198 new trees, and expect to plant at least 1,500 new trees each year from 2026 onwards.

Following pilots of relaxed mowing and wildflower meadows, we're identifying other locations which may be suitable for these or additional tree planting. This will consider factors including whether there's sufficient space and whether the land has potential future uses such as development opportunities or for biodiversity net gain.

We invest significant amounts into schemes to improve residential outdoor spaces and boundaries. We'll develop an estate 'environment standard' to ensure that from a green space perspective, we consider the environmental impact of any materials used, the impacts upon biodiversity and opportunities to increase it.

By taking a proactive approach, we can have a positive impact on air quality, provide shade and create habitats for wildlife.

## Impacts of flooding, drought and heatwaves

Given the increasing likelihood of heatwaves, flooding and drought, we need to better understand the impact of changes in weather and climate, as well as extreme weather events such as flooding, drought and heatwaves, to better understand the impact on customers, colleagues and the business both now and in the future.

## We will:

Roll out relaxed mowing, wildflower meadow management and tree planting activities across our area of operation to increase biodiversity of our green spaces by March 2029.

Develop an estate 'environment standard' by March 2028.

Deliver biodiversity net gain principles through our development and boundary treatment/outdoor space projects and explore opportunities to deliver local environmental, social and economic benefits by March 2030.

Identify opportunities for customers to take greater ownership of local greenspaces that we manage, to create community gardens or allotments by March 2028.

Produce a gap analysis to assess the impact of climate change on the business and customers including flood, drought, heatwaves and increased rainfall by March 2028.

## Governance and monitoring

This is a broad ranging plan, touching on many aspects of the business. Appropriate governance and monitoring will be critical in ensuring that there's sufficient oversight and accountability regarding the delivery of, and outcomes from, this plan.

Delivery of this Sustainability Plan will be monitored through Quarterly Business Reviews and by the Property Investment Committee, with an annual update provided on overall progress with the 'we wills'.

Key targets / objectives within this plan also feed into part of the Future Homes Plan and Asset Management Plan, and will be reported on through a number of different channels, with KPIs reported monthly (such as EPC performance and carbon footprinting).

# How will we know we've been successful?

By the end of the plan, we'll align ourselves to a science based approach to greenhouse gas emissions reduction, creating a pathway to net zero by 2050.

We'll reduce our operational carbon footprint by 28% by 2030 (interim target 15% by 2028).

All our new homes will be energy efficient with a minimum of EPC B. Our aspiration is to achieve EPC A where possible.

We'll introduce community gardens and allotments, managed by our communities.

100% of our homes will be EPC C or above (interim target greater than or equal to 75% by 2028).

We'll roll out tree planting, wildflower meadows and relaxed mowing across our communities.

We'll improve carbon literacy for our colleagues and customers. All line managers will complete training by March 2029.

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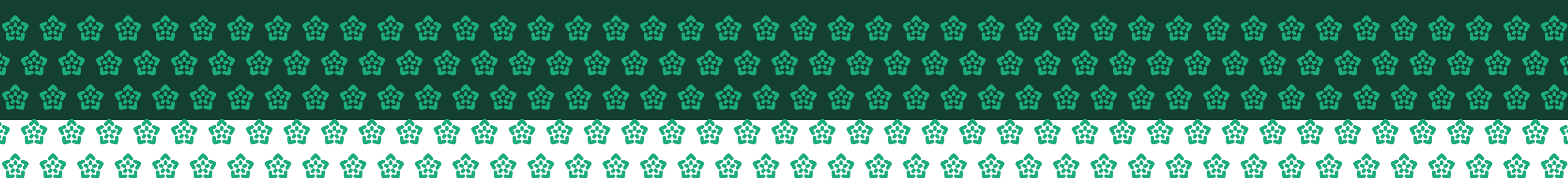
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