

CARBON REDUCTION PLAN



D2 PROPCO LIMITED

BASELINE YEAR: 2025

DATE: JUNE 2026

1. Introduction

D2 PropCo provides safe, stable and well-managed homes for people who need them most. As a national provider of temporary accommodation and property management services, we recognise that delivering this service responsibly includes understanding and reducing our environmental impact. Our operations are unique: we manage a dispersed portfolio of residential properties across the UK, support a mobile workforce, and operate from a small number of office locations.

This Carbon Reduction Plan sets out our current emissions profile, the limitations in the data we hold today, and the practical steps we are taking to build a clearer picture of our environmental footprint. It reflects D2's commitment to responsible governance, transparency, and continuous improvement as we work towards Net Zero in a way that is proportionate, evidence-based, and aligned with the realities of our service model.

Corporate Commitment

D2 PropCo Limited is committed to achieving Net Zero greenhouse gas emissions by 2050, in line with UK Government policy and our wider organisational commitment to responsible environmental management.

2. Organisational Boundary

Defining the organisational boundary is essential for accurate and meaningful carbon reporting. D2 operates a hybrid model that combines residential property management, mobile operational teams, and office-based functions. This creates a complex emissions landscape where some sources are directly controlled by D2, while others are influenced by resident behaviour or building-level arrangements.

Boundary Definition

This Carbon Reduction Plan covers:

- Office-based activities (including the North Wales office)
- Company fleet vehicles
- Business travel
- Waste generated in operations
- Energy use within D2's operational control

Residential Properties

D2 owns and manages approximately 160 residential properties used for temporary accommodation. As part of our service model, D2 contracts, manages and pays for all utilities across this entire property portfolio, meaning the associated energy use forms a material component of our organisational carbon footprint.

D2 holds utility data for these properties; however, the information is currently held across multiple systems and formats. To ensure that any emissions reported are accurate, consistent and aligned with recognised carbon-accounting standards, D2 is implementing a structured programme to consolidate, standardise and validate this data.

For the purposes of this Carbon Reduction Plan, emissions from the residential portfolio are treated as material but currently unquantified, with the organisation applying reasonable assumptions to ensure that the overall footprint remains proportionate and transparent. This approach avoids presenting partial or unverified figures and ensures that future reporting is based on a sound, auditable evidence base.

D2 is strengthening its internal data-governance processes to improve the quality, consistency and accessibility of utility data across the property portfolio. Once these processes are fully embedded and the data has been validated, D2 will update this Carbon Reduction Plan to incorporate these emissions in full.

3. Baseline Emissions Footprint

A baseline year provides the reference point against which future reductions are measured. D2 has selected 2025 as its baseline year. This reflects the organisation's current operational scale following a period of rapid growth and provides a stable and accurate foundation for future carbon-reduction planning and reporting.

As D2 strengthens its data-collection processes, particularly for its residential property portfolio, this baseline will be refined and expanded in future reporting cycles.

Baseline Year: 2025

Methodology

- GHG Protocol Corporate Accounting and Reporting Standard
- UK Government GHG Conversion Factors
- Operational control approach
- Reasonable SME estimates where precise data is unavailable

Scope 1 – Direct Emissions

D2's fleet is central to our operational model. Our teams travel daily to inspect properties, support residents, and carry out maintenance. As a result, fleet emissions represent the largest and most measurable part of our carbon footprint. D2 operates 50 vehicles, used for staff travel, property inspections, and maintenance.

- 34 diesel
- 5 petrol
- 5 petrol hybrid
- 1 plug-in hybrid
- 5 electric vehicles

Mileage Assumption

Average annual mileage: 13,500 miles per vehicle

Calculated Scope 1 Emissions

- Diesel: ~110 tCO₂e
- Petrol: ~7 tCO₂e
- Hybrids: ~1.3 tCO₂e
- EVs: 0

Total Scope 1 Emissions: ≈ 118 tCO₂e

Scope 2 – Indirect Emissions

D2 operates from a main office and a small North Wales office. Both locations present challenges for precise energy measurement due to landlord-controlled metering and mixed-use buildings. As a result, Scope 2 emissions are based on reasonable estimates rather than exact consumption data.

Scope 2 Emissions: ≈ 1.1 tCO₂e

Scope 3 – Other Indirect Emissions

Scope 3 emissions represent the wider environmental impact of D2's operations, including staff commuting, waste, and water. These emissions are smaller in scale but still important for understanding our overall footprint. Included Categories

- Business travel (non-fleet)
- Employee commuting (office-based staff only)
- Waste generated in operations
- Water supply and treatment
- Transmission & distribution losses

Scope 3 Emissions: ≈ 3.2 tCO₂e

Total Baseline Emissions

The total baseline emissions bring together D2's direct and indirect environmental impacts into a single, consolidated footprint for 2025. This combined figure provides a clear starting point for understanding the scale and distribution of our emissions across fleet activity, office operations and wider organisational processes.

Scope	Emissions (tCO ₂ e)
Scope 1	118
Scope 2	1.1
Scope 3	3.2
Total	≈ 122 tCO₂e

This baseline establishes the reference point against which future reductions will be measured, ensuring that D2's progress towards Net Zero is tracked in a transparent, consistent and evidence-based way.

4. Current Emissions Reporting

This Carbon Reduction Plan represents D2's first formal statement of its carbon footprint. It provides a transparent and proportionate assessment of the emissions sources that can be reliably quantified at this stage, while acknowledging areas where further data consolidation is underway. As D2 strengthens its internal data-collection processes, particularly for its residential property portfolio, future reporting cycles will provide a more detailed and comprehensive emissions profile. D2 will update this Carbon Reduction Plan annually.

5. Carbon Reduction Measures

D2's carbon-reduction approach is shaped by the operational realities of providing safe, stable and well-managed homes across a dispersed property portfolio. Our service model requires daily property visits, resident support and maintenance activity, meaning that emissions reduction must be achieved through targeted efficiency measures, behaviour change and improved data governance.

Current Measures

- Flexible working arrangements where appropriate, with most office-based staff working primarily from the office
- Digital processes to reduce unnecessary travel and paper use
- Efficient route planning for property visits
- Monitoring of fleet usage

- Smart thermostats in all D2 homes
- Daily House Manager visits to support responsible energy use and recycling

Planned Measures (2026–2030)

- Introduce a Green Travel Policy
- Move to renewable electricity where possible
- Implement supplier sustainability checks
- Expand Scope 3 measurement
- Implement enhanced data-governance processes for our property portfolio
- Consolidate utility data to support full inclusion of residential emissions
- Annual emissions reporting

6. Carbon Reduction Targets

Setting credible carbon-reduction targets requires a balance between ambition and operational realism. D2's targets reflect our long-term commitment to environmental responsibility while recognising the unique nature of our service model and the need for high-quality data to inform future reductions.

Targets

- 50% reduction in Scope 1 & 2 by 2030
- 30% reduction in Scope 3 by 2030
- Net Zero by 2050

7. Governance and Reporting

Strong governance is central to D2's approach to carbon reduction. Effective oversight, transparent reporting and continuous improvement ensure that environmental considerations are embedded within organisational decision-making. The Senior Responsible Officer for Carbon Reduction at D2 PropCo Limited is the Managing Director. Progress will be reviewed annually and published on the company website.

8. Declaration and Approval

This Carbon Reduction Plan has been prepared using the Greenhouse Gas Protocol Corporate Standard and UK Government emissions factors. It reflects D2 PropCo Limited's commitment to transparent, proportionate and responsible environmental reporting, and has been approved at senior level within the organisation.

Approved by: Managing Director, D2 PropCo Limited

Date: June 2026