

ESG REPORT 2021



AUDLEY
GROUP



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OUR COMMITMENT & APPROACH TO ESG

Audley recognises the importance of operating in an ethical and sustainable manner, with environmental, social and governance (ESG) at the heart of our business.

ABOUT THIS REPORT

This is the second ESG Report ("the Report") issued by Audley Group. The Report reflects our commitment to transparency and provides detail for our stakeholders on our sustainability approach, goals, challenges and progress during the reporting period. The data within the Report runs from 1 January 2020 to 31 December 2020 unless otherwise noted.

We welcome feedback on our strategy and commitments. If you have any questions or comments on any information contained within the Report, please email info@audleyvillages.co.uk



CHIEF EXECUTIVE'S STATEMENT



The advent of the coronavirus pandemic positioned 2020 as the most extraordinary year for the Audley Group. The decisions around lockdown and closure of our facilities, despite being difficult, were straight forward when our upmost priority is always to keep our property owners and team members safe.

Our senior team did an incredible job of being ahead of the game regarding anticipating and interpreting legislation as it came through. It has undoubtedly been a tough time for everyone, and it may be that we will have to live alongside this virus for some time to come, but I can confidently state that Audley has done an exceptional job in keeping people safe, active and in good spirits.

The results of the 2020 owners' survey are evidence of this. We had a fantastic response, many sharing good experiences of living within an Audley village during these unprecedented times. This compounds my belief that what Audley and Mayfield villages offer is more important than ever before.

The pandemic has given many people the chance to reflect on their current living situations and the true value of an Audley lifestyle, which has converted into strong levels of sales – 244 new owners moved into their beautiful new homes in 2020.

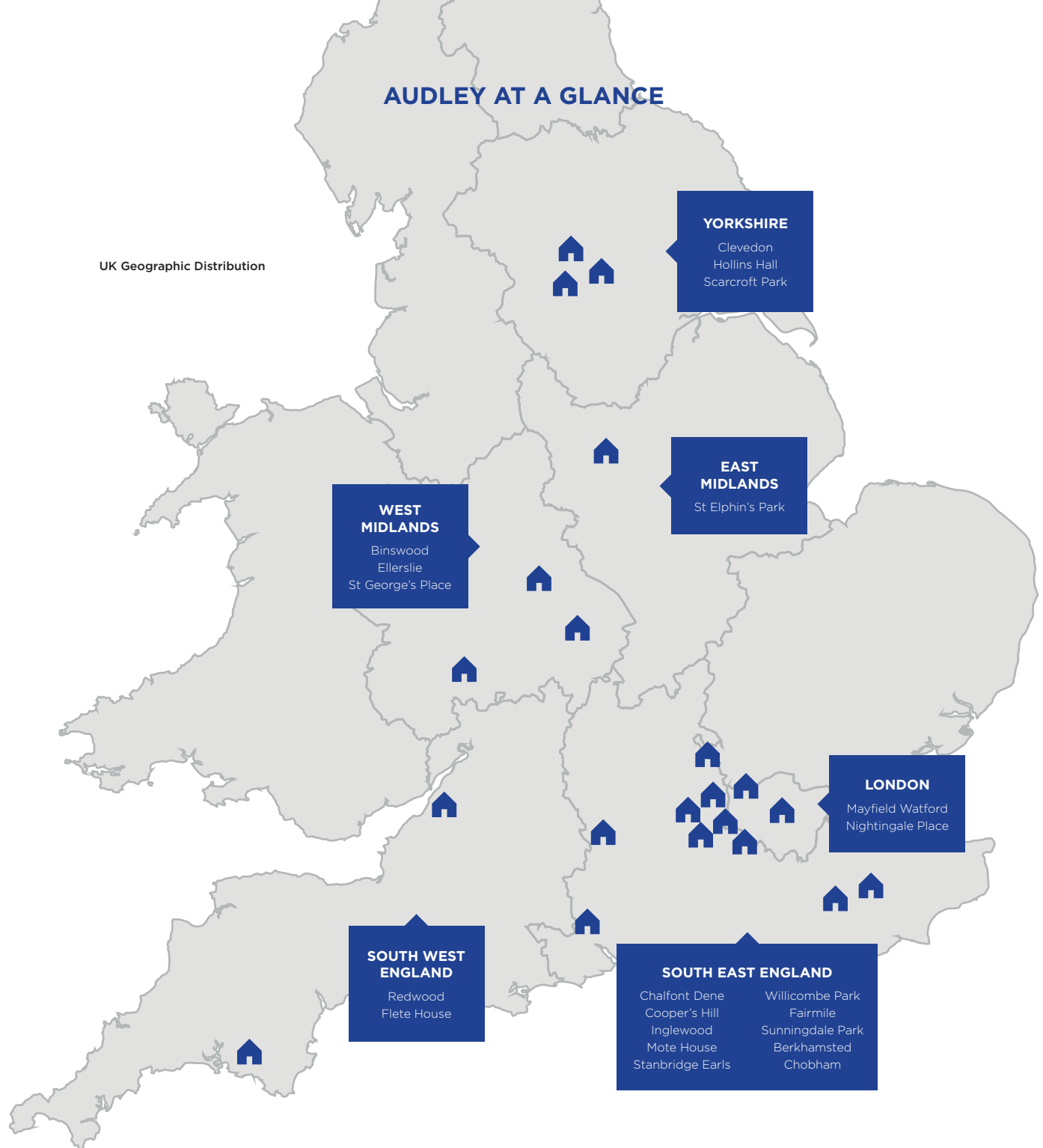
Amidst all of this, we opened two new award-winning villages, Nightingale Place and Stanbridge Earls. In 2022, our first Mayfield village in Watford will open its doors alongside two new Audley villages – exemplifying the continuing success of our business model.

Another significant development has been the establishment of Evia Living, a joint venture for us with partners in Denmark,

to bring our retirement concept to a whole new market. The first properties under this brand are expected to be ready by 2023.

We have made significant progress throughout the year in developing and delivering against Audley's sustainability framework, but there is more to be done. The next ten years will be decisive, both on a global level and for us as a company. We need to make sure that we are on the right track to limit global warming. We need to pursue fundamental change and transformation. Our Net Zero Carbon (NZC) target (aligned to a 2-degree global warming science-based trajectory) will now become the centrepiece of our commitment to long-term sustainability. With sustainability at our core, we remain well positioned for continued growth and to consolidate our position as the market leader in retirement living in the United Kingdom. Working to improve and innovate on the provision and delivery of greater living choices is at the heart of everything we do.

Nick Sanderson
Chief Executive
Audley Group



KEY NUMBERS



20
RETIREMENT
VILLAGES



818
TEAM
MEMBERS



1561
OWNERS AND
CARE CUSTOMERS

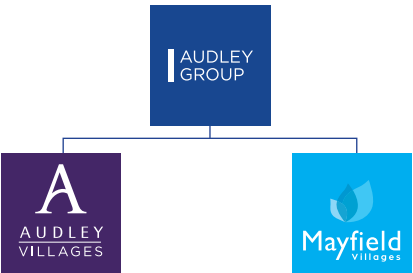


847
AUDLEY
CLUB MEMBERS



BUSINESS MODEL

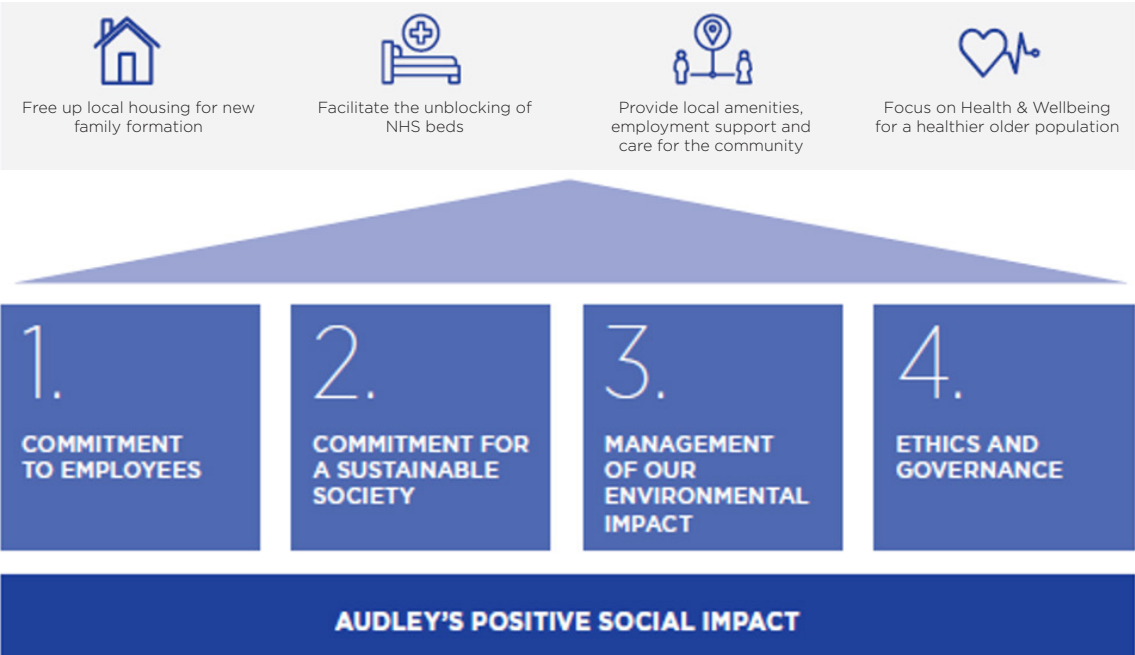
Audley Group’s business model has been developed and refined since 1991, although the original concept of providing high-quality properties with extensive facilities and wellbeing service and care support on demand remains unchanged. We hold a clear understanding of how people want to live in retirement and strive to enable them to achieve that vision and live better for longer.



AUDLEY GROUP

Audley Group is the Parent Company and is home to all central functions such as finance, marketing and HR. Audley Group develops and operates villages within two main brands. The two Audley Group brands serve distinct audiences, so although the overall model is the same, how that is provided differs. Audley Villages offers luxury retirement living often centred around majestic heritage buildings with a range of facilities similar to those you might expect in a boutique hotel. Mayfield Villages was founded in 2015 to appeal to a growing mid-market who seek a lower price option but still demand the same facilities, level of service and care.

The business model also helps to deliver value to the wider society outside of our village communities. We have identified four pillars as part of our sustainability strategy which we put at the centre of our culture to ensure that we continue to create significant positive social impact in everything we do.



BUSINESS MODEL CONTINUED

Mayfield villages have a fresh, contemporary design and will typically be found in more urban/suburban locations; Watford is the first Mayfield site, opening in 2022, funded in joint venture with BlackRock Real Assets, and with debt provided by Homes England.

“Mayfield Villages are the first truly contemporary, mid-priced retirement villages in the UK.”

Nick Edwards
COO, Audley Group

Following a growing interest in the Audley model from international investors, Audley Group entered a joint venture with Danish pension company, PFA, to bring the group's retirement living concept to the Danish market. Launched in 2020, Evia Living will develop and operate 10 high-quality retirement communities in the Greater Copenhagen and Aarhus areas, providing exceptional properties, facilities and care services to the growing number of older people.

“Evia is a completely new concept in Denmark. Our mission is to create exclusive homes in attractive surroundings and the opportunity to live life as you see fit.”

Mikala Kreiser
CEO, Evia

DEVELOPMENT

The development side of Audley Group's business includes the following areas:

- Acquisition of land for new Audley and Mayfield sites
- Securing planning permission from local authorities
- Construction of the villages' properties and communal facilities
- Marketing of the retirement village concept and Audley Group's villages
- Sales of new and pre-owned properties

In 2020, Audley Group achieved planning permission for 506 new properties. The planning team take time to clearly consider the social and economic benefits of the Audley model whilst challenging the

preconceptions of the sector. Often our Audley sites have a listed building as a centrepiece. Our expertise is in reconfiguring such buildings to meet the needs of our owners, providing impressive central facilities including a restaurant, health club and swimming pool that form the Audley Club as well as desirable apartments for sale.

Over the past decades, we have honed the design and construction elements, learning from each project to ensure the next village build goes even more smoothly. We have also become bolder with the types of materials we use and construction methods we employ to ensure we can provide the very best product for our customers in the most cost-effective way. We opened our 13th village in 2020 – our first in London – Nightingale Place in Clapham.

Since introducing a new kind of retirement living to the UK – the luxury retirement village – we have had the privilege of being formally honoured with a number of awards. They are testimony to the outstanding hard work and unwavering dedication of each and every one of the Audley team and to the innovative thinking, outstanding retirement properties and luxury facilities that make Audley unique. Most recently, Audley Cooper's Hill won Gold for Best Retirement Development in the 2020 WhatHouse? Awards, and Audley Stanbridge Earls won both Silver for Best Retirement Development in the 2020 WhatHouse? Awards and a HAPPI award at the 2020 Housing Design Awards.



“It is impossible to ignore Audley. There is a frisson of excitement when it launches a new village. Every one of its retirement schemes to date has been packed with wow factor. Each one different from the last.”

**WhatHouse? Judge Awards
Commentary**

BUSINESS MODEL CONTINUED

OPERATIONS

The following business areas are covered by Operations:

- Ongoing management of the villages and welfare of owners
- Running of the Audley Club at each village; a dedicated health club offering personal training, fitness classes, gyms, treatment rooms and salons and other services such as physiotherapy
- High standard restaurants and bistros, which are also open to the public
- Audley Care; support services for owners and the local community in their own homes

All areas are vital to Audley Group's vision to be "life enhancing". We strive to provide services to our customers to allow them to maintain their independence in a safe and secure environment.

Every aspect of the exterior maintenance within the village is managed by Audley, including landscaping of the stunning gardens.

CARE AND SUPPORT SERVICES

Audley Care is Audley Group's Care Quality Commission (CQC) regulated domiciliary care function, providing care and support services to the property owners within the villages, as well as local people in their own homes within a 15-mile radius from each Audley Village.

Support services range from companionship and home-keeping to practical and specialist support, through to end-of-life care.

The business in 2020 achieved an across-the-board CQC rating of 'Good', based on care delivery during COVID-19.



Our investment in recruitment, training and development helps to maintain a high standard of carers who are the bedrock of the operation. We believe the best, risk-controlled way is to own and operate the care business ourselves. This way we can assure the quality of service from both Audley Care and Mayfield Care, due to start operating in 2021, when the first Mayfield Village nears completion.

In 2020, Homecare.co.uk named Audley Care a "Top 20 Home Care Group", an accolade which we are extremely proud of and which we have held now for two years running.



"We are extremely proud how all of our care teams have maintained the incredibly high standards of care delivery and compliance, coupled with compassion for all during the pandemic. It's a testament to their professionalism, that during these testing times they continue to deliver the highest standards of services safely to some of society's most vulnerable people."

Paul Morgan

Managing Director, Audley Group



CASE STUDY

STANBRIDGE EARLS WINS A HAPPI AWARD FOR BEST PROJECT SCHEME

Audley Stanbridge Earls was recognised at the industry leading Housing Design Awards which celebrate the very best new build designs in the UK.

The Romsey based luxury retirement village, which welcomed its first property owners late in 2019, collected a HAPPI award for the Best Project Scheme. The HAPPI (Housing our Ageing Population Panel for Innovation) award specifically recognises innovation in housing design for the ageing population.

Audley Stanbridge Earls is the very first retirement village with a restored period property to receive the accolade, with other schemes being shortlisted over the years, but none managing to take the title. This is testament to the sensitive design that successfully preserves and celebrates the heritage of the Grade II listed Manor House, dating back to the 14th century, which forms the heart of the village.

As well as retaining and restoring historic buildings, Audley has preserved and enhanced 32 acres of surrounding woodland

areas, open meadows and ornamental lakes. Onsite parkland is open to public use.

Quarterly newsletters, frequent emails and several meetings were held for neighbours and stakeholders within the community to give feedback on the development during the construction phase. Communication is still ongoing to maintain that relationship.

Other sustainability features include:

- Car charging points, within phases 2 & 3 of the development, to encourage the use of electric and hybrid cars.
- There are high levels of insulation and airtightness; a strategy of photovoltaic panels will be utilised on hidden roof slopes to generate electricity. Mechanical ventilation heat recovery will use vented air to preheat incoming air.
- An underground attenuation tank will store rainwater, then release it into the watercourse in a controlled fashion.

CASE STUDY CONTINUED

2020 ESG SCORECARD

Clear reporting helps us know where we are making progress and where we should focus our attention. It also increases transparency about what we do, which is crucial to building trust.

This scorecard provides a consolidated view

of our performance against the metrics that underpin our ESG framework. We prioritised these areas from our materiality matrix, which we developed based on inputs from our stakeholders. We hope you find our scorecard helpful in giving a clearer picture of our business and our impact.

FAIR AND TRUSTED BUSINESS

	INDICATOR	UNIT OF MEASURE	PERFORMANCE	
			2019	2020
OWNER SATISFACTION	Satisfaction survey	Overall satisfaction (out of 5)	4.1	4.1
		Percentage rating Audley as "Good" or "Excellent"	87%	81%
		Likelihood to recommend Audley to a friend ¹	4.0	4.0
OVERALL RATING	Homecare.co.uk reviews	Group review score (out of 10)	9.2	9.3

EMPOWERED PEOPLE AND COMMUNITIES

	INDICATOR	UNIT OF MEASURE	PERFORMANCE	
			2019	2020
EMPLOYEE WELLBEING	Absence through sickness	Percentage ²	4.2%	2.9%
	Medicash claims	Average per employee	1.75%	1.22%
EMPLOYEE ENGAGEMENT	Engagement survey	Response rate (%)	79%	85%
		Overall score (%) ³	75%	72%
	Employee training	No of hours training undertaken in total	23,337	15,095
		No of hours training undertaken - Average per employee	31	18
		Spending on learning and development (£)	£213,482	£170,238
		Spending on apprenticeships (£)	£51,432	£58,205

¹ Mean Score from question 'How likely would you be to recommend Audley to a friend?'

² Percentage of average monthly sick hours to average monthly headcount hours

³ Results are derived from the firmwide staff survey questions: "I am satisfied with Audley Group as a place to work", "I am proud to work at Audley Group", "I expect to be working at Audley Group 12 months from now" and "I would recommend Audley Group to friends and family as a great place to work". Percentage of Audley Group staff who 'agree' or 'strongly agree'.

CASE STUDY CONTINUED

DIVERSITY	Gender	Percentage of females at Board Level	14.3%	14.3%
		Percentage of females within Senior Management	34.5%	34.5%
		Percentage of females across all employees	70.1%	70.4%
		Gender Pay Ratio Percentage (median)	12.1%	6.6%
TALENT RETENTION	Employee turnover	Percentage	30.8%	27.35%
COMMUNITY CONTRIBUTION	Total community contribution	£	£30,000	£12,000

LOW CARBON AND CIRCULAR BUSINESS

	INDICATOR	UNIT OF MEASURE	PERFORMANCE	
			2019	2020
ENERGY	Energy consumption	kWh/m ² (like-for-like)	128	132
GREENHOUSE GAS EMISSIONS	Scope 1 & 2 emissions	kgCO ₂ e / m ² (like-for-like)	27	27
WATER	Water consumption	m ³ /m ² (like-for-like)	0.39	0.36
EXTERNAL REPORTING	Global Real Estate Sustainability Benchmark (GRESB)	Points	57	77
		Star Rating (out of 5)	1	4

REACTION TO THE PANDEMIC

SAFETY PRECAUTIONS

- Villages and facilities closed to the public ahead of the lockdown announcement in March 2020
- Sourced and managed own PPE supplies and distribution
- Crisis Management Team established
- Temperature testing across all villages
- COVID-19 track & trace monitoring across villages and central office
- One-way directional flow within villages with clear signage and sanitation stations
- Weekly COVID testing policy at villages
- Additional safety training for all staff

TEAM MEMBER WELLBEING

- Regular welfare calls to team members and property owners
- Additional support for staff through Medicash employee benefit scheme
- Frequent business updates from Senior Management Team
- New government guidelines and risk assessments issued to all staff members following government announcements
- Buddy system between team members for individuals that felt isolated
- Programme of virtual activities including mental and physical health sessions, quizzes and games

CUSTOMER COMMUNICATIONS

- Daily Delights – A weekly plan of activities for owners
- ‘Together at Home’ YouTube channel and blog section launched hosting activities and updates
- Regular email and newsletter communications to owners, prospects and community customers
- Weekly virtual coffee mornings for owners led by village General Manager
- New Audley Villages and Audley Club apps with online booking, classes, tips and advice
- Weekly communications to owners and care customers from Operations Director

NEW INITIATIVES

- Audley pantry – A shop concept where basic food and toiletries are sourced via our suppliers
- Audley Advocate Scheme – A platform for owners to share their experiences and life at Audley with prospective purchasers, journalists and politicians
- Takeaway food delivery service from the village restaurants to owners and community customers
- New shopping service and vital prescription delivery service to owners' property
- Tech support line to assist owners with technology during the pandemic
- Discounts with local and national partners e.g., florists, taxi firms, clothing, food and drink

OUTCOMES

- Minimal COVID-19 transmissions in the villages
- Zero deaths from virus transmitted in villages
- 244 new owners safely moved into their new Audley home in 2020
- Over 90% of owners and care customers reported they were happy with Audley's response to the pandemic
- 97% of care customers said they felt safe and protected in 2020
- Over 90% of owners felt Audley responded quickly to the situation
- 94% of care customers rate the service as excellent or good
- 25% more owners now feel comfortable with technology than 2019 (60% up from 48%)
- New property sales July-December 2020 were 32% higher than the same period in 2019
- Over £12k raised for local and national charities

“Audley have dealt with the pandemic competently and well and kept everyone safe. Thank you!”

“We feel we are very lucky to live here and being taken care of.”

“Thanks to the Care team for regularly checking that we are okay during this lockdown. It is comforting to know that they are there and willing to help if needed.”



The Audley Group is committed to responsibly managing the short-and long-term impacts of our operations, including the use of natural resources such as electricity and gas and the production of waste.

We are determined to integrate sustainability initiatives in our operations and corporate activities, as well as promoting greater environmental responsibility and stewardship and resource-efficient processes.

CLIMATE RISK MANAGEMENT

Audley continually increases efforts in sustainability and managing various environmental, social and governance risks. Risks from climate change have grown in importance to our business.

Audley can expect to operate in a climate that will progressively depart from the weather conditions and events historically experienced, to more acute challenges and risks arising from increasing climate variability.

We acknowledge that this is likely to have various impacts on the longer-term plans and operation of the Group – specifically in relation to the design, build and construction of villages; as well as in the provision of care services to owners and the overall lifestyle satisfaction enjoyed in Audley's villages.

Below, we set out our approach to consideration of resilience risk at different stages of the village life cycle.

Acquisition

We conduct due diligence during the acquisition phase which includes assessing risks posed by predicted future climate changes including flooding, building resiliency, energy and water consumption, social impacts on the local community, certifications and environmental regulations. This includes a due diligence assessment,

environmental report and dilapidation surveys.

Development & Planning

We ensure that climate change mitigation strategies are incorporated into development and refurbishment strategies. Approaches vary by village but can include, for example, the positioning of important equipment on risers or on upper floors in areas potentially prone to flooding in the future.

Operations

All of our villages have Emergency Response Plans that outline a building's response to particular emergency scenarios that incorporate extreme weather due to climate change. We aim to produce climate change adaptation and resilience plans for every village including physical climate change risk analysis and remediation strategy for all sites by 2025 and extended to cover broader resilience issues analysis for all sites by 2030.

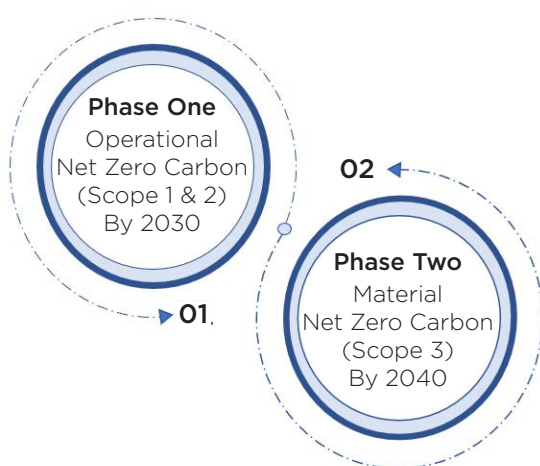
NET ZERO CARBON COMMITMENT

In the United Kingdom, our built environment is a major contributor to emissions, representing 40% of the total carbon footprint. As a significant investor in real estate, Audley has an important part to play in bringing about positive change.

We are adopting a net zero carbon approach by designing, creating and managing high-quality, energy-efficient villages operating on renewable energy.

The first phase on our journey to net zero carbon focuses on eliminating operational carbon, from our own purchased electricity and gas (Scopes 1 and 2) by 2030. The second phase will involve a plan to achieve Net Zero Carbon by 2040 for Scope 3 emissions including owner energy and embodied carbon from our developments.

ENVIRONMENT CONTINUED



By splitting our commitment into two phases, we will be able to focus on areas where we have direct control. Our experiences in Phase 1 will also inform progression in Phase 2. We will remain cognisant of our Phase 2 objectives throughout. Details of Phase 2 will be released in due course. It is important to us that we share our plans openly, giving our stakeholders the opportunity to be involved in the journey, track our progress and provide feedback.

Audley recognises the benefits of developing a net zero carbon strategy. By making an early transition to a lower carbon economy, we can combat rising energy costs, minimise future regulatory risk, create greater security for our stakeholders and benefit owners. With policy reforms on the horizon aligned to the UK Government's target of net zero emissions by 2050, we will also be ahead of the curve when it comes to compliance.

Through our net zero carbon initiative and wider programme addressing climate change and societal risks, we can protect the value of our villages while helping to safeguard the integrity of our natural environment, on which the future of our society depends.

NET ZERO CARBON COMMITMENT FAQs

Is Audley accounting for Scope 3 emissions?

Scope 3 emissions (such as those associated with things like owner emissions, business travel, employee commuting) are not initially part of this Phase 1 plan. However, we recognise the holistic importance of these, and will continue to collaborate with our supply and value chains to help reduce these emissions. Due to the lease structures we have in place at a number of our villages, we do not have complete operational control.

These emissions are considered Scope 3 and outside the boundaries of our 2030 target. We target net zero carbon in our material Scope 3 emissions by 2040 and will communicate a Phase 2 plan in due course.

What about newly developed villages?

Our net zero carbon target is an absolute target, as such we have no criteria excluding newly developed villages. We are responsible for emissions from these villages from the point of practical completion under Phase 1. As part of our strategy, we will develop minimum requirements for newly developed villages to ensure that operational emissions from these buildings will be minimised (for example through highly efficient building envelopes, low demand equipment and fully electrified building systems). Any remaining energy consumption and associated emissions will be managed through the purchase of off-site renewables or, lastly, offsets.

Does the target include emissions associated with the construction of new villages?

Embodied carbon emissions are the greenhouse gas emissions associated with the non-operational phase of a project, including supply chain emissions arising from extraction of resources, manufacture of products, transportation and assembly of a building. As our building operations become cleaner, the impact of our low carbon design and construction methods will become proportionally bigger.

Our 2030 Phase 1 target tackles operational energy only. However, emissions related to construction is part of our developing strategy, which will come under Phase 2, but will be explored over the upcoming decade.

At the beginning of the design stage, an embodied carbon assessment will be undertaken by a qualified carbon consultant. Each project will be set a specific embodied carbon target reflecting project-specific opportunities such as retention of existing structures. We expect each project to demonstrate embodied carbon reductions throughout the construction process and will produce an embodied carbon report at project completion.

We are already reducing our construction impacts by maximising re-use of any existing buildings at development sites to reduce the extent of construction or demolition required and using fewer materials to drive down both cost and carbon emissions. We are also avoiding use of materials with high carbon intensity, such as traditional steel and concrete, instead using locally sourced materials with high recycled content as far as possible.

ENVIRONMENT CONTINUED

How much carbon is required to be eliminated?

The exact quantities of emissions that we eliminate beyond what we emit, has been challenging to determine. We have created a model which has determined how much we need to reduce by under a 'business as usual' scenario. We will now proceed with developing net zero carbon pathway plans for all villages under our direct control to enable us to accurately define our starting point and the measures which can be put into place to reduce the total portfolio emissions towards our target. We will continually review and adjust as we learn from our net zero carbon initiatives as new innovations become available, and as broader circumstances such as regulations and societal expectations continue to change. Updates will be provided in the annual Sustainability Report.

What will power Audley's new developments?

For us to operate with 100% renewable energy, our newly developed villages will need to be 100% electric and thereby eliminate Scope 1 and 2 emissions.

Already, Audley Inglewood is one example of a new development using electricity alone for heating and hot water supplies.

What are the impacts to the business by moving to renewable PPAs?

By moving to renewable power purchase agreements (PPAs), from September 2021, Audley can procure the remainder of electricity requirements from renewable energy, effectively eliminating the Scope 2 emissions that comprise the vast majority of the emissions under operational control. This procured energy will be Renewable Energy Guarantees of Origin (REGO) backed. The REGO scheme provides transparency about the proportion of electricity that suppliers source from renewable generation.

What role does on-site renewable energy generation play?

Audley is targeting 100 per cent renewable energy to eliminate Scope 2 emissions associated with operations. On-site generation is the production of energy at the point of use – the site where it is to be consumed. It is a form of decentralised energy, enabling Audley to make and use its own energy at a particular location, rather than buying that energy through the grid. In some cases, we may be able to sell any surplus energy exported back to the grid and this will also factor into our overall emissions reductions. While on-site generation, such as photovoltaic electricity and heat pumps, alongside energy storage technologies, do require up-front financing, they will allow us to reduce reliance



on the National Grid and increases climate resilience in the event of power-cuts.

How will performance against targets be audited?

We utilise a third-party advisor for all our sustainability support requirements, to offer us advice, best practice guidance and a superior support structure to enable good quality, rigorous data collection processes and quantification. Further to this, we will seek third-party assurance to ensure the reliability and robustness of our data and our commitment to the principles of sustainability.

How will Audley assure any offsets purchased?

Once carbon emissions have been minimised as far as possible, we will direct funds to carbon offset projects which actively take carbon out of the atmosphere, such as carbon sequestration from tree planting. We will also consider the prevention of further emissions from being released

ENVIRONMENT CONTINUED

into the atmosphere, for example by launching a forest conservation project or subsidising a renewable energy project that allows a move away from fossil fuels.

We will engage an established carbon offset project developer to purchase such options and, importantly, to ensure that each credit is independently verified, transparent and traceable. Our development projects will be expected to make an allowance in their budgets for the cost of offsetting related to the project activities.

How will this commitment be governed?

Ultimate accountability for achieving our commitment will sit with the main Board. The commitment will be implemented, developed and tracked by the ESG Steering Committee who meet on a regular basis. At village level, progress against actions will be monitored through the Sustainability Village Management Plans.

Along with the formal governance structure, all of Audley's direct and indirect employees have a role to play in achieving net zero carbon. That is why we will provide full support and training to ensure they have the skills and knowledge required to deliver the pathway. Our commitment to net zero carbon will be incorporated in our existing sustainability framework, policies and procedures.

Is the commitment a Science Based Target?

Our target has been developed to respect the Science Based Target (SBT) initiative. The objective of the SBT initiative is to encourage businesses to 'do their share' of emission reduction to avoid more than 2°C of global warming.

We believe our target is even more ambitious than this, both in terms of the percentage reduction in Scope 1 and 2 emissions we're targeting, and the date by which we aim to achieve this (2030 as opposed to 2050).

Is Audley doing anything else to tackle climate change?

Yes, we are. We aim to produce climate change adaptation and resilience plans for every village including physical climate change risk analysis and remediation strategy for all sites by 2025 and extended to cover broader resilience issues analysis for all sites by 2030. Beyond these objectives, the upcoming years will involve the ESG Steering Group to review internal climate risk governance, integrate climate resilience into our in-house minimum design guidelines, maintain employee engagement in climate-related subjects and be advocates for industry ESG growth and understanding.



CASE STUDY

ALLOTMENTS AT AUDLEY

From landscape gardens and grounds to allotment plots and terraces, all the outdoor spaces at Audley Villages offer something unique. Whether the village is located in the rolling hills of the countryside or in the heart of a city, the outdoor spaces are lovingly maintained by the Audley team all year round and are frequently enjoyed by our owners.

The allotments at many of our villages have become particularly popular among owners, especially over the past year. As well as improving the natural environments and biodiversity within the village grounds, gardening in retirement can help to promote feelings of wellbeing as well as being an excellent way to pass the time, particularly in the summer months.

“When we looked at moving to Audley Redwood, we bought our property off-plan as I knew exactly what plot I wanted which was right next to the magnificent allotment. I enjoy the fresh air and find gardening hugely satisfying and beneficial; it promotes a feeling of wellbeing and is very sociable. Having the allotment has made an enormous difference in lockdown, I have certainly not been bored!”

Mrs Heaton

Audley Redwood

“Running my own company kept me very busy and it often meant I had little to no time to pursue my hobbies, with gardening being one of them. Having been restricted on our movements over these past few months due to the government guidelines, the allotment has been an absolute godsend and it has kept me suitably busy. The allotment is a fantastic communal space and it is lovely to see other people and swapping gardening tips and harvests. I have found having an allotment a real bonus and the way it has been set up at our village is first class.”

Mr Jacob

Audley St Elphin's Park





To help enable meaningful action, we define community as our immediate neighbours and those in the local catchment areas surrounding our villages. We support and empower our community partners by focusing on building positive and lasting relationships and maintaining a sustainable operation. We believe that having an open and transparent dialogue with our local communities enables us to create a harmonious environment for our neighbours, owners and staff alike.

During the development phase, our contractors are encouraged to subscribe to the Considerate Constructors Scheme, an organisation which aims to improve the image of the construction industry and its impact on the environment, the workforce and the general public. Our contractor partners take an active role in joint activities with neighbouring communities at our villages during the construction phase, including time capsule planting with local school children and tree planting schemes.

The effectiveness of our community engagement is continuously being reviewed and adjusted to ensure that we sufficiently address community interest and opportunities.

Audley gives back to the community through fundraising and volunteering for a wide range of charities and causes.

Over 2020, Audley supported a number of charities including:

- Care Workers Charity
- Dementia UK
- Macmillan Cancer Support
- RNLI

Over £12,000 was raised in 2020. This is a reduction from 2019, but we still believe this to be an excellent result, given the outstanding charity raising efforts in 2019 and the pandemic limiting our fundraising potential.

A THE AUDLEY FOUNDATION

In February 2020, the Audley Foundation was launched to provide grants to a range of charities that support older people across the UK.

To kick-start fundraising in early 2021, an 810-mile trek across the country from Audley Clevedon to Audley Stanbridge Earls, has been organised by Audley owners and team members, all from their own homes and villages, in stages, ending April 2021. Further initiatives planned include the launch of an employee payroll giving scheme.

COVID-19 & THE COMMUNITY

With the NHS stretched with the COVID-19 crisis, Audley's carers provided an essential service outside of the retirement villages, delivering almost 350,000 home visits. These services ranged from companionship, shopping, help getting dressed, washing and cleaning, and end-of-life care. All helping to reduce pressure on local NHS services.

Audley approached small businesses to offer their services to our owners. Florists, taxi firms, theatres, bike shops – among many others – partnered with our villages. We advertised their services to property owners, team members and prospective customers via email, postal newsletter and Audley Village apps.

Audley additionally supported other businesses with supplies of PPE. After receiving a call from a local care home in urgent need of PPE for their own workforce, we immediately shared our stock with them.



CASE STUDY

OUR FIRST VIRTUAL CHOIR

One of the positives to come from 2020 has been the power of music and the introduction of virtual choirs that have become a global phenomenon during the pandemic and national lockdowns.

Audley created a virtual choir that brings together property owners from villages across the country, singing together each week from the comfort and safety of their own homes. At Christmas, they released a Christmas classic 'O Come, All Ye Faithful'.

A SNAPSHOT OF 2020 ACROSS OUR VILLAGES

BINSWOOD



Celebrating Chinese New Year

"Quickly inspired confidence during difficult times felt similar to a war effort! Keep smiling."

"Thank you, Audley, for keeping us safe and well fed!"

"Audley Binswood staff have been excellent."



VE Day celebrations

MOTE HOUSE



Afternoon tea deliveries

"I moved in during December and remain extremely thankful that I was here before the lockdown began. I felt cared for and relaxed throughout. Having staff frequently calling at the door with gifts and enquiring if I was well, and happy friendly bistro staff delivering food and always kind and cheerful. The pantry was a great relief for basic requirements which saved me having to contact family members who were 15 and 20 miles away. The whole lockdown experience was enhanced by caring staff. VE Day was special. The staff cheerfully looked after us when they must have had their own lockdown and family difficulties to cope with. I have friends of more than 50 years at Redwood, we frequently shared our appreciation of Audley Villages. We are thankful and proud of staff throughout Audley for keeping our villages coronavirus free. Congratulations."

"I would just like to congratulate the staff on their dealing with the lockdown, and for making us feel so safe and secure in our homes. They give their services cheerfully and willingly whatever the situation. I feel so privileged to be able to live here."

"Wesley, Tracey and her team in the restaurant, plus Rashid and his team in the kitchen have been wonderful and have all gone the extra mile to make us feel safe and looked after during these difficult times."

ELLERSLIE



Takeaway cocktails

"Staff have been exemplary."

"We now have a new head gardener, Emma Strong, who is very good and is making a big difference to the gardens."



Christmas muffin delivery

REDWOOD



RNLI Fish Supper



Virtual Bingo with Head Chef Nigel



Christmas Eve

"Felt very safe indeed."

"Redwood has the advantage of its grounds and sports field to exercise."

"We are so pleased to be living here with all the Audley backup services as we would have struggled where we lived before."

CHALFONT DENE

"Brilliant service, very well built, perfect service."

"We are very happy here and the staff and communication has been very good. Very well informed."

"Everything is excellent, wouldn't want to be anywhere else."



VE Day celebrations

ST GEORGE'S PLACE

"I'm very happy to be here as I had a serious illness last year and the prompt action of the reception has kept me alive. So I can say that my life was saved & I'm living my 2nd life in Audley."

"I think it has been very well run and staff have worked incredibly hard to make residents feel secure and cared-for."



Afternoon tea deliveries

ST ELPHIN'S PARK



Valentine's Day

"Lovely neighbours and love living here."

"They have tried to help us enjoy ourselves & keep fit."

"The village staff have tried very hard to keep the residents happy and occupied."

EMPLOYEES



Our team members are our most important asset as a business, and we are dedicated to providing a working environment in which they can develop and thrive. We encourage open and honest communication and have robust policies covering everything from equality and diversity to health and safety to ensure that their wellbeing is at the core of what we do. In March 2020, Audley was awarded with British Standards Institution's (BSI) ISO 45001 Occupational Health & Safety Management Certificate.

In 2021, we hope to progress our Investors in People application. This will recognise our current efforts, but also help us identify areas for improvement and opportunity.

The annual Audley Spirits Awards ceremony was held in late 2020 – a values led recognition event celebrating high achievers and cultural fit showcase of team members.

Our corporate healthcare 'Medicash' received 1,003 claims in the year ending April 2021. This has been a slight decrease on the service demand last year. However, this reflects excellent levels of provision for our employees as many of the services available through our providers – e.g. dental, opticians, physiotherapists – have had service disrupted due to the pandemic.

TRAINING

Audley has an in-house learning and development team and over 2020 we had 11 employees complete an apprenticeship programme and another 17 employees in the process of undertaking an apprenticeship.

Training continued across the business at similar high levels as in previous years, despite the pandemic. Training was conducted across a range of different topics. Our top 10 e-learning topics included:

1. Safeguarding Adults
2. Food Safety 2
3. General Data Protection Regulations (GDPR)
4. Mental Health Awareness
5. Safeguarding Children
6. Fire Safety
7. Infection Prevention
8. Modern Slavery
9. Intro to Health & Safety
10. Hazards & Risks

At our newest village, Nightingale Place in Clapham, all new team members were inducted virtually including training and teambuilding workshops. None of them met face to face until the village opened in May!

"We will use your skills, passion and empathy to deliver the exceptional every day. Then we will grow and develop together."

The Audley Way employer promise

EMPLOYEES IN THE PANDEMIC

PPE was in short supply in the early stages of the first lockdown, but we sourced enough protective equipment to keep all our team members and owners stocked up for the duration. This was essential for first line workers to protect themselves and their customers. Without fail, all Audley Care branches have been given four-weekly, replenished PPE – exceeding minimum government guidance – including masks, aprons, gloves, face shields, hand gel and disposable bags.

Temperature checking for all team members, owner support bubble visitors, sales customers and other essential visitors was established immediately in all villages. Virtual sales tours were established as an alternative to face-to-face tours.

A robust health and safety system was put in place, with updates to policies and procedures communicated efficiently. All Audley Care employees have undergone refresher training for infection/prevention and control, and COVID-specific training modules have been added. We ensured daily welfare calls were made to team members and property owners. Our COVID testing system was implemented to quickly identify any potential outbreaks within the villages or the care customer community. The Care team's assistive technology tool alerts the team immediately should anyone (employee or customer) record COVID-like symptoms.

We also put in place new mental health support initiatives for all employees through an internal intranet and benefits portal. The care team now has daily, virtual manager meetings and catch-ups, enabling carers to raise concerns or just check in with others. Carers have been given access to meal deliveries or collections, and free time to shop for themselves/their families. They can also order shopping from Audley's village pantries, an initiative started in the early stages of lockdown. All carers received a pay rise in April-2020, in recognition of their exceptional work.

"Audley have made me feel very supported throughout the pandemic. The procedures they have put in place have made me feel very safe; they've provided us with generous supplies of PPE, hand gel and even our own thermometers. The COVID-19 screener we do before each shift also shows that Audley really care about us as colleagues. I also get regularly asked by the office staff if I'm okay and if there's anything more I need. I feel really comfortable that Audley are keeping us safe during these unknown times, and it makes me proud to be a key worker for Audley Care."

Tasha Griffiths

Audley Care Willicombe Park

DIVERSITY, EQUALITY & INCLUSION

We are committed to diversity, equality and inclusion in the workplace because it creates opportunities for all employees to use their knowledge, skills and abilities. Furthermore, it makes good business sense: a diverse and inclusive workforce represents the community in which we operate, the owners we support and helps us succeed as a business.

At Audley, diversity includes gender, age, family status, nationality, ethnicity, religion, sexuality, impairment or disability and all other unique differences.

Through our Equality and Diversity Policy, the Board and senior management undertake to encourage the recruitment, development and retention of a diverse workforce and to eliminate discrimination. Appointments are made on merit, skills and expertise, but with due regard to the benefits of diversity.

In November 2020, we held our first Diversity, Equality & Inclusion Steering Group, which established specific objectives:

- Benchmark against like-minded organisations in and outside the care sector
- Define and launch team member networks, e.g. BAME, Disability and Rainbow (LGBT)
- Champion and review the success of HR policies that support diversity and inclusion
- Create a diversity and inclusion communication strategy, including new website content
- Outline missing training requirements, like interviewing skills and unconscious bias
- Analyse the 'Men in Care' initiative and outline a 'Gender balance in care' attraction strategy

Progress against these objectives will be reported in next year's Sustainability Report.

Audley Group is proud to be an equal opportunities employer and gender has no impact on our recruitment process. Audley Group gender pay details reveal that women's mean hourly rate is 31.95% (2019 - 32.70%) lower than men's and women's median hourly rate is 6.63% (2019 - 12.11%) lower than men's.

This data primarily reflects the fact that Audley Group is a business which has three key functions: property, care and hospitality. Each function has different levels of pay. Care accounts for nearly half of the organisation's headcount, of which 97% of those staff are female, and generally fall into the lower quartiles for pay compared to other business units. The median gender pay gap across the entire business is 6.63%, which suggests that the main bulk of pay grades are relatively even, and we believe that this provides a more accurate view of the overall gender pay gap.

EMPLOYEES CONTINUED

EMPLOYEE ENGAGEMENT SURVEY

Each year, we conduct an employee engagement survey to understand how employees feel about their workplace and identify areas for improvement. Our response rate was a good 85%; the results highlighted that 95% of employees are proud to work for Audley.

We believe that listening and responding to employees' feedback is the best way to maximise improvement and serve our people better. We therefore run a workshop about the engagement survey results, to identify action plans and improve engagement, with all senior management to enable them to plan team management and discuss their team's results as appropriate.



INTERVIEW WITH ONE OF OUR APPRENTICES



“My apprenticeship has had a massive impact on my skills and career prospects. It has helped me to secure a place on the Operations Manager in Training as well as providing me with the experience to extend my knowledge and share this with the team.”

Teresa Canon, St Elphin's Park
Operations Manager in Training

Since joining Audley in 2018, Teresa has been keen to develop her skills and knowledge, firstly joining the Hospitality Academy in 2019, when she started her Level 4, and then graduating on to the Operations Manager in Training programme in September 2020. She doesn't let the grass grow under her feet; she's constantly looking for ways to challenge herself and is already thinking about her next qualification and career progression within Audley. We have no doubt her tenacity and commitment will get her where she wants to go in the future.

How did you come to the decision to take an apprenticeship?

Hospitality and Audley is a career and company I definitely want to stay within and I was given the perfect opportunity to go further and develop.

Tell us about the course and the training involved with your apprenticeship.

My course was very informative. I had virtual calls on a monthly basis with my coach to discuss certain areas I needed help with during my research and getting ready for end point assessment. It has broadened my career prospects within Audley and has led me to progress on to other courses.

Have your roles and responsibilities changed and/or developed since you started training? How?

Yes, they have changed. I have more responsibility regarding finance and teambuilding. I have progressed with my stock allocation and figure controls within daily reports and organising calendar of events whilst estimating what will be taken.

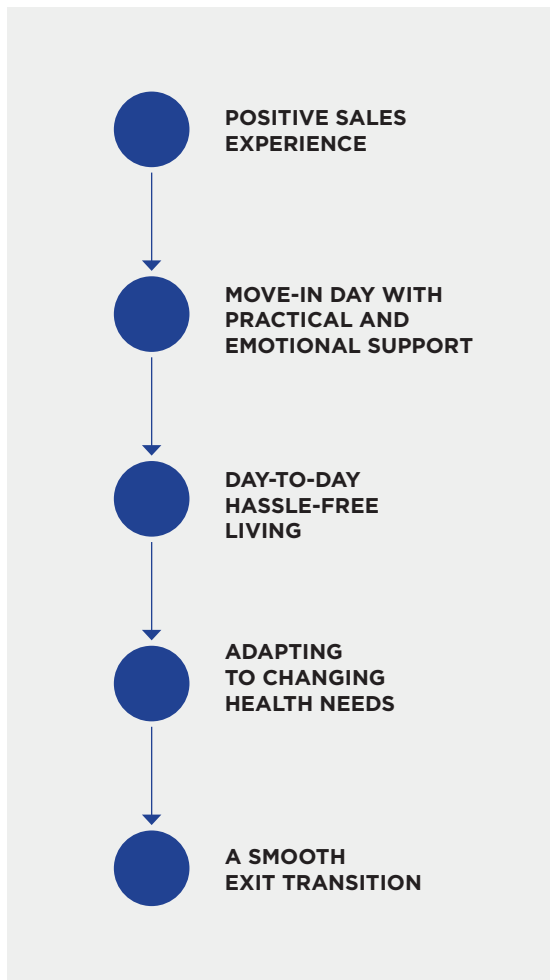
How do you see yourself progressing – where would you like to be in two years time?

In two years, I would like to see myself in an operations manager position, to which at the moment I am doing an internal Operations Manager in Training course.

PROPERTY OWNERS



The entire timeline of an Audley or Mayfield Villages property owner is thoroughly considered to ensure a positive experience right from the start of their journey with us.



POSITIVE SALES EXPERIENCE

Recognising that people's needs and budgets are different, Audley has a range of properties and fee options within our villages. We also offer contracts that provide clarity, certainty and choice. Initiatives to help with the physical, financial and emotional aspects of moving home include:

- Downsizing and decluttering service providing practical and emotional advice
- Best-in-class removals service
- Part exchange scheme
- Assisted move service
- Short-term loan and mortgage options
- Rent to Buy scheme

"As soon as I entered, I knew this property was perfect for me. I placed an offer there and then, I didn't need to return for a second visit. The next time I came back was with the keys in my hand."

Mrs. Brown, St Elphin's Park

MOVE-IN DAY

Moving into a new home can be a stressful experience for anyone. We want to make the process as hassle-free as possible so that our owners can enjoy their new property as quickly as possible.

PROPERTY OWNERS CONTINUED

Each owner is greeted on arrival at the village on move-in day by a dedicated member of the village team to get them settled and to talk them through all appliances in their property. A hamper of welcome gifts and a raft of user-friendly information is provided.

“We were so organised that we were finally able to spend our first night in our new home. Having a cooked meal brought across was another bonus.”

Mr and Mrs Johnson, Audley Binswood

DAY-TO-DAY HASSLE-FREE LIVING

Our retirement villages offer a variety of features and services to owners, and our teams live the Audley values of Proud, Caring, Enriching and Exceptional, by checking in with owners about their experience and wellbeing. We run topical meetings and work closely with the owners' forums to gain feedback on owners' day-to-day experience.

“I really feel for people that have been affected by coronavirus. Loneliness can affect your mental health, happiness and life expectancy. I feel that retirement should be enjoyed, and not a lonely existence. Moving to Audley was a good move, and my only regret is that I did not do it earlier.”

Mr. Kelly, Audley Ellerslie

LIVE WELL, STAY WELL

At Audley, our aim is to ensure owners 'live well and stay well'. While directly applicable to Audley Care, the new approach is also relevant to every part of Audley's villages (nutrition, fitness, leisure, etc.), and interlinks with the business' eight key pillars of wellness.

In 2020, Audley engaged a third-party specialist, Oomph! Wellness, who have conducted qualitative and quantitative research amongst owners and team members to understand what they need and want to help best support them across

the 8 pillars of wellbeing. Following this research, the original 8 pillars have now been structured within the three categories below. We are now in the process of scoping out the details of new initiatives and processes within a detailed roadmap.

LIVE WELL EVENTS

A holistic, inspiring and inclusive programme of events that ensures all owners have opportunities to get involved in things they are interested in and live a full life.

LIVE WELL FACILITIES

Restaurant, lounges, club, transport and grounds, which are attractive, engaging, inclusive and promote independent living and casual connections.

LIVE WELL SERVICES

Health & wellness services available virtually and on-site, such as health consultations, flu vaccine, physio, massage, care and more to make life more comfortable for owners.

“There is a strong business case for wellness, and it allows Audley to remain a market leader.”

Oomph! Wellness

KEEPING OWNERS SUPPORTED AND CONNECTED

In line with government advice, restrictions/closures have had to be applied in the communal facilities at each Audley village – including restaurants and Audley Club fitness areas – to keep owners and staff as safe and well as possible. Despite this, Audley has reinforced the same sense of community spirit via:

- Meal deliveries
- Twice-weekly food shops
- On-site pantries and bakeries
- Virtual exercise classes, to keep owners active
- Social activities, including virtual cookalongs and Zoom quizzes, which remain bookable online or via the newly released Audley App.

PROPERTY OWNERS CONTINUED



“The exercise classes during lockdown have been really good for everyone – I’ve definitely got fitter from them.”

Mr & Mrs Finney

Owners, Audley Stanbridge Earls



CHANGING HEALTH NEEDS

Recognising that people’s needs change as they age, Audley is evolving our business to a ‘continuum of care’ model. It means owners can age within their established community and experience an all-in-one solution to their changing needs, whether they be changes in health, cognitive ability or mobility.

Our care assistants undertake an industry-leading 12-week training programme, as well as additional specialist courses, to equip them with the skills necessary to provide high-quality, around-the-clock care. We promise to put our customers’ wellbeing, dignity and wishes first, and help owners live an independent life from the comfort of their own home – no matter what level of care required.

All of our carers are trained in conditions such as dementia, Parkinson’s and multiple sclerosis, as well as assisting with rehabilitation. Our carers have extensive knowledge surrounding the specific needs of those living in these circumstances and are experts in providing support with mobility, hearing and speech problems, dizziness, tremors, pain or fatigue.

MOVING ON

We are committed to smoothing and simplifying the transition when an owner leaves one of our villages, whether that be because they have decided to move somewhere else, or because they pass away. Audley carers are also able to provide palliative care to allow end-of-life owners to stay at home in familiar surroundings. The sales team work closely with the owner or their family to ensure that the property is sold quickly and for the best possible price.

OWNERS’ SATISFACTION

In 2020, we completed the annual owners’ satisfaction survey for all Audley communities. Owners were asked to rate Audley, and the village they live at, on a variety of topics. The survey aims to monitor both high-level satisfaction and more detailed community by community issues. The most significant findings were:

- The percentage of owners rating Audley as ‘Good’ or ‘Excellent’ was 81%. Whilst this has been a drop from 87% in 2019, the actual owners rating Audley as ‘Excellent’ has increased from 29% to 30%. This is the highest excellent rating we have ever received.
- 70% of owners were likely to recommend Audley to a friend, which is a slight fall from 78% in 2019. However, the figure for those ‘very likely’ to recommend Audley to a friend has risen to 41% from 39% – the mean has remained static year-on-year at 4.0.
- 4 in 5 owners continue to say their Audley village has a good sense of community.
- 90% of owners are happy with Audley’s response to the pandemic, 92% of our owners have felt safe and protected.

“The support you have given us all in the difficult times we are all now experiencing is a further example of the best of Audley.”

Mr and Mrs Pollock

Owners, Audley Cooper’s Hill

PROPERTY OWNERS CONTINUED



AUDLEY OWNERS 2020 SATISFACTION SURVEY

OPINIONS



TOP 3 WAYS OWNERS DESCRIBE AUDLEY



OUR TOP RATED VILLAGES



RESPONSE TO THE PANDEMIC



WHAT OUR OWNERS SAY

Audley have dealt with the pandemic competently and well and kept everyone safe. Thank you!

We feel we are very lucky to live here and being taken care of.

Keep up the good work, ideal place to be living.

PROPERTY OWNERS CONTINUED



2020 AUDLEY CARE SURVEY RESULTS

At Audley Care everything we provide is designed to enrich our customers' lives in their own home.

To ensure that we are continuously assessing and improving the service and care we deliver, we undertake an annual anonymous satisfaction survey.



315

Completed surveys, 68% of clients responded

RATINGS & RECOMMENDATIONS



94%

Rate the service they receive as 'excellent' or 'good'



93%

Are likely to recommend Audley Care

THE CARE EXPERIENCE



90%

Of clients feel Audley Care improves their lives 'Quite a lot' or 'Very much'



99%

Said their carers are trustworthy



99%

Said they are treated with dignity and respect



98%

Said their carers make them feel safe



96%

Said their carers are professional



99%

Said their carers are kind and friendly

WHAT OUR CLIENTS SAY

My carers are absolutely wonderful! I couldn't fault the ones I have. They go above and beyond for me and are an absolute credit to Audley Care.

Thanks to the Care team for regularly checking that we are okay during this lockdown. It is comforting to know that they are there and willing to help if needed.

The carers that have helped to support me are always kind and helpful. I can't do without them.

CORONAVIRUS RESPONSE



93%

Are happy with how Audley Care responded to the pandemic

94%

Thought Audley Care responded quickly

97%

Felt safe & protected

90%

Thought Audley Care exceeded expectations

TOGETHER AT HOME

CASE STUDY

In response to the COVID-19 pandemic lockdown, Audley quickly adapted communications to support property owners with the creation of a digital-first, COVID-safe engagement campaign: 'Together at Home'.

The aim was to reinforce the feeling of the Audley community.

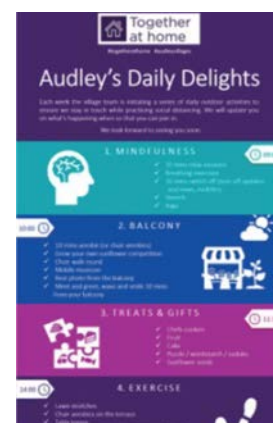
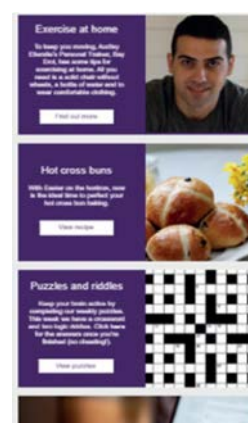
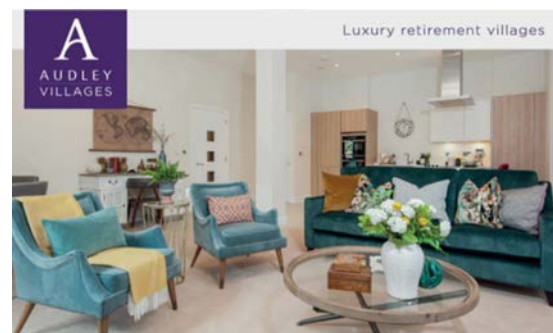
Audley Stories (the blog on the website) has developed as a digital hub of inspiration: full of recipes, activities and helpful guides for owners and the public to enjoy at home.

We launched a Together at Home YouTube channel: hosting digital adaptations of what our owners had come to expect with Audley. Chef demonstrations, exercise tutorials, updates from the Audley Management Team and more.

We revitalised email programmes: and the frequency of postal mailers was increased to keep owners informed and connected.

Virtual events were live-streamed: including live exercise classes, coffee mornings, quizzes and even Christmas wreath making classes.

Our tech support line went live: assisting owners with technology issues during the pandemic, as well as tech-themed blog stories and 'how-to' guides. Providing the vital support our owners needed to help them keep in touch with us, loved ones and each other.



The Board of Directors is responsible for the corporate governance of Audley Group and leads an example in setting high standards of ethical behaviours and overseeing Audley's cultures and values.

The Board of Directors continually reviews Audley's governance framework and practices to ensure that they meet the varying needs and interests of stakeholders. In 2020, our governance policies, risk assessments and training documents were all scrutinised to ensure they were suitable and robust to face the challenges that the COVID-19 pandemic has brought.

ESG STEERING COMMITTEE

An ESG Steering Committee has been established to assist in the development and implementation of Audley's ESG Strategy. The Committee includes representation from all business functions, with oversight from the Board.

Reporting to the ESG Steering Committee are seven workstreams which each contribute and report progress towards the overall ESG strategy.

The ESG Steering Committee meet bi-annually, as a minimum, to discuss areas for improvement and success. The Committee have developed an ESG Policy to define our commitments and provide focus to shape the outcomes of our ESG strategy. This will be available on our

website in the near future. In addition, we have been developing an environmental management system, aligned to ISO 14001. Governed by the Committee, this will provide the procedures and processes required to minimise the environmental impact of Audley, ensure ongoing legal compliance and improve environmental efficiencies.

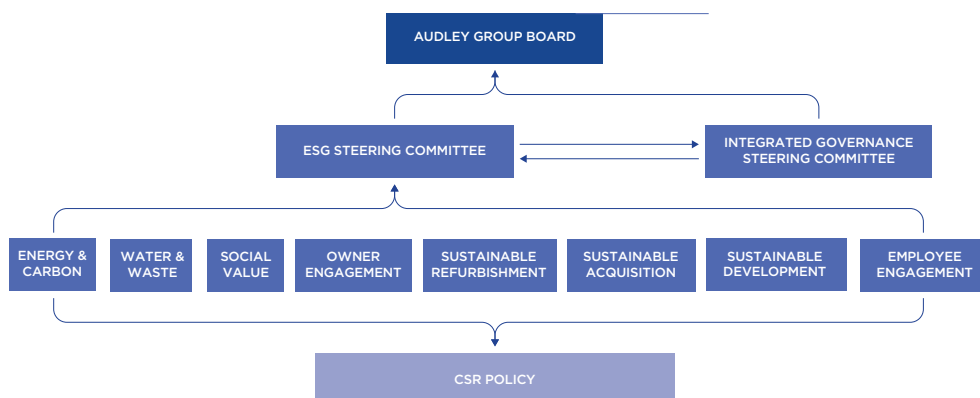
In addition, and to enhance innovation and improvement, working groups are being conducted with owners within the villages. Aided by the villages' owners' forums to collate wider feedback, these owner working groups help us to gather valuable insight from those living in our villages as well as leveraging expertise from our owners who have experience working in areas such as sustainable power sources and water management.

INTEGRATED GOVERNANCE STEERING COMMITTEE

The Integrated Governance Steering Committee (IGSC) reports to the Board and oversees the regular review of the following governance areas:

- Risk Management
- Business Continuity
- Policies

Each area is discussed by a dedicated working group who meet quarterly, reporting the key points to the IGSC.



GOVERNANCE CONTINUED

THE RISK MANAGEMENT PROCESS

Risk is integral to Audley Group's business activities and, through a continual process to identify, assess, monitor and manage each risk, we can continue to implement our corporate strategy successfully.

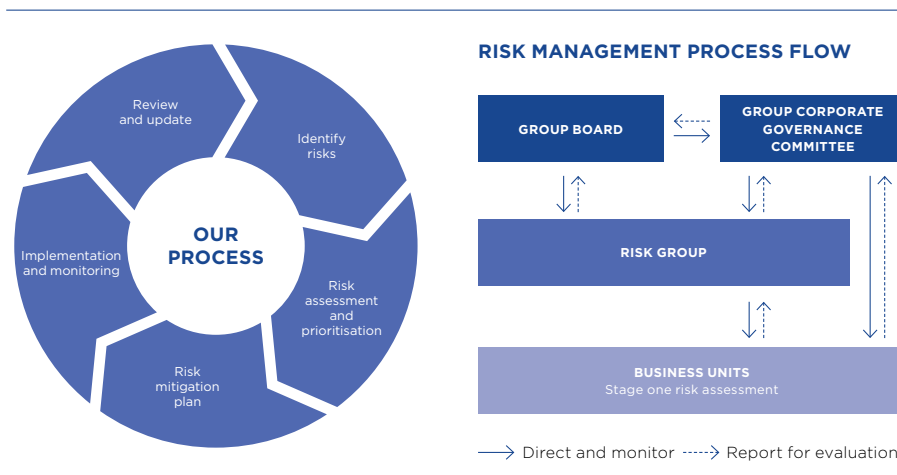
Risk management starts at Board level which sets risk appetite, provides policy, maintains risk oversight and enforces risk management reporting. Facilitated by the Group Health and Safety Manager, the Risk Management Group regularly reviews the risk register and is informed of all risk management activity and emerging risks. The Risk Management Group meets quarterly, with a risk report being submitted to the IGSC. All identified risks on the risk register are scored on a

traffic light system on the consequence and likelihood of their occurrence, with 'red' rated risks reviewed by the Board.

RISK APPETITE

Audley Group's approach is to minimise its exposure to reputational, compliance and excessive financial risk, whilst accepting and encouraging risk in a managed environment in pursuit of its missions and objectives.

Audley Group recognises that its appetite for risk varies according to activity undertaken, and acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised by the IGSC, and that sensible measures to mitigate the risk are established.



MODERN SLAVERY

As part of the property, hospitality and care sectors, we recognise that we have a responsibility to take a robust approach to slavery and human trafficking throughout our entire business. We are absolutely committed to preventing slavery and human trafficking in our business activities, and ensuring that our supply chains are free from slavery and human trafficking. Our full statement can be read at www.audleygroup.com/modern-slavery-statement.

WHISTLE BLOWING

Audley Group has a clear whistle blowing policy to encourage our team members to raise any concerns.

REGULATORY AND INDUSTRY RESPONSIBILITY

Audley Group has a responsibility for the quality of individual lives and for people's basic rights as human beings.

It's a responsibility we bear with great pride, and it's a privilege to do so. This is a philosophy held throughout the whole Group, but particularly in the delivery of high-quality care services. To ensure that this quality is maintained by every carer, Audley Care follows strict guidelines:

- All branches are regulated and inspected by the Care Quality Commission (CQC).
- The most up-to-date regulations are complied with. These describe the essential quality and safety that people who use our services have the right to expect.
- Service is also monitored through formal review meetings, the distribution of satisfaction surveys and a close review of the results.
- Spot checks observe carers at work and regular contact with owners and their families ensure customers are happy with the service they receive.
- All homecare staff undergo a thorough

GOVERNANCE CONTINUED

DBS (Disclosure and Barring Service) check and receive regular training. Carers are people our owners will get to know and trust as a friend.

- Where possible, carers are recruited from within the local community. These workers spend less time travelling so owners receive the maximum time from them, at the time they promise.

We champion the retirement sector as a whole, and as such are a founding member of the Associated Retirement Community Operators (ARCO) trade body and our CEO, Nick Sanderson, is Chair. Membership of this

organisation means we are at the forefront of setting best practice in the retirement village sector and enables us to act as a united voice representing the interests of older people in engagement with both the private and public sectors, including government.



APPROVED
OPERATOR



USING GRESB TO MARK OUR ESG PROGRESS

CASE STUDY

GRESB (Global Real Estate Sustainability Benchmark) is an industry-driven organisation committed to assessing the environmental, social and governance (sustainability) performance of real estate portfolios globally.

HOW GRESB WORKS



We have participated in GRESB since 2018, and in 2020 achieved a score of 77, which is an incredible year-on-year improvement of 35%. This we perceive reflected the increased attention and focus

given to developing ESG throughout the business. Given our ongoing efforts for continual improvement, we anticipate we will maintain or marginally improve our scores in the 2021 GRESB assessment.



PERFORMANCE REPORT

The tables below show our environmental sustainability performance for operational villages under management.

Sustainability performance for the 2020 calendar year (1 January 2020 to 31 December 2020) is presented against 2019.

- Table 1: Energy – Absolute, Like-for-Like and Intensity - 2020 versus 2019 (Not applicable: Electricity self-generated from renewable sources)
- Table 2: GHG emissions – Absolute, Like-for-Like and Intensity - 2020 versus 2019 (Scope 1 – gas; Scope 2 – electricity)
- Table 3: Water – Absolute, Like-for-Like and Intensity - 2020 versus 2019

The reporting boundary has been defined according to where Audley Group has Operational Control, i.e. where it has the full authority to introduce and implement operating policies. As such, it does not cover owner-owned properties or development sites under contractors.

Future reports will endeavour to include the following information: waste data, self-generated energy e.g. solar, energy utilised at Head Office, Scope 3 emissions. Normalisation techniques against occupancy levels and weather may also be considered to allow greater analysis, but has not been done in this report.

ABSOLUTE DATA

Includes consumption for villages that were sold during the reporting period and where Audley Group held operational control.⁴

LIKE-FOR-LIKE DATA

Performance data excludes villages where they were not in ownership for 24 months covering the reporting periods (2020 and 2019 as applicable).⁵

INTENSITY DATA

Performance data excludes villages where they were not in ownership for 24 months covering the reporting periods. Common parts area has been used as the denominator for intensity for all sector types.

TABLE 1: ENERGY – ABSOLUTE, LIKE-FOR-LIKE AND INTENSITY - 2020 VERSUS 2019

Energy Source	Absolute Consumption (kWh)		Like-for-Like Consumption (kWh)			Like-for-Like Intensity (kWh/m ²)		
	2019	2020	2019	2020	% Change	2019	2020	% Change
Electricity	5,906,594	6,379,421	5,897,790	6,009,922	2%			
Fuels	10,756,415	11,334,566	10,756,415	11,084,097	3%			
Total Energy	16,663,010	17,713,986	16,654,206	17,094,019	3%	128	132	3%
Coverage (number of villages)	12	13	12					

COMMENTARY ON PERFORMANCE TRENDS

- Average like-for-like electricity consumption rose by 2%. Out of the 12 like-for-like villages, 3 experienced rises in electricity consumption over the year⁶, whilst 9 had drops⁷. The rational between variances is mostly attributable to changing levels of owners within the village.
- Like-for-like fuel use (gas) experienced an increase of 3%.

⁴ Absolute data recorded for villages: St Elphin's Park, Binswood, Ellerslie 1, Ellerslie 2, St George's Place, Flete House, Clevedon, Mote House, Inglewood, Inglewood 1, Chalfont Dene, Stanbridge Earls, Redwood, Willicombe Park, Cooper's Hill, Binswood - Kenilworth Cottage & Homewood Cottage, Nightingale Place, Mayfield Watford.

⁵ Like-for-like villages: Mote House, Clevedon, St Elphin's Park, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Inglewood, Binswood and Chalfont Dene.

⁶ Electricity Consumption increases over reporting period at: Redwood (35%), Stanbridge Earls (34%), Chalfont Dene (60%). Note Chalfont Dene Phase 3 development became operational in 2020.

⁷ Electricity Consumption falls over reporting period at: Mote House (-6%), Clevedon (-6%), St Elphin's Park (-9%), Willicombe Park (-17%), Ellerslie (-3%), St George's Place (-1%), Flete House (-1%), Inglewood (-3%), Binswood (-6%).

PERFORMANCE REPORT CONTINUED

TABLE 2: GHG EMISSIONS – ABSOLUTE, LIKE-FOR-LIKE AND INTENSITY - 2020 VERSUS 2019
(SCOPE 1 – GAS; SCOPE 2 – ELECTRICITY)

GHG Source	Absolute Emissions (tonnes CO ₂ e)		Like-for-Like Emissions (tonnes CO ₂ e)			Like-for-Like Intensity kgCO ₂ /m ²		
	2019	2020	2019	2020	% Change	2019	2020	% Change
Scope 1	1,979	2,341	1,979	2,039	3%			
Scope 2	1,512	1,614	1,510	1,412	-6%			
Total	3,491	3,955	3,489	3,451	-1%	27	27	-1%
Coverage (number of villages)	12	13	12					

COMMENTARY ON PERFORMANCE TRENDS

- Average like-for-like carbon emissions fell by 1%. The change for Scope 1 emissions was 3%, and Scope 2 emissions -6%. This is attributable to general grid decarbonisation.

TABLE 3: WATER – ABSOLUTE, LIKE-FOR-LIKE AND INTENSITY - 2020 VERSUS 2019

	Absolute m ³ Usage		Like-for-Like m ³ Usage			Like-for-Like Intensity m ³ /m ²		
	2019	2020	2019	2020	% Change	2019	2020	% Change
Water	60,736	55,554	53,866	50,125	-7%	0.39	0.36	-7%
Coverage (number of villages)	10	8	7					

COMMENTARY ON PERFORMANCE TRENDS

- Average like-for-like water usage fell by 7% at the 7 villages where water usage is monitored and measured. All water data provided is sourced from invoices.

PERFORMANCE REPORT CONTINUED

Third-Party Validation

EVORA Global Limited has been appointed by the Audley Group to complete a review of reported sustainability data presented within this report.

Methodology

Audley utilises SIERA as its Data Management System platform. SIERA enables efficient data capture and analysis.

Furthermore, I can confirm that EVORA has used the principles set out in ISO 14064 as the methodology for data collection, verification and calculation for energy and greenhouse gas emissions.

In summary, the applied process for data verification includes:

1. Confirmation of asset data
2. Receipt of reported energy consumption
3. Initial data accuracy checks (completed by SIERA software platform)
4. Submission of queries and clarification to Audley and Property Management teams
5. Verification of data and results (completed by Software with specialist consultant review)

Notes:

- Environmental performance data (electricity and gas) is based on invoiced data. However, in some cases – to address data gaps – estimates have been used. Records of estimated consumption data and methodologies used have been reviewed and are held on file.


Opinion

Invoiced data has been used as the basis for this report. Where necessary, estimations are clearly identified (using previous year data and pro rata techniques), where information is found to be missing. A full record of estimations is available from EVORA.

Audley continues to work towards improving accuracy of data. This will support improvement programmes going forwards.

About EVORA

EVORA is an independent, pan-European sustainability consultancy and software provider, specialising in the commercial real estate sector.



Paul Sutcliffe

Executive Director

May 2021



