



ESG REPORT 2024



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INTRODUCTION



ABOUT THIS REPORT

This is our fifth annual Environmental, Social and Governance (ESG) report, covering the ESG activities of Audley Group (“Audley”), for the calendar year ending 31 December 2023. This report is intended to help investors and customers form a view about our ESG credentials.

Unless otherwise stated, environmental data in this report pertains exclusively to the villages and activities within Audley’s operational control and does not include data for owner-occupied properties where we do not have operational control.

No significant changes occurred in Audley’s organisation or chain of suppliers during 2022 or 2023. In addition, to our best knowledge, no serious ESG incidents occurred in 2023.

We welcome feedback, which can be directed to: Philip Rolfe (philip.rolfe@audleygroup.com).

ABOUT AUDLEY

At the end of 2023, Audley had:

- 766 directly contracted team members, and 136 workers on bank contracts
- 19 villages
- 2,057 owners
- 1,782 built properties
- 289 community Care customers
- 1,744 Audley Club members

We lead the way in independent retirement living and endeavour to make sure that every one of our customers is able to **live better, for longer**. Living at one of our villages ensures a truly independent lifestyle in an attractive and secure environment.

Audley’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.

MESSAGE FROM OUR CHIEF EXECUTIVE



At Audley we believe that our business performance and ESG performance go hand in hand. One cannot thrive without the other. We must build resilient homes for our owners and retrofit our existing assets to ensure these are also sustainable, both financially and environmentally.

We continued to engage with and report to the wider industry in 2023, and again increased our GRESB (the Global Real Estate Sustainability Benchmark) score for our operational villages, maintaining our 4* status. We also received several awards during 2023, and remained in the top 20 home care groups according to homecare.co.uk. Our Spirit Awards gave us the opportunity to recognise team members and village teams from across the business for demonstrating the core Audley values and high performance.

2023 saw us continue to roll out the use of electric vehicles across our corporate vehicle fleet, and we also began to replace our village minibuses with electric vehicles. We recognise the importance of electrification of transport in meeting decarbonisation targets, so are happy to be able to positively contribute to the decarbonisation of transportation.

I believe we have developed an ambitious, robust ESG strategy that will enable Audley to continue to deliver high-quality properties and facilities and standards of living to our owners, members and customers, whilst also contributing to wider ESG improvement efforts.

A handwritten signature in blue ink, which appears to read 'Nick Sanderson'. The signature is fluid and cursive, written in a professional style.

Nick Sanderson
Chief Executive, Audley Group

MESSAGE FROM OUR BOARD



Audley's Board of Directors is proud to endorse this 2023 ESG Report, which demonstrates Audley's commitment to strive for sustainable buildings and communities, and highlights significant accomplishments during 2023.

Our long-term focus on sustainability comes from our recognition of the role we must play in reducing the negative impacts of climate change and contributing to the collective goal of a more sustainable future. Audley's approach creates value by reducing carbon emissions, improving the environmental and social benefits of our villages for not only our owners and employees, but also for our local communities.

As the Chair of the ESG Committee, I am committed to increasing the value the Board provides on ESG performance and bringing sharper insight to management. We are continually improving our governance strategy, taking an active approach in assessing and overseeing the sustainability impacts of Audley operations while encouraging a greater focus on environmental and social performance.

A highlight of 2023 for me was the beginning of the design process of our Brent Cross Town Mayfield village development. This village will form part of a much wider re-development of Brent Cross Town, which will consist of cafés, shops, restaurants, parks and housing. The site is located right next to a new train station with great links to London and the wider area. It will also boast cycling and walking routes to help promote an active community, and the village will be a host to low carbon features including one of Europe's largest collections of air source heat pumps which will provide space and water heating across our village.

The ESG Committee works closely with our Corporate Governance Committee, which oversees our broader governance at the Board level, ensuring accountability, transparency and the highest ethical standards in our operations.

We are very proud of Audley's ESG leadership and support the company's efforts to do business in a way that is both profitable and sustainable. I, and the Board, will continue to support Audley's leadership in this space.





Philip Rolfe
Chair, ESG Committee,
Audley Group

ESG SCORECARD 2023



Our mission to be a market leader and the most trusted choice for retirement living in the UK has never felt more relevant. 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(S)	UNIT OF MEASURE	PERFORMANCE		
			2021	2022	2023
 OWNER SATISFACTION	Satisfaction survey	Overall satisfaction (out of 5)	4.0	3.9	4.0
		Percentage rating Audley as "Good" or "Excellent"	75%	75%	78%
		Likelihood to recommend Audley to a friend ¹	71%	72%	72%
 OVERALL RATING	Homecare.co.uk reviews	Group review score (out of 10)	9.3	9.2	9.1

EMPOWERED PEOPLE AND COMMUNITIES

	INDICATOR(S)	UNIT OF MEASURE	PERFORMANCE		
			2021	2022	2023
 TEAM MEMBER WELLBEING	Absence through sickness	Percentage ²	2.4%	1.6%	2.8%
		Medicash claims	Average per team member	3.9	2.5
 TEAM MEMBER ENGAGEMENT	Engagement survey	Response rate (%)	81%	76%	80%
		Overall score (%) ³	72%	71%	72%
	Team member training ⁴	Number of hours training undertaken in total	16,303	8,144	11,749
		Number of hours training undertaken - Average per team member	20	9.5	13
		Spending on learning and development (£)	£90,635	£145,128	£134,229
Spending on apprenticeships (£)	£110,950	£99,125	£82,750		

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 annual engagement survey questions which is open to all team members on an employed contract: "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'.





⁴ Sales training is no longer tracked, so these figures exclude sales training.

ESG SCORECARD 2023 CONTINUED

EMPOWERED PEOPLE AND COMMUNITIES

INDICATOR(S)	UNIT OF MEASURE	PERFORMANCE			
		2021	2022	2023	
 DIVERSITY, EQUITY AND INCLUSION (DEI)	Gender	Percentage of females at Board level	17%	17%	20%
		Percentage of females within Senior Management	29%	37%	28%
		Percentage of females across all team members	70%	67%	64%
		Gender pay ratio percentage (median)	23.8%	-1.74%	8.69%
 TALENT RETENTION	Team member turnover	Percentage	42%	35%	34%
 COMMUNITY CONTRIBUTION	Total community contribution	£	£20,471	£28,000	£48,798

LOW CARBON AND CIRCULAR BUSINESS

INDICATOR(S)	UNIT OF MEASURE	PERFORMANCE			
		2021	2022	2023	
 ENERGY	Energy intensity	kWh/m ² (like-for-like)	132.53	93.9	85.4
 GREENHOUSE GAS EMISSIONS	Scope 1 & 2 emissions ⁵ intensity	kgCO ₂ e/m ² (like-for-like)	15.8	13.2	11.9
 WATER	Water intensity	m ³ /m ² (like-for-like)	0.86	0.60	0.59
 EXTERNAL REPORTING	Global Real Estate Sustainability Benchmark (GRESB)	Points	75	83	84
		Star rating (out of 5)	3	4	4

⁵ Market-based emissions.

SOME OF OUR
OTHER 2023

KPIs...



193

NEW
Property
Owners



18

Property Owner Stories
FEATURED IN THE NEWS

93,156
HOT DRINKS
poured



292,704

WELLBEING
Appointments
CONDUCTED



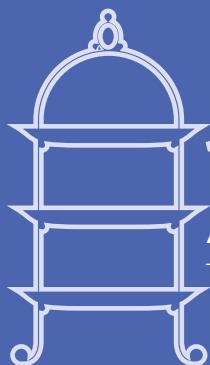
7,101
ARCHERY
ARROWS
fired



340 tennis
MATCHES
PLAYED



914
croquet
games
PLAYED



17,412
AFTERNOON
TEAS SERVED



4,145
Personal Training Sessions
DELIVERED

SOME OF OUR OTHER 2023 KPIs CONTINUED

OUR SUSTAINABILITY STRATEGY

Our 2030 ambition is to be one of Europe's most trusted senior living providers. We will get there by **building the strongest foundations, creating standout owner experiences and contributing to a sustainable future**. That's how we will grow and deliver value for all our stakeholders.

1. Build the strongest foundations

Our ambition is only as strong as the foundations we are built on. That is why we will continue to strengthen them by developing high-quality, efficient villages. We will simplify our processes, utilising technology to continually improve efficiency – a culture where people can be their best. We will give team members the opportunity to learn and grow, offer clear career paths to attract and retain the best, diverse talent, keep people safe and well, and make Audley a brilliant place to work.

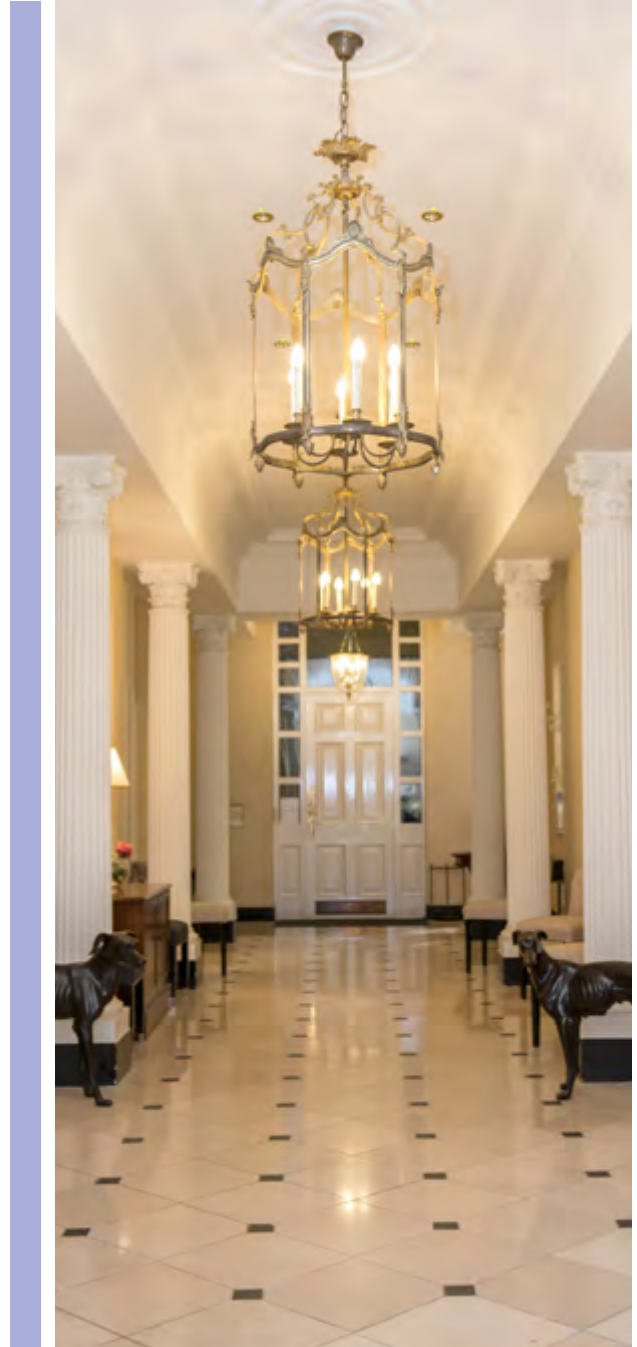
2. Create standout owner experiences

We will relentlessly focus on creating standout owner experiences by providing real estate solutions that work for today's society. We will act with transparency and respond diligently to our property owner's needs.

3. Contribute to a sustainable future

We want to be a trusted partner and build deeper connections with our stakeholders. We aim to be a responsible and sustainable business leader by bringing value to all of our stakeholders and delivering returns to our investors over the long term. We will be a visible leader in creating solutions to shared challenges.

Being a responsible business underpins all three pillars of our strategic framework. We report progress on each pillar in this report, as well as in-depth content on other material topics.





TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES

We are committed to acting responsibly, striving to be a leader on climate and sustainability action. Now, we are championing a green recovery on the road to becoming a net zero carbon emissions business.

Our progress so far:

- 100% of our electricity is from a renewable source, where we can directly procure supplies
- Across our villages with mains gas connections, green gas tariffs are procured – this gas is produced using products including food stock waste and agricultural waste
- On a like-for-like basis, we have seen an 8% reduction in location-based carbon emissions from 2022 to 2023 across our operational villages (greenhouse gases scopes 1 and 2)

OUR CLIMATE STRATEGY

Climate change is **the most** material environmental issue for our stakeholders and business. Our ambition is to become operationally net zero carbon by 2030 – this includes the energy that we have direct control over. We aim to be materially net zero carbon by 2040 – this includes our supply chain. We will develop clear interim emissions reduction targets in the coming years which will define specific reduction requirements by certain years as we approach our 2030 target date.

We intend to develop a comprehensive Net Zero Carbon Pathway which will provide further detail around our action plan to achieve our Net Zero Carbon commitment, and how we will achieve our interim targets. We will achieve this by firstly conducting Net Zero Carbon audits across our operational villages to help us understand our starting point and identify efficiency measures and operational measures we can implement to help achieve our targets. The opportunities identified in these audits will inform our Pathway to 2030 and will lay out plans for the next few years. Our Pathway will be reported on annually to disclose our progress towards our Net Zero Carbon commitment.

Our climate change strategy aims to reduce our end-to-end emissions, improve the resilience of our villages and support a low carbon economy by:

- Investing in energy-efficient and climate-resilient villages, including the elimination of gas supplies and providing on-site renewable sources where possible
- Reducing our energy needs and decarbonising the energy we buy and use, including through the purchase of renewable electricity and green gas tariffs
- Working with suppliers to design buildings that minimise energy and materials use, as well as encouraging them to reduce their own greenhouse gas emissions
- Developing low carbon buildings that enable our owners to reduce their carbon footprints
- Engaging our team members to help them reduce their personal carbon footprints
- Collaborating with others to accelerate the transition to a low carbon economy

TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED



THE ROAD TO NET ZERO

Supplies that are renewable

Wherever possible we look to generate renewable energy onsite for power and heating, but this is not always feasible due to restrictions around placement of solar panel systems on heritage buildings/roofs. We therefore procure all electricity on renewable tariffs, thereby eliminating Scope 2 market-based emissions. These tariffs are REGO-backed (Renewable Energy Guarantees of Origin), meaning that we are provided with transparent information regarding the proportion of electricity which is sourced from renewable generation systems.

Furthermore, while we appreciate that gas is not renewable, we have researched effective green gas tariffs and, since October 2021, the gas across all villages has been (and remains to be) procured on green tariffs, reducing the negative impact of our gas consumption, with the exception of a handful of villages which continue to use Calor gas/oil as their fuel source for heating due to infrastructure restrictions.

Decarbonising our buildings

In 2021, we started using a net zero carbon pathway tool (integrated with Carbon Risk Real Estate Monitor) to provide us with carbon reduction pathways for properties we have exposure to, based on a specific property type aligned with a 1.5°C scenario (in line with the Paris Climate Accord). This clearly shows us which villages are likely to be at risk in the near future. This has been of great benefit as the information also allows for a better understanding as to why certain villages are experiencing higher-intensity rates, whether additional CapEx is needed or whether this is due to, for example, owner behaviour, or maybe even data-gathering issues. These models are being revisited on an annual basis to track stranding risk against the latest data and improvement with the monitoring tool.

Opportunities for improvements are being fed into village-level ESG action plans. Since 2021, we have been using the services of a cloud-based platform - [SIERA+](#) - to enable better data management and also the ability to track ESG actions on a shared system. SIERA+ now also allows us to regularly monitor CRREM-based net zero carbon pathways based on the latest energy consumption data.

We aim to install electric vehicle chargers at all villages to help reduce transport-related emissions and related air pollution. In 2021, we began installing electric vehicle charging points in our operational villages and, by the end of 2023, 7.65% of our car parking spaces across operational villages contained electric vehicle charging points - an increase from 3.04% in 2022, with more planned in the coming years. Furthermore, we piloted a team member electric vehicle scheme in 2022 which saw 5 electric vehicles on the road across Senior Management and General Managers who conduct regular business travel trips. In 2023, we continued with this scheme and saw 8 team members using the scheme by the end of 2023.

We also, in 2023, began the process of replacing our fuel minibuses used onsite with electric-powered minibuses, and have plans to continue expanding our electric minibus fleet into 2024.

TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED



Sustainable development and construction

We recognise the huge impact that construction and refurbishment has on the environment in terms of embodied carbon, resource use and waste. We therefore strive to follow sustainable practices, specifying innovative, low carbon technologies and design where possible. Our newest development site at Brent Cross Town is a great example of our sustainable design approach. The site was acquired in 2023 and we began with the early stages of the planning process.

- Fossil fuel-free energy with 100% of landlord-controlled supplies being renewable
- Initial design calculations indicate a 68% reduction in CO₂e emissions from regulated energy compared with the Building Regulations Notional Baseline building
- The development will deliver 100% Biodiversity Net Gain increase (0.49 habitat units)
- Heating will be delivered via a district heating system, which is powered by air source heat pumps
- Green and blue roofs
- Communal gardens
- Energy efficiency plans
- Health and wellbeing facilities including a gym, pool, spa and a village hall



TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED



DRIVING SUPPLIER CLIMATE ACTION

A significant proportion of our end-to-end carbon emissions comes from our supply chain. We are partnering with suppliers to curb their emissions, and ours. Our suppliers are becoming increasingly involved in our ESG journey and we continue to partner with sustainable suppliers and contractors to help further drive change.

Pioneering climate contracts

We aim to only work with suppliers that hold a commitment to measurable carbon saving. We are now looking towards placing clauses in our contracts to stipulate this and will report on our progress in future reports.

Setting high standards

All our suppliers must meet our requirements on climate and environmental management among other standards. We track compliance through supplier assessments. We encourage suppliers to report climate-related data to enhance transparency and accountability through frameworks such as CDP and PRI.

Rainforest Alliance coffee served in all restaurants

At all Audley restaurants, we are proud to serve coffee certified by the Rainforest Alliance.



In 2023, we made the decision to seek a new cleaning product supplier as we recognised the potential positive impact we could have here, and we selected Diversey as our supplier. We procure mainly their SURE range, which is plant-based and 100% biodegradable, free from artificial dyes, perfumes and chemicals meaning they achieve the lowest hazard classifications making them healthier for the planet and people. The raw materials used to produce the SURE range are by-products of the food industry, meaning that the production is following circular economy principles too. The factories these products are produced in also procure renewable electricity. This company is very much aligned with our own ESG principles, and we aim to continue to uphold our suppliers to the same high standards we hold ourselves.



TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED

HELPING OWNERS CUT CARBON

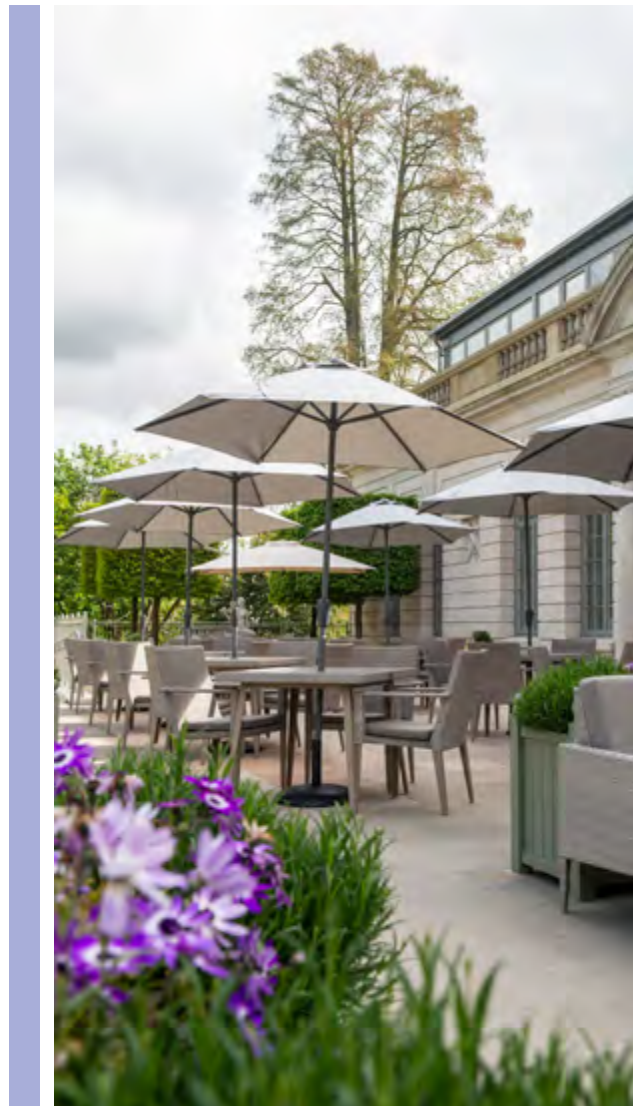
More and more, our villages are helping our occupants cut their energy, fuel use and emissions. This is being enabled by our investments into carbon-cutting solutions - from solar photovoltaic to EV charging points.

ENERGY & CLIMATE OBJECTIVES	PROGRESS & UPDATES
<p>Target operational Zero Net Carbon by 2030 (Scope 1 and 2) and material Scope 3 emissions by 2040</p>	<p>We conducted biannual monitoring and measurement of energy consumption, GHG emissions and water consumption across all managed villages throughout 2023, supported by third-party sustainability consultants, EVORA Global.</p>
	<p>Opportunities for improvements are identified within technical audits - for standing investments, during due diligence and development - this has been fed into village-level ESG action plans.</p>

MITIGATING AND ADAPTING TO CLIMATE RISK

Climate-related risks present to us in the form of transition risk (risk relating to falling behind market expectations as we move towards a low carbon economy), and physical risk (risk relating to physical climate hazards resulting from climate change). We can clearly see the impacts of climate change are worsening, and we are working hard to reduce our emissions and prevent further negative climate change, but we also need to adapt to the reality of a changing climate and therefore adapt our business to be resilient to these impacts.

We are exploring the risks and opportunities to our business across a range of future climate scenarios, and we report these in line with TCFD recommendations (see [Climate Change Disclosure](#)). We recognise that the TCFD disbanded in October and, in 2024, will look to the newly developed IFRS S2 framework for climate-related risk and opportunity disclosure to ensure we are remaining in line with best practice recommendations.



TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED

Climate risk management

We identify climate change as a risk to our business, not to mention the planet as a whole. By making the problem of climate change a key driver in long-term strategic decision-making, we will do our part to address this issue, creating long-term value opportunities in the process.

Our intentions going forward:

- Further integration of climate resilience and the management of climate-related risks and opportunities into project development plans
- Standardising our approach to integrating climate-related risk and opportunity into our existing processes as part of our strategic asset planning process for all properties
- Conducting scenario analysis on our investment portfolio to determine the financial impact of climate change to our business. In doing so, we hope to facilitate more informed financial decisions by investors, lenders and other key stakeholders, and to provide them with a greater understanding of how we view the commercial implications of climate change and what we are doing in response
- Further use of the net zero pathway tool for future investment decisions for both new acquisitions and CapEx projects

Understanding transition risks

We have identified the following long-term and short-term transition risks that Audley faces as a result of climate change (further detail can be found in Appendix 1):

- External Policy (medium- to long-term risk)
- Legal Aspects (medium- to long-term risk)
- Technology (medium- to long-term risk)
- Market (short- to long-term risk)
- Reputation (short- to long-term risk)

Understanding physical risks

Extreme weather is on the rise. We are experiencing increased frequencies of heatwaves, floods and significant storm events across the UK. Due to the nature and value of our activities, physical climate risks are significant – both in relation to the developments under construction and the operation of the villages we own.

Our strategic weather resilience programme aims to futureproof our portfolio by monitoring and mitigating risks from extreme weather events like heatwaves, storms and heavy rainfall. We share details on potential threats to our villages to keep relevant parts of the business informed via appropriate communications. Alert warnings enable our village management teams to protect vital equipment, prepare for potential outages and support owners.

We have identified the following long-term and short-term physical climate risks that Audley faces as a result of climate change (further detail can be found in [Appendix 1](#)):

- Extreme Temperatures (short to long term)
- Extreme Rainfall (short to long term)
- Rising Sea Levels (medium to long term)

In 2021, our entire portfolio of villages was informed by a climate scenario analysis undertaken by a third-party. This has allowed us to best understand the potential risks posed and inform decision-making around mitigation strategies. We revisit this at appropriate time intervals⁶, and upon acquisition of new development sites.

CLIMATE HAZARD	RISK LEVEL	AUDLEY VILLAGE AVERAGE
Earthquakes	No Risk	0/100
Floods	Low Risk	23/100
Heat Stress	Low Risk	17/100
Hurricanes & Typhoons	Low Risk	27/100
Sea Level Rise	No Risk	0/100
Water Stress	Low Risk	26/100
Wildfire	Low Risk	24/100
Overall Score		20/100

⁶ Our approach is every 5 years at a minimum.

TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED

SUPPORTING A CIRCULAR ECONOMY

We support the transition to a circular economy to reduce waste and preserve valuable natural resources. We are targeting zero waste to landfill, encouraging owners to reuse and recycle, and cutting down on plastics.

Eliminating waste to landfill

Our internal waste management policy promotes a culture of continuous improvement as we work towards zero waste to landfill. We produced around 657 tonnes of waste this year (estimated), and we recovered or recycled ~45% of this waste⁷. We are continually looking for ways to recycle more through food composting for example and extended waste segregation. Some of our villages' restaurants use vegetables and herbs grown by our owners in our allotments which helps to reduce food waste as only what is needed at the time is harvested.

Encouraging owners to reuse and recycle

Within selected villages we offer segregated collection of general waste, including co-mingled, organic, fluorescent tubes and electronic waste collection. We provide ongoing owner education about correct waste and recycling disposal, including updated signage and waste education sessions.

MANAGING ENVIRONMENTAL IMPACTS

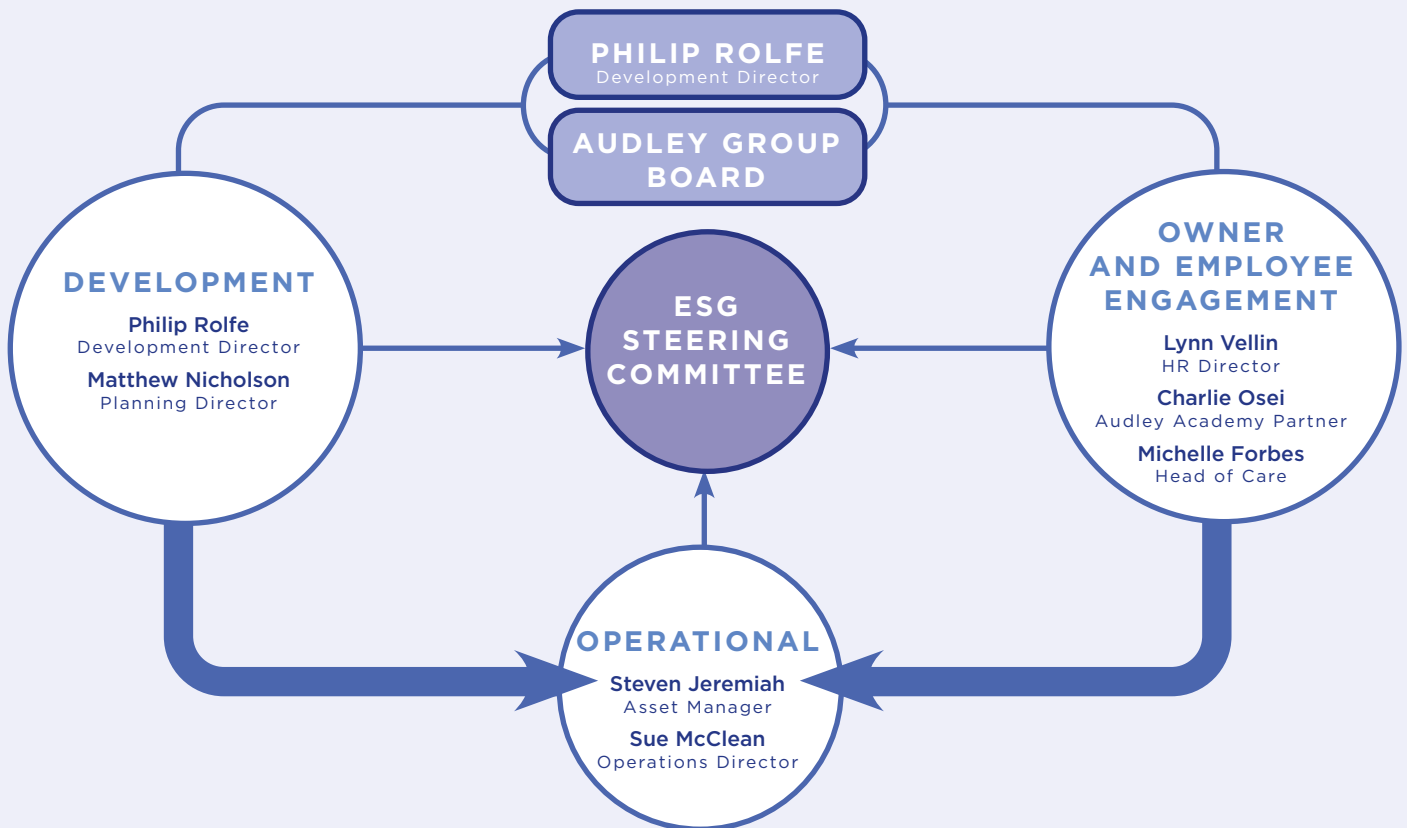
We aim to lead by example in the way we manage environmental risks and minimise our impacts. Our biggest impact areas are climate change and waste, so we focus on these areas to help reduce our negative impact and increase our positive impact as much as possible. We also pay close attention to our impacts on air pollution, biodiversity and water use as we recognise the importance of these environmental aspects.

Our ESG policy and ISO-14001-aligned environmental management system (EMS) guide our approach to risks and impacts, support continual improvements and help us comply with relevant regulations.

We include environmental and sustainability considerations in our plans for our corporate office. We also encourage team members to help us manage environmental impacts by changing their behaviour. This could be cutting use of single-use plastics, recycling more or collaborating virtually to avoid unnecessary business travel – a trend that has increased as a result of COVID-19.

Managing environmental risk

Our ESG Committee oversees our approach to environmental risk management. It is chaired by our Development Director and made up of senior leaders from across the business. The Committee reports regularly to our Board.



⁷ These figures are estimated in line with best practice industry standards. Villages included in this estimated figure for 2023: St Elphin's Park, Binswood, Eilerslie, St George's Place, Clevedon, Mote House, Inglewood, Chalfont Dene, Redwood, Willicombe Park, Nightingale Place, Cooper's Hill, Stanbridge Earls. The information required to estimate waste data was unavailable for Flete House and Wycliffe Park.

TACKLING CLIMATE CHANGE AND ENVIRONMENTAL CHALLENGES CONTINUED

Climate change poses the most significant environmental risk to our business, and we align our reporting with TCFD recommendations (see [Climate Change Disclosure](#)). We also monitor and manage a range of other operational environmental risks through our EMS, including the potential for leaks of fluorinated greenhouse gases.

Minimising water use

Our water use decreased by 2% in 2023 compared to 2022, on a like-for-like basis. We do not receive water data for all villages currently but are making efforts to increase coverage.

Nurturing biodiversity

Supporting a healthy natural environment is essential to prevent biodiversity loss, a significant global issue with strong links to climate change, water use and pandemics. We use our EMS to help us manage biodiversity impacts and we monitor wildlife-related incidents or risks at our sites. Where possible, at our sites with landscaping, we incorporate native species and pollinating plants.

As bees play a critical role in healthy ecosystems, we are investigating installing beehives at selected villages. In 2023, Chalfont Dene's owners were able to show off their allotment to family and friends during their annual allotment show. As part of this event, our owners sold their first batch of 200 jars of Chalfont Dene honey, made from our four beehives installed in August. The village not only sells honey to the local community, it also uses its honey in the food served at the restaurant onsite.

Our Head Gardener at Wycliffe Park has been extremely busy during 2023, revitalising woodland walks around the grounds using natural materials from the grounds as well as waste materials from construction that would otherwise have been sent to landfill. John and his team will be continuing with the great work to reduce the negative impact of Wycliffe Park on the local environment and have seeded a wildflower meadow which will spring to life over the next couple of years. In 2024, John will be opening allotments for our owners to use, building a bug hotel and continuing to make the woodland walks safe for our owners.

Ensuring environmental compliance

We always aim to comply with relevant environmental legislation. This includes making sure our assets comply with regulations on waste, F-gas and water. If any issues occur, we work with the relevant authorities to resolve them. We aim to meet our commitments under the Environmental Protection Act 1990 and the Clean Neighbourhoods and Environment Act 2005.



A CULTURE WHERE PEOPLE CAN BE THEIR BEST



Our team members are central to delivering our ambition, so our people strategy aims to make Audley a brilliant place to work. This year, we focused on continued skills development, diversity, equity and inclusion (DEI), and health, safety and wellbeing.

SKILLS DEVELOPMENT

Promoting skills development creates a culture where people want to be their best. We continue to invest in skills development for all team members, including technical skills, agile ways of working, resilience and adaptability. As part of our commitment to unlimited learning, this year we continued the deployment of a digital learning management system and introduced various new languages.



SUSAN MCCLEAN, FROM THE GROUND UP

SUE, THIS IS YOUR THIRTEENTH YEAR AT AUDLEY, DID YOU DO ANYTHING TO MARK THE OCCASION?

I actually didn't on the day itself. I'm embarking on the next stage of my career journey, in my new role as Operations Director, so that in itself feels like a milestone.

CONGRATULATIONS ON YOUR RECENT PROMOTION TO OPERATIONS DIRECTOR. HOW DOES IT FEEL TO BE WHERE YOU ARE NOW IN YOUR CAREER?

Extremely proud. I feel like I'm really invested in our company values. I never expected when I took time out to raise my family that I would one day be lucky enough to have this huge opportunity.

HAVING WORKED FROM THE GROUND UP, HOW HAVE YOUR EXPERIENCES IN EACH PREVIOUS ROLE HELPED YOU TO SHAPE THIS ROLE AND HOW YOU MANAGE OTHERS?

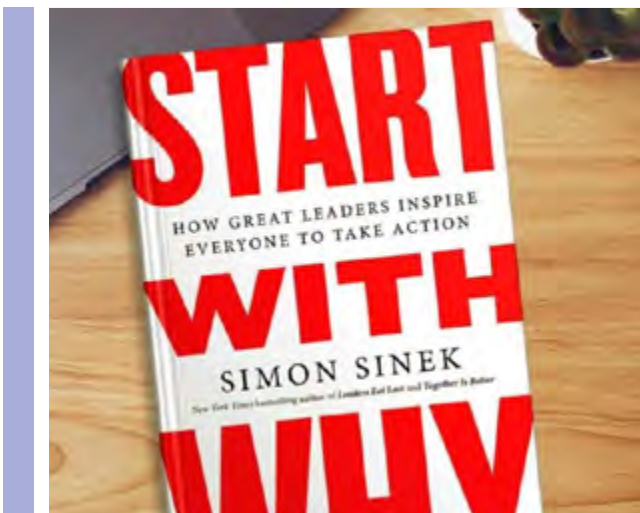
I was Club Services Supervisor, then CSM (equivalent to Operations Manager) then Village Manager, then General Manager, then Regional Operations Director, and now Operations Director for the Group. Having first-hand experience in those roles definitely helps me to appreciate the challenges our team members face, which in turn enables me to better support and guide them in their role.

IS THERE ANYONE OR ANYTHING WHICH PARTICULARLY HELPED YOU IN YOUR CAREER PROGRESSION?

Several years ago, my Operations Director gave me a book, 'Start with why - How great leaders inspire everyone to take action', which was inspiring to me. It sounds simple but it really made me think about what I'm doing and why I'm doing it. I became really focused on opening my mind to the fact that I wasn't starting again, I was picking up where I left off before I had my family. I pushed myself and continued to drive forward, which I still do.

HOW DOES YOUR CAREER, BOTH BEFORE YOUR FAMILY AND AT AUDLEY, COMPARE TO YOUR ASPIRATIONS AS A CHILD?

As a child I wanted to be a librarian, but as I'm one of the most energetic people on the planet, my mum told me that was ridiculous. I'm a people person, and I thrive in a busy environment, so I'd say my career path has brought me to exactly where I should be.



A CULTURE WHERE PEOPLE CAN BE THEIR BEST CONTINUED



WITH EACH PROMOTION COMES MORE RESPONSIBILITY. HOW DO YOU UNWIND?

I travel! I love holidays and any kind of travel, I love researching travel, I love programmes about travel – it’s my escapism. I love the big wide world – that’s what inspires me to work so hard.

ARE THERE ANY TIPS OR ROUTINES YOU FOLLOW TO KEEP ON TOP OF EVERYTHING?

I like a really nice notebook and a good list. Staying organised helps.

WHAT WAS THE HIGHLIGHT FOR YOU?

I enjoyed the coaching. I learned a lot from that, coupled with re-reading my book. I went on a bit of a self-discovery journey.

YOU WENT THROUGH THE OPERATIONS DIRECTOR IN TRAINING PROGRAMME AT AUDLEY, HOW DID THAT HELP YOU?

It was invaluable and very well-timed. The training started in 2019, but was massively impacted by the pandemic so most of the training was on the job. Our first challenge in that role was guiding the villages through COVID-19.

AS OPERATIONS DIRECTOR, YOU NOW DRIVE FORWARD THE OMIT AND GMIT STRATEGY FOR OTHERS IN THE BUSINESS. HOW DO YOU SELECT WHO IS GIVEN THAT OPPORTUNITY?

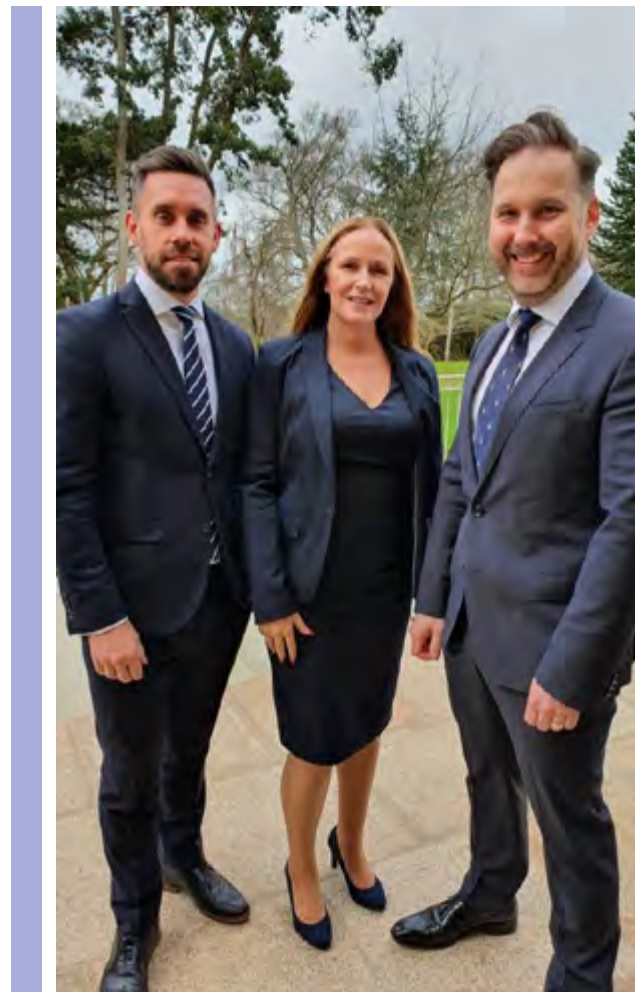
Yes, the Operations Manager In Training and General Manager In Training programmes continue to be well-received by all at Audley.

It supports people already in role by supporting their training and development, to give them the tools to be their best selves, and for others it gives them an opportunity to progress. In both cases it supports them in their journey with Audley. Because we’re unique in what we do, there isn’t an off-the-shelf solution. With the Academy’s support, we open it up to everyone who’s on that pathway, as long as they are willing and dedicated.

THAT MUST BE EXTREMELY REWARDING TO SEE OTHERS PROGRESS IN THEIR CAREER?

We’ve had successes from both programmes, and we’ve seen people excel when they thoroughly deserve to. I believe in paying it forward. I was given so many opportunities that others also deserve as long as they want it and they put in the work. I’d say this is probably my most enjoyable part of the role, it’s genuinely rewarding. I am forever grateful that people gave that time to support me.

I’m also thankful to all the stakeholders that help drive this forward – I rely on stakeholders across the group to give their time to support the GMIT and OMIT training. It speaks volumes about our culture at Audley.



A CULTURE WHERE PEOPLE CAN BE THEIR BEST CONTINUED

YOU ARE ON THE ESG COMMITTEE, CHAMPIONING HOW WE DRIVE FORWARD OUR COMMITMENT TO SUSTAINABILITY AND BECOMING NET ZERO CARBON. WHAT DOES ESG MEAN TO YOU?

At Audley, good is at the heart of everything we do. It's about more than just making a profit - it's about building a better future for our homeowners and our team members, and a big part of that future is dependant on taking better care of our planet. We all have a role to play and every change for the better, no matter how small, is a positive step forward.

HAVE THERE BEEN ANY SIGNIFICANT CHANGES AT AUDLEY?

We are continuously driving forward positive change at our villages. I'm delighted that we now have electric car charging points at all villages. Things have come on a long way in the last 12 months.



IN WHAT OTHER WAYS ARE YOU STRIVING TO BE MORE SUSTAINABLE?

We have created an online newsletter and an App to reduce paper and print. Our owners are huge advocates for this too. More and more of our marketing and communication is online.

IN YOUR ROLE YOU REGULARLY TRAVEL TO OUR BEAUTIFUL VILLAGES AROUND THE COUNTRY. IS THE COMMUTING TIME PRODUCTIVE?

Due to the proximity of the villages I'm conscious to create an ongoing circular route, to keep commute to a minimum. I make sure my commute is productive for thinking time.

DO YOU HAVE A FAVOURITE PODCAST OR MUSIC GENRE TO LISTEN TO ON YOUR LONG JOURNEYS?

I like Steve Bartlett (British entrepreneur) podcasts and I love to listen to Radio 1, especially their early morning breakfast quiz.

CAN YOU SEE YOURSELF LIVING AT AN AUDLEY OR MAYFIELD VILLAGE ONE DAY?

Not for a long time - I don't plan to give up working any time soon. Although some of our owners continue to work in some capacity long after they move in, so who knows.

IF SO, DO YOU HAVE A FAVOURITE? (WE WON'T TELL!)

As my Nana used to say, "Today, you're my favourite". Every village feels like my favourite when I'm there.

WHAT MAKES YOU MOST PROUD TO BE PART OF THE SENIOR TEAM AT AUDLEY?

We're the leading retirement village operator in the sector and I'm really proud to have been with Audley since we had only 4 villages. We now have 19. I'm really proud to have been part of that journey and we've all evolved together.

WHAT DO YOU FIND MOST REWARDING IN YOUR ROLE?

What I still love when I go to a village, is being in the Bistro or Lounge talking to owners. That's where I started. Owners are at the heart of everything we do and it's so lovely to hear their happy experiences.

"I COULD NOT BE PROUDER OF THE JOURNEY I HAVE BEEN ON, OR WITH THE COMPANY THAT SUPPORTED ME AND BELIEVED IN ME FOR THE LAST 12 YEARS. I STILL LOVE WHAT I DO AND LOOK FORWARD TO CONTINUING MY AUDLEY JOURNEY. JUST REMEMBER IT'S NOT WHAT WE DO, IT'S WHY WE DO IT THAT COUNTS!"





Our multi-award-winning apprenticeship scheme

Driven by an overriding mission to support development and growth, while building talent from within, Audley delivers a strong apprenticeship scheme. The scheme provides career pathways to support our growth plans and pathways to enable team members to grow and develop, with a level of consistency across villages and functions. In 2021, we began our apprenticeship scheme which extends to some of our development partners, broadening our reach of supporting growth pathways for apprentices. This has continued throughout 2022 and 2023, and we have continued to invest in the training and development of our apprentices.

With the goal of providing multiple learning journeys, the business has formed various programmes, which typically run for 12 to 24 months and combine internal workshops and mentoring with college or university-based learning and on-the-job training, individualised to the learner's role and needs.

While apprentices will be recruited in the future, the business wanted to focus first on broadening in-house talent by developing existing team members' pathways. During 2023, our apprenticeship scheme saw 38 people involved in the programme. Further information can be found [here](#).

RECOGNISING OUR TEAM MEMBERS

In November, we hosted our annual 'Spirit Awards' which allows us to celebrate and recognise the incredible efforts our team members go to every day.

A CULTURE WHERE PEOPLE CAN BE THEIR BEST CONTINUED

DIVERSITY, EQUITY AND INCLUSION

Diversity, Equity and Inclusion (DEI) continues to be a core element of our sustainability strategy. DEI enables us to support both our team members and owners across the group.

Led by our appointed DEI, ESG and Culture Partner alongside our DEI Champions, the following initiatives were introduced:

- Count Me In:** We continue to encourage our team members to share their DEI data through our Count Me In campaign. Since introducing in 2022, we have seen more of our team members share their data, which enables us to tailor our initiatives to the people who work for us.
- Collection4Clothes Partnership:** Collection4Clothes, is an ethical recycling business that gives pre-loved items a second life, which in turn limits perfectly wearable clothes going to landfill. We currently have a trial collection box at our St George's Place village with a vision to have boxes across all our villages and head office by January 2024.
- Black History Month 2023:** For 2023 Black History Month, we filmed an Audley Group video featuring some of our team members and Mrs Otesanya – one of our Mayfield owners. We came together at our Nightingale Place village for filming where our team members and owner shared their thoughts on Black History Month and if they had faced any barriers due to the colour of their skin. In addition to the video, we also held a Sip and Paint event at Nightingale Place which was facilitated by a Black Female Artist, where all involved learnt some history of Black artists followed by an opportunity to paint.
- Audley Group DEI eLearning Module:** We have created a new Bespoke eLearning module which is for all Audley Group team members and part of our on-boarding training for new team members joining the business. This module will be updated yearly to ensure it is reflective of policy and social changes.

- Audley Group Notable Dates Calendar:** This tool is available through Spirit and includes DEI, wellbeing, religious and recognition events, so we are able to be consistent and widespread with our messaging.
- Audley Group DEI Champions:** Our team of Champions continue to support and help drive our DEI initiatives, including hosting support networks and 1-1 support to our team members. We currently have eight champions and we are continually open to grow this initiative. With our next appointment early 2024 being a Women's Health Champion.
- Talent Inclusion and Diversity Evaluation (TIDE):** We are pleased to announce for the third year running we have been awarded the Bronze Standard TIDemark. Each year we submit our report to the enei. This is then benchmarked against other entries. The best entries are then awarded a Bronze, Silver or Gold TIDemark. The award recognises improvements we have made and completing the report yearly enables us to constantly improve the work we do.

PLANS FOR 2024

- Update our DEI eLearning module to reflect any changes.
- Expand our Menopause eLearning module to include menstruation so it incorporates the female reproductive cycle.
- Build a bespoke ESG and Men's Health eLearning module.
- Create policies on Menstruation and Gender Reassignment.
- Finalise our application to be a fully accredited Menopause Friendly Organisation.
- Create a bi-monthly magazine which shares with the business both DEI and people-related content, as another way to communicate important information across the Group.





HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of our team members, owners and community is an absolute priority for us and is considered when designing and operating our villages.

Team members

With restrictions relaxing in 2021, we introduced a hybrid culture for the central support team, conducting pulse surveys, workshops and listening groups which validated that a hybrid approach was the best way to bring people back into the physical work environment. A leadership toolkit was also provided to help those managing teams working remotely. We formalised this hybrid working arrangement in 2022, mandating that team members must attend the central office (Egham) at least 40% of their working time, allowing team members to choose when they attend the office. This flexibility has allowed our team members to both maintain social contact with their team members and maintain our friendly culture, while also allowing our team members to balance their work time and home life according to their needs.

One of Audley's core objectives is to enhance recognition and promotion of mental health awareness and embedding this as part of our culture. In 2021, we invested heavily in the recruitment and training of 29 mental health first aiders across different areas of the business, and in 2022 we continued to develop this resource, making a total of 36 mental health first aiders by the end of 2022. By the end of 2023, we had a total of 32 mental health first aiders. We have used our Audley Spirit communications platform to make our team members aware of this extended resource which complements the wide array of services available in our benefits platform where people can engage with support in a variety of different ways.

Sickness absence was 2.8% this year compared to 1.6% last year.

A CULTURE WHERE PEOPLE CAN BE THEIR BEST CONTINUED

Pay and benefits

Our focus is to ensure we attract, retain, motivate and engage all our team members, and we believe we achieve this through our reward suite. Our reward suite supports our team members' financial, emotional and physical wellbeing, through different benefit and reward approaches. We do take our ESG responsibilities seriously within this area too and continue to look for new ways to intertwine more ESG-focused offerings within this suite. As part of our qualifying team members' bonus entitlement, ESG objectives are now considered, further motivating our team members to contribute to achieving our ESG goals and demonstrating our commitment to meeting them.

Our team members work hard to deliver the very best service and care to our owners, every day, and it is important to us that we provide them the same level of care and support. We offer the most competitive discounts and offers on pretty much everything! Through our discounts portal, partnering with the largest team member discount provider to achieve this, we offer salary sacrifice schemes including opportunities for qualifying team members to access EVs, gym membership, financial and legal support lines, mindfulness courses and even an online life coach to name just some.

These benefits along with our pay approach are continually reviewed to ensure they remain relevant, sustainable, competitive and are fair. In 2023, our annual performance review saw 100% of eligible team members receive an increase to their salaries.

Our hybrid working practices continue to be a great success, and something that is now a permanent way of working today. We believe this approach is one of the many reasons we have been able to maintain a high retention and attrition rate.

Owners

Audley continued to offer health and wellbeing support to our owners. The number of Audley Club members increased again from 1,512 in 2022 to 1,744 in 2023. We take great pride in the efforts we make to maintain and improve owner wellbeing. In 2023, we continued to host numerous social events for our owners to help encourage relationship building and strengthen social wellbeing.



BEING TRANSPARENT AND ACCOUNTABLE



Investors, owners and regulatory bodies are increasingly looking to the environmental, social and governance (ESG) credentials of businesses to inform their choices. We are meeting the challenge through our increased focus on transparent reporting and strong governance. Listening to all of our stakeholders keeps us focused on what matters and accountable for our actions.

ENGAGING WITH STAKEHOLDERS

One of our key values is the strong belief in the importance of relationships. By engaging closely with stakeholders, we are better able to understand their evolving expectations, inform our strategy, and share our plans and progress.

Our team members, owners, investors, the communities we do business in, suppliers, UK Government and regulatory bodies are all key stakeholders. We connect with them at all levels of our business. That includes owner-facing and corporate units, our senior leadership team, the Board and its committees.

We engage with stakeholders in lots of different ways – from virtual meetings to reviews, forums and newsletters. To understand how well we are engaging with different groups, the Board receive regular updates and use them to make better decisions, and provide feedback and constructive challenge on activities, programmes and initiatives being considered.

Team members

Our ambition is only as strong as the foundations we are built on, and our team members are absolutely central to this. Engaging with them is critical to achieving a culture where they can be their best and fully contribute towards realising our purpose, ambition, strategy and Audley's long-term success. We employ approximately 766 team members⁸, on permanent employment contracts in the UK. We employ a further 136 workers on bank contracts.

Our team members want us to:

- Share their personal values
- Provide flexible and agile ways of working
- Provide great career opportunities, development and training
- Reward performance with fair and competitive pay and benefits

⁸ As at 31 December 2023.

How we engage with team members, and the result

The Board receives regular updates from the Human Resources (HR) director (as appropriate) on our team members, progress against key people strategy initiatives, culture and overall sentiment within the organisation.

Given the focus in the organisation on DEI, the Board also spent time discussing the DEI strategy, how it supports the group's strategy, external targets, commitments and progress. Once a year, our team members tell us how it feels to work here through our engagement survey. With 80% of team members taking part this year, this survey gives us a clear idea how they're feeling and helps us understand what more we can do to make Audley a brilliant place to work. This year's survey resulted in 94% of team members agreeing they are proud to work for Audley. When we respond to feedback from team members, we first pick areas and initiatives that will make the biggest impact. Longer term, we continually shape and inform our overall people strategy to create a culture where team members can be their best – with a focus on skills development, DEI, and health, safety and wellbeing.

Owners

We want to give all our owners standout experiences by delivering brilliant villages and service. Engaging with our owners and understanding their needs is critical to delivering on our strategy, ambition and purpose.

How we engage with owners, and the result

There are lots of different ways we engage with our owners. At the early stage of onboarding new owners, we work with them to understand their needs and make sure the villages – and their experience – is the best it can be. We use a number of different methodologies to understand what owners expect. This insight helps shape our strategy, position our villages, design owner-driven improvements and develop our brand and communications. Regular owner reviews with the village management teams focus on how to continually improve performance.

The village management team review and discuss complaints directly with owners. It keeps them connected to issues on the ground, allows them to have a better understanding of how to fix common problems and helps us improve the way we respond to complaints.

Our owners and the impact on them are always considered by the Board as part of decision-making. The Board regularly receives updates on, and discusses, tenant experience. The Board also discusses initiatives having a positive impact on our owners, key focus areas and areas for improvement on current service and future priorities.

We conduct an annual owner's satisfaction survey across all Audley Villages and, in 2023, we saw the highest engagement ever from our owners at 85% of our owners compared to 76% last year. Of those surveyed, 72% were likely to recommend Audley to a friend, 81% agreed there is a good sense of community at their village, and 74% agreed that their Audley village feels like home.

We take the results of our owner surveys each year and identify key focus areas for engagement and satisfaction programmes to conduct throughout the following year to ensure continual improvement. The 2023 survey identified communication, building maintenance, restaurants and events as key focus areas for 2023/4.





Investors

Audley has been specialising in retirement living solutions on behalf of global institutions since 1991. Our investors want us to:

- Deliver a return on their investment through dividends or capital growth
- Perform well against our outlook and long-term strategy

How we engage with investors, and the result

We communicate regularly with investors through our website, the Annual Report and our quarterly financial statements. The 2023 Annual General Meeting (AGM) was held as a closed meeting. We manage relationships with institutional investors through an investor relations programme. It includes one-to-one conversations, roadshows, group meetings, conferences and industry events. The Chief Executive and other Board members also spend time with investors.

The Board receives regular reports on how we are engaging with institutional investors. The Board also discusses any investor issues with management.

We are proud to participate in the annual GRESB benchmarking process, providing comparable and reliable data on the ESG performance of our investments. The 2023 results assessment helps drive decision-making, for both Audley and our investors, that leads to a more sustainable real asset industry.

The GRESB Real Estate Assessment results were released in autumn 2023. Audley’s results increased by 1 point in 2023 compared to 2022 in the standing investment survey. We are continually striving to improve this score and ensure our great work around ESG is recognised.

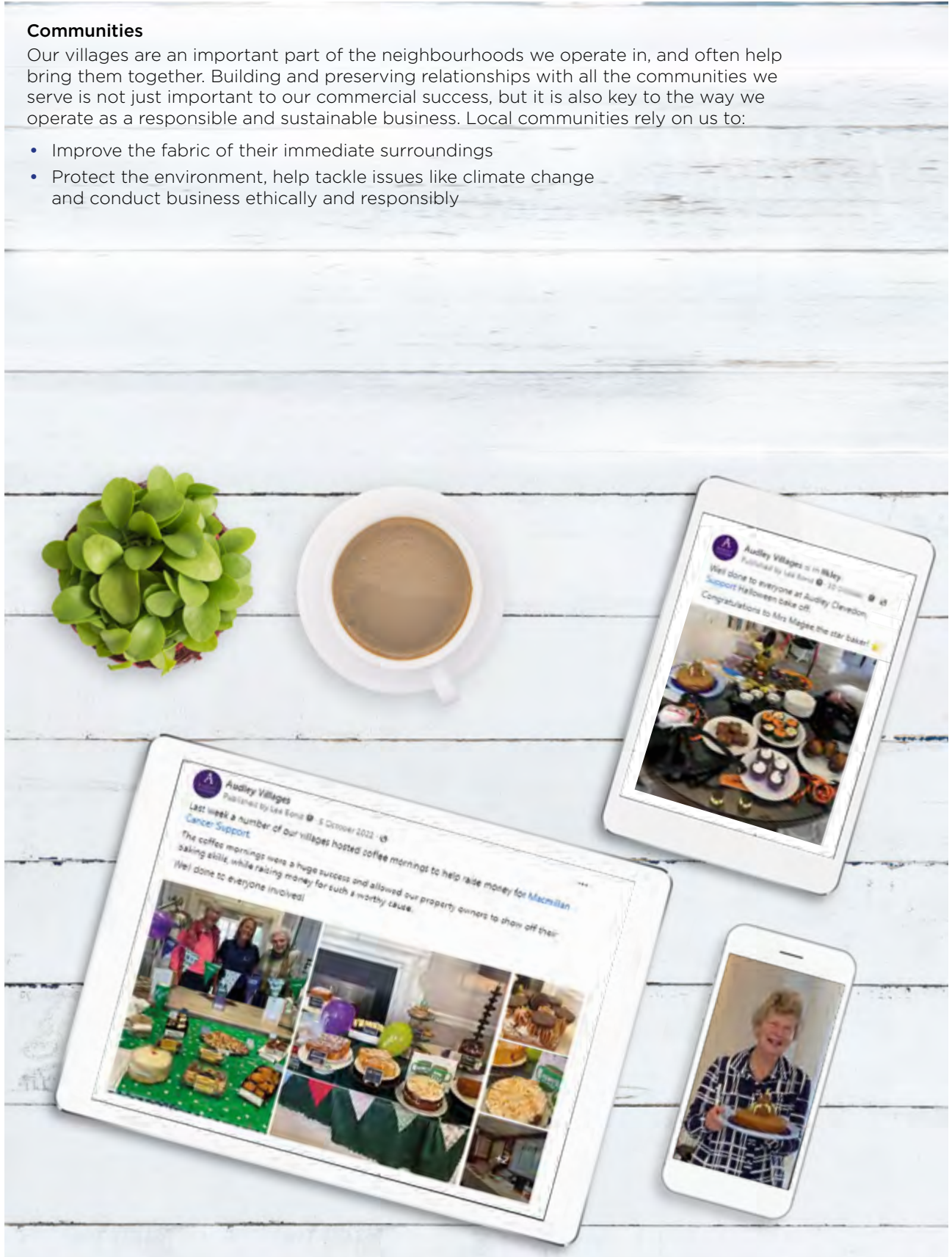
	2021		2022		2023	
	POINTS	STAR RATING (OUT OF 5)	POINTS	STAR RATING (OUT OF 5)	POINTS	STAR RATING (OUT OF 5)
Standing Investment Survey	75	3 stars	83	4 stars	84	4 stars
Development Survey	83	3 stars	91	4 stars	89	4 stars

BEING TRANSPARENT AND ACCOUNTABLE CONTINUED

Communities

Our villages are an important part of the neighbourhoods we operate in, and often help bring them together. Building and preserving relationships with all the communities we serve is not just important to our commercial success, but it is also key to the way we operate as a responsible and sustainable business. Local communities rely on us to:

- Improve the fabric of their immediate surroundings
- Protect the environment, help tackle issues like climate change and conduct business ethically and responsibly





How we engage with local communities, and the result

We define 'local community' as our immediate neighbours and those in the local catchment areas surrounding our retirement villages. 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.

The effectiveness of our community engagement is continuously being reviewed and adjusted to ensure that we sufficiently address community interest and opportunities. Wherever possible, we actively seek to create synergies and connections between our activities within our villages and Audley's philanthropic activities.

We recognise that our buildings are part of larger community systems, and that they have the potential to either benefit or detract from their local communities. To navigate these concerns, we support and engage with the local community through our development and operational management activities. We aim to create and operate buildings that complement and benefit their neighbourhoods.

Philanthropy and community involvement are a foundational part of our corporate culture and remain very important to our team members and their wellbeing.

On behalf of our Board, the ESG Committee approves our community strategy and monitors our progress as a responsible and sustainable business. It also makes sure we are contributing positively to the communities we live, work and operate in.

During the development phase, our contractors are encouraged to subscribe to the Considerate Constructors Scheme (CCS), 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.

BEING TRANSPARENT AND ACCOUNTABLE CONTINUED

Over 2023, Audley supported a number of charities including:

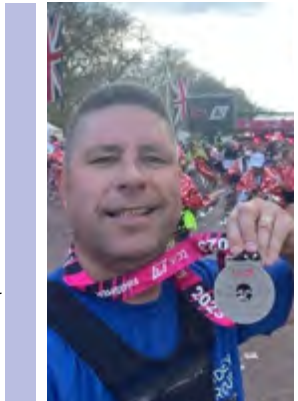
- Alzheimer’s Research UK
- Ashgate Hospice
- Birmingham Hospice
- Dementia UK
- Guide Dogs
- MacMillan Cancer Support
- The Orchard Dementia Centre
- Parkinson’s Disease Society of the UK
- South Bucks Hospice
- Sue Ryder Fundraising
- The Sunningdale Hope Trust
- Yorkshire Cancer Research



Throughout 2023, a total of **£48,000** was raised across various initiatives.

The [Audley Foundation](#) was launched to enable Audley to collectively organise its giving and link it to causes that are near and dear to owners, community customers and team members. As part of its social responsibility, the Foundation continually aims to have a positive impact on those communities in which it lives and works. In 2023, the Audley Foundation held its first Charity Dinner in November 2023 at Audley Nightingale Place, Clapham. The event raised an incredible £19,074.

In June, our CFO and COO Gary Burton took on the Weekend Warrior challenge during which he completed as many triathlons as he could. Gary completed an incredible six triathlons over the weekend, and raised £600 for the Foundation. Another team member, Zoltan, our General Manager at Wycliffe Park ran his first London Marathon in April in aid of the Foundation, raising a total of £1,320.



In 2023, we also installed our first Chatty Bench in Chalfont St Peter’s Memorial Garden near our Chalfont Dene village. We recognise one of the major problems facing our local community members is loneliness, so we decided to try to help alleviate this with the installation of a Chatty Bench, funded by the Audley Foundation. We have received positive and enthusiastic feedback on this project so far, and have seen interest in further projects across our other villages which we hope to see into fruition in 2024.



BEING TRANSPARENT AND ACCOUNTABLE CONTINUED

Suppliers

Our relationships with suppliers are instrumental to our success. They help us deliver the solutions and propositions we use to create standout tenant experiences.

Our suppliers want us to:

- Pay them in line with our agreed terms
- Act ethically and transparently
- Help them optimise their own supply chains

How we engage with suppliers, and the result

We need to know who we are doing business with, and who is acting on our behalf. So we:

- Choose suppliers based on principles that make sure we act ethically and responsibly
- Undertake due diligence on them before and after we sign a contract; covering financial health, anticorruption and bribery, and whether they meet our standards on areas such as quality management, security and data privacy

In the long term we seek to measure suppliers' energy use, environmental impact and labour standards, and work with them to improve these. We are looking in 2024 to research supplier systems which can help us conduct ESG-related checks so we can begin to monitor supplier ESG performance.

The ESG Committee considers and approves our modern slavery initiatives on behalf of the Board. We engage with suppliers on a range of proactive initiatives - for example, progress towards net zero carbon emissions, including the increased uptake in renewable energy, and cutting plastic packaging and waste. On DEI, we are keen to make sure we engage with as broad a range of suppliers as we can. We are discussing how we create a more diverse supplier selection process with suppliers and explore increasing the purpose/diversity weighting we use in the procurement adjudication process.

Industry

Sustainability is not just about our own operations. We work with leaders across our industry to develop and scale innovative solutions for a more sustainable world. We believe this is an important part of our stewardship efforts.

The industry wants us to:

- Encourage investment and innovation
- Collaborate on shared challenges

How we engage with the wider industry, and the result

All Audley team members are proactively encouraged to engage in networking, attending events, blogging and sitting on interview panels with industry schemes. In 2023, we have supported and attended numerous industry events including:

- In November, Sian Hammer, our Group Sales and Marketing Director, spoke at the Care and Retirement Living Conference
- In September, John Nettleton, our Land Director, spoke at the Laing Buisson Conference
- Our CEO, Nick Sanderson, attended the Homes England CEO Roundtable on Later Living and was a speaker at the Future of Care Leaders Conference in March 2023
- Gary Burton, our COO and CFO was a speaker at Bisnow's Later Living Conference in June

We were awarded in 2023 with a range of different accolades, including:

- Mayfield Watford won Best Retirement Home Developer, and Sunningdale Park won Best Interior Design at the WhatHouse? Awards
- Sunningdale Park also won Best Architecture or Design at the Retirement Living Awards
- Audley received a 9.1 Homecare.co.uk rating (average across the villages with a score)
- Also, our CEO, Nick Sanderson, won the 'Outstanding Contribution' Award at the Health Investor Seniors Housing Awards 2023

Further information on our awards and recognition can be found [here](#).





CLOSING STATEMENTS

LOOKING TO 2024

2024 will prove to be an extremely important year for Audley as we approach our 2030 target of achieving operational net zero carbon. We will spend time carefully planning our actions and objectives for the next few years to ensure we develop a detailed, effective strategy to achieve net zero carbon.

We will also research the newly released IFRS S2 framework for disclosure of climate-related risks and opportunities and consider how this framework can be utilised within our strategic planning.

Owner satisfaction remains at the forefront of our priorities moving into 2024, and we will continue to ask our owners how satisfied they are, using the results of these surveys to inform planning and improvement opportunities.

2024 will be an exciting year for us with the development of our new Mayfield village in Brent Cross town. The site will likely be open and operational in 2027/2028, but over the next few years we will see our innovative and low carbon design become reality.

ESG PERFORMANCE METRICS

ORGANISATIONAL BOUNDARY

This report includes all real estate villages owned or managed by Audley. Where possible, we report on our corporate office occupation.

COVERAGE

Audley works actively to access relevant data for the properties that Audley owns and manages. Having access to data is important to Audley, as the information creates conditions for efficient and sound technical management of the buildings. The proportion of properties included in each indicator is mentioned in connection with respective key indicators. Measurement data is affected by changes in the portfolio – i.e., recently purchased, sold and properties under development – which complicate access to relevant data. Audley constantly strives to access all relevant data as comprehensively as possible. We commit to reporting on progress annually.

NORMALISATION

Audley calculates energy and water intensity key ratios by dividing by the buildings' floor area. This is the most widely accepted method in Europe to compare energy utilisation and resource consumption.

SEGMENTAL ANALYSIS (BY PROPERTY TYPE, GEOGRAPHY)

Segmental analysis is conducted by property type for building intensities. The Audley portfolio consists of only one building sector type – senior living. We currently operate in only the UK. We do report on the split of our energy labels (EPCs) by rating. Asset level performance data is available upon request.

REPORTING ON LANDLORD AND OWNER CONSUMPTION

At present, Audley only reports on those assets where we have direct control, or control utility contracts and have access to the associated data. This includes some owner-consumed energy and water.

REPORTING PERIOD

Reporting for each year accounted for in the ESG tables refers to the calendar year, i.e., January 1, 2023, to December 31, 2023.

METHODOLOGY

We have reported on all material ESG sustainability performance measures, using the INREV Sustainability Reporting Guidelines 2016, and the updated 2023 version where possible and relevant. We utilise the UK Government's Conversion Factors for Company Reporting 2022 and 2023. Like-for-like measures exclude all villages not held for the full two-year period from January 1, 2022, to December 31, 2023 and any villages for which development or major refurbishment has been occurring. Coverage refers to the percentage of floor area covered within our organisational boundaries for this indicator.

DISCLAIMER

This report has been prepared for Audley Group for the agreed purpose by [EVORA Global Limited](#). Reasonable professional care has been taken in the development of this report. Our analysis, conclusions and recommendations are based on information provided to us and EVORA cannot be held responsible for the accuracy of this information.

We have clearly identified where estimates have been used to provide indications of performance. Estimates are not a guarantee of current or future performance.

Further, EVORA cannot be held liable for any losses or damages incurred by a third party (other than the named client/s) relying on the contents of, or recommendations made in, this report. Such third parties should obtain independent advice in relation to the conclusions set out in this report.

CLOSING STATEMENTS CONTINUED

CORPORATE ESG PERFORMANCE DATA

TABLE 1: BUSINESS TRAVEL

Impact Area	Units of Measure	2023	2022
Team Member Business Travel-Car	Total miles travelled (miles)	377,931	420,052
	Total associated carbon (tonnes CO ₂ e)	91.97	113.58
	Miles travelled in company cars (miles)	52,658	52,015
	Associated carbon (Scope 1 emissions) (tonnes CO ₂ e)	4.46	14.06
	Miles travelled in personal cars (miles)	325,273	368,037
	Associated carbon (Scope 3 emissions) (tonnes CO ₂ e)	87.50	99.51

NOTES ON DATA COVERAGE:

- Team member business mileage is recorded for car travel in 2022 and 2023, and is split based on company or personal car use, as company car use is classed as Scope 1 emissions, and personal car use is classed as scope 3 emissions.
- Audley is working towards gathering data relating to other business travel including rail and flights.

NARRATIVE ON PERFORMANCE:

- Business travel-associated emissions have decreased overall by 19% from 2022 to 2023, part of which is due to the increased proportion of electric vehicles in the company car fleet.
- Audley is working on further expanding its electric vehicle fleet over coming years which should help to reduce business travel-associated emissions – we launched a team member electric vehicle scheme which is steadily growing the number of electric vehicles in our fleet.

TABLE 2: TEAM MEMBERS – GENDER PAY GAP

Impact Area	Units of Measure	Indicator	2023	2022
Team Member Gender Pay Gap	Gender pay gap (%)	Mean percentage by which female pay is lower than male pay (incl bonuses) ⁹	33.33	25.57
		Median ¹⁰ percentage by which female pay is lower than male pay (incl bonuses)	8.69	-1.74

NOTES ON DATA COVERAGE:

To us, the reporting of our gender pay gap is more than a legal requirement. Sharing our data allows us to track our progress in an open and transparent manner. We're able to learn from other companies (as they will from us) the additional steps we can take to help us close our pay gap between men and women. The gender pay gap is calculated as the difference between average (mean or median) hourly earnings excluding overtime of men and women as a proportion of men's average hourly earnings.

NARRATIVE ON PERFORMANCE:

ONS figures for 2023 indicate a 14.3% median pay gap at UK national level.

Nationally, one of the key reasons for the gender pay gap is that male team members are more likely to hold senior positions. Our Gender Pay Gap statement can be found here: www.audleygroup.com/gender-pay-gap/.

⁹ The mean is what is commonly described as the average. It involves adding together the pay or bonuses of team members and then dividing by the number of team members.

¹⁰ The median is the middle value of all hourly rates when ranked. That is the amount paid to the team member in the middle of the list, if team members are listed in order of pay or bonus. The advantage of looking at the median is that it's less affected by numbers at the top end of the pay range, such as the earnings of a small number of senior executives.

CLOSING STATEMENTS CONTINUED

TABLE 3: TEAM MEMBERS – PERFORMANCE AND ENGAGEMENT

Impact Area	Units of Measure	Indicator	2023	2022
Team Member Performance Appraisals	% of total workforce	% of total team members who received regular performance and career development reviews during the reporting period	100%	100%
Team Member Survey	% of total workforce	% of total team members who completed the team member satisfaction survey	80%	76%
		Overall engagement score	72%	71%
		% of total team members who are proud to work at Audley	94%	94%

NOTES ON DATA COVERAGE:

Audley has 766 directly contracted team members, and 112 workers on bank contracts. All directly contracted team members undergo annual performance appraisals. These often include specific ESG-objectives, such as to ‘sit on the ESG Committee’ or ‘attend DEI training’. Should our team members not attain their assigned ESG objectives, consequences including those affecting bonus remuneration are triggered.

NARRATIVE ON PERFORMANCE:

We advocate the continuing education of our team members to promote innovation and being one of the leaders in our field.

VILLAGES ESG PERFORMANCE DATA

TABLE 4: ENERGY FROM OPERATIONAL VILLAGES

Absolute and like-for-like energy for owned assets							
Energy reported in kWh		2023		2022		Absolute trend	Like-for-like trend
Topic	Metric	Absolute Consumption	Like-for-like consumption	Absolute Consumption	Like-for-like consumption		
All villages							
Absolute and Like-for-like electricity	Total landlord-controlled electricity consumed	8,329,080	4,743,562	11,166,189	5,202,552	-25%	-9%
	Proportion of landlord-controlled electricity generated offsite from renewable sources	100%	100%	100%	100%	0%	0%
	Total electricity consumption data coverage, by area	100%	43%	100%	43%	0%	0%
Absolute and Like-for-like fuels	Total landlord-controlled fuels consumed	24,608,918	12,322,744	18,368,839	13,564,925	34%	-9%
	Proportion of landlord-controlled fuels from renewable sources	88%	77%	78%	71%	13%	8%
	Total fuels consumption data coverage, by area	100%	100%	100%	100%	0%	0%
Absolute and Like-for-like energy	Total landlord-controlled energy consumed	32,937,998	17,066,306	29,535,028	18,767,478	12%	-9%
	Total energy consumption data coverage, by area	100%	71%	100%	71%	0%	0%
	Proportion of total landlord-controlled energy consumption and associated GHG emissions that is estimated	9%	0%	17%	0%	0%	0%
	Proportion of total energy generated offsite from renewable sources	91%	83%	86%	79%	6%	5%
	Total renewable energy consumption data coverage, by area	100%	71%	100%	71%	0%	0%
Building energy intensity for All Villages (kWh/sqm/year - GIA)							
Energy Intensity	Building energy intensity for all energy consumed	110.52	85.43	99.10	93.94	12%	-9%

CLOSING STATEMENTS CONTINUED

NOTES ON DATA COVERAGE:

- Absolute electricity consumption is recorded for: Mote House, Clevedon, St Elphin's Park, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Cooper's Hill, Mayfield Watford, Inglewood, Binswood, Chalfont Dene, Fairmile, Nightingale Place, Sunningdale Park and Wycliffe Park (Wycliffe Park 2023 only).
- Absolute fuel consumption is recorded for: Mote House, Clevedon, St Elphin's Park, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Cooper's Hill, Inglewood, Binswood, Chalfont Dene and Nightingale Place. Oil is used at Flete House, and Calor Gas is used at Stanbridge Earls and Inglewood, with mains gas procured on green tariffs being used at all other villages.
- Like-for-like electricity consumption is recorded for: Mote House, Clevedon, St Elphin's Park, St George's Place, Flete House, Stanbridge Earls, Inglewood and Nightingale Place.
- Like-for-like gas consumption is recorded for: Mote House, Clevedon, St Elphin's Park, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Inglewood, Binswood and Chalfont Dene.
- Like-for-like consumption data is defined for the purposes of this report as data from villages which have been fully complete and operational during the calendar years 2022 and 2023. Villages which were still undergoing development/refurbishment during the reporting period are not included in like-for-like analysis.

NARRATIVE ON PERFORMANCE:

- Like-for-like electricity consumption decreased by 9% from 2022 to 2023.
- Like-for like gas consumption decreased by 9%, resulting in an overall like-for-like energy consumption decrease of 9% from 2022 to 2023.

TABLE 5: GREENHOUSE GAS EMISSIONS FROM OPERATIONAL VILLAGES

Absolute and like-for-like GHG emissions for owned assets							
GHG Emissions reported in tonnes CO ₂ e		2023		2022		Absolute trend	Like-for-like trend
Asset		Absolute Consumption	Like-for-like consumption	Absolute Consumption	Like-for-like consumption		
All villages							
Absolute and Like-for-like Direct GHG Emissions	Direct GHG emissions (GHG Protocol Scope 1)	4,625	2,377	3,518	2,641	31%	-10%
	Proportion of direct GHG emissions (GHG Protocol Scope 1) that is estimated	9%	0%	5%	0%	0%	0%
Absolute and Like-for-like Indirect GHG Emissions	Indirect GHG emissions (GHG Protocol Scope 2 Location-Based)	1,871	982	2,304	1,006	-19%	-2%
	Indirect GHG emissions (GHG Protocol Scope 2 Market-Based)	0	0	0	0	0%	0%
	Proportion of indirect GHG emissions (GHG Protocol Scope 2) that is estimated	9%	0%	35%	0%	0%	0%
Total GHG Emissions	Total GHG emissions (GHG Protocol Scopes 1, 2 and 3 Location-Based)	6,496	3,359	5,822	3,648	12%	-8%
	Total GHG emissions data coverage, by area	100%	47%	100%	47%	0%	0%
Building GHG intensity for All Villages (kgCO ₂ e/sqm/year - GIA)							
GHG Emissions Intensity	Building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Location-Based)	21.80	16.82	19.53	18.26	12%	-8%
	Building GHG emissions intensity (GHG Protocol Scopes 1, 2 and 3; Market-Based)	15.52	11.90	11.81	13.22	31%	-10%

NOTES ON DATA COVERAGE:

- Absolute emissions are reported for: Mote House, Clevedon, St Elphin's Park, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Cooper's Hill, Mayfield Watford, Inglewood, Binswood, Chalfont Dene, Fairmile, Nightingale Place, Sunningdale Park and Wycliffe Park (Wycliffe Park 2023 only).
- Like-for-like emissions are reported for: Mote House, Clevedon, St Elphin's Park, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Inglewood, Binswood and Chalfont Dene.
- Like-for-like consumption data is defined for the purposes of this report as data from villages which have been fully complete and operational during the calendar years 2022 and 2023. Villages which were still undergoing development/refurbishment during the reporting period are not included in like-for-like analysis.

¹⁰ Electricity consumption increases: Mote House, Clevedon, Willicombe Park, Ellerslie, St George's Place, Redwood, Binswood.

¹¹ Electricity consumption decreases: St Elphin's Park, Flete House, Inglewood.

CLOSING STATEMENTS CONTINUED

NARRATIVE ON PERFORMANCE:

- Like-for-like total location-based GHG emissions decreased by 8% from 2022 to 2023.
- Market-based Scope 2 emissions are eliminated at all Audley villages due to the renewable electricity tariffs.

TABLE 6: WATER

Absolute and like-for-like water consumption for owned assets							
Water reported in m ³		2023		2022		Absolute trend	Like-for-like trend
Topic	Metric	Absolute Consumption	Like-for-like consumption	Absolute Consumption	Like-for-like consumption		
All Villages							
Absolute and Like-for-like water	Total landlord-controlled water consumed	173,928	53,016	182,621	54,296	-5%	-2%
	Proportion of landlord-controlled water consumption data that is estimated	61%	0%	61%	0%	0%	0%
	Total water consumption data coverage, by area	100%	30%	100%	30%	0%	0%
Building water intensity for all villages (m ³ /m ² /year - GIA)							
Water intensity	Building water intensity for all water consumed	0.58	0.59	0.61	0.60	-5%	-2%

NOTES ON DATA COVERAGE:

- Absolute water consumption is recorded for: Mote House, Clevedon, Willicombe Park, Ellerslie, St George's Place, Flete House, Redwood, Stanbridge Earls, Binswood, Chalfont Dene and Fairmile.
- Like-for-like water consumption is recorded for: Mote House, Clevedon, Willicombe Park, Ellerslie, Flete House, Redwood, Binswood and Chalfont Dene.
- Like-for-like consumption data is defined for the purposes of this report as data from villages which have been fully complete and operational during the calendar years 2022 and 2023. Villages which were still undergoing development/refurbishment during the reporting period are not included in like-for-like analysis.

NARRATIVE ON PERFORMANCE:

- Like-for-like water consumption decreased by 2% from 2022 to 2023. Water data provided is sourced from invoices.

TABLE 7: GREEN BUILDING CERTIFICATIONS

Type and number of sustainably certified villages		2023	2022
Type of Certification	Name of certification	Percentage of portfolio certified (by floor area)	Percentage of portfolio certified (by floor area)
Mandatory Certifications	EU Energy Performance Certificate	98%	98%
Voluntary Certifications	BREEAM (or equivalent)	53%	26%

EU Energy Performance Certificate	Proportion of 2023 Portfolio (by floor area)
EPC rated A	0%
EPC rated B	60%
EPC rated C	24%
EPC rated D	8%
EPC rated E	7%
No EPC Rating	2%

NOTES ON DATA COVERAGE:

- BREEAM (or equivalent certifications) are in place/underway at Wycliffe Park, Mote House, Nightingale Place, Scarcroft Park, Fairmile and Sunningdale Park.

NARRATIVE ON PERFORMANCE:

- EPC records are unavailable for Flete House.
- EPCs are only required for the construction, sale and letting of buildings, as such, once an EPC has expired at an Audley village, a new EPC does not need to be achieved unless the village is being sold.

CLOSING STATEMENTS CONTINUED

APPENDIX 1: CLIMATE CHANGE-RELATED RISKS AND DISCLOSURES

CLIMATE CHANGE RISKS: TRANSITION RISK

Transition Risk	Timeline	Mitigation / Opportunity
<p>External Policy Government policy change around climate could potentially lead to an increase in operating costs through higher compliance costs, although it will depend on the nature and timing of the change. Carbon pricing policies may increase costs for organisations with significant carbon emissions, while other natural resource legislation (such as water and biodiversity) may become more stringent as scarcity increases.</p>	Medium to long term	Our target to be operationally net zero carbon by 2030 is our primary climate change mitigation strategy and puts us ahead of the commitments made by the UK Government in relation to the Paris Agreement. Taking proactive steps to reduce our emissions means we will significantly reduce the risk or magnitude of penalties from incoming future legislation and other policy requirements.
<p>Legal The failure to mitigate the impact of climate change and/or adapt to climate change, or insufficient disclosure on material financial risk could see increased litigation against companies and government for damages caused by negative impacts on climate change.</p>	Medium to long term	Our revenue is increasingly drawn from low carbon, high-performance villages and within our residential villages, we continue to explore how we can lower emissions through better design, the inclusion of energy efficient appliances and access to renewable energy. As such, litigation is likely to be a lower risk for us than other companies which are more energy and resource intensive.
<p>Technology The timing of technology development and deployment remains a key uncertainty in assessing technology risk. Another technology-related risk is the cost and the unproven nature of integrating new technologies into existing assets.</p>	Medium to long term	As part of our net zero carbon pathway, we have considered technology improvements such as smart metering and renewable energy. At our villages, we are focused on the improvement of environmental performance and ease of operation. We see technology, innovation and integration as key to delivering lower long-term costs, and increased owner comfort and productivity.
<p>Market Investors and markets are increasingly redirecting capital away from products and services that negatively impact climate change, impacting stock and asset values. There is also a risk that the supply and demand for products and services may vary in response to shifting consumer demands and changes in technology.</p>	Short to long term	We look to future-proof our assets through improved energy and water performance (design and operational), and our investment in renewable energy (on and off-site) reduces the uncertainty and instability of electricity price shocks.
<p>Reputation An organisation's action or inaction in transitioning to a lower carbon economy poses a potential source of reputational risk, as tenants and communities continue to expect more from big businesses. Reputational risk has a wider-ranging impact to our business: attracting high-quality partners may become more difficult, governments and communities may resist working with us, and it will be harder to attract and retain top talent.</p>	Short to long term	Demonstrating our commitment to a low carbon world and taking leadership in reducing our emissions addresses concerns from our stakeholders on Audley's ability to effectively manage both its impact as well as its climate-related risks. Our strong sustainability credentials and reputation also continue to help us attract stakeholders who consider ESG in their decision-making.

CLOSING STATEMENTS CONTINUED

APPENDIX 1: CLIMATE CHANGE-RELATED RISKS AND DISCLOSURES

CLIMATE CHANGE RISKS: PHYSICAL CLIMATE RISK

Physical Risk	Timeline	Mitigation / Adaption
<p>Extreme temperatures Hotter days will increase demand for air conditioning and ventilation, leading to higher operating costs (energy consumption and maintenance costs), and cooler days will increase demand for heating supplies leading to higher operating costs. Higher minimum temperatures, particularly in summer months, will mean the use of fresh air for cooling overnight may not work as well.</p>	Short to long term	Ongoing mitigation strategies within our investment portfolio include implementing energy efficiency initiatives (such as installing energy efficient lighting, equipment and HVAC) to assist in reducing energy loads, as well as retrofitting existing assets to improve the building thermal envelope, whenever capital expenditure is justified.
<p>Extreme rainfall Heavy rainfall intensity is projected to increase.</p>	Short to long term	Within our investment portfolio, our building management teams proactively maintain our assets to improve resilience to extreme rain and hailstorms, and, where appropriate, implement effective stormwater management strategies.
<p>Rising sea levels The projected sea level rise above the 1986-2005 level could lead to restrictions on development approvals for projects on land one metre or less above sea level, causing increased costs and delays to construction, flooding and damage to property, increased costs from need to invest in flood prevention, business interruption to tenants, and reduced land value.</p>	Medium to long term	<p>Within our investment portfolio, mitigation strategies include reviewing the location of critical building infrastructure and investing in flood prevention infrastructure.</p> <p>In the planning and design of new developments, we currently consider sea levels and projected increases in floodplains and stormwater as specified by the relevant authorities or experts. For those sites considered for acquisition, flood risk is a key component within our investment decision-making.</p>

CLIMATE CHANGE DISCLOSURE

Note on disclosure: Audley Group (Audley) is not, at present, obliged to report alignment to TCFD requirements; however, we make efforts to move our disclosures towards doing so. We intend to work constructively with the TCFD, and others, to develop good practices and standards for transparency.

DISCLOSURE ON BUSINESS MODEL

Describe the impact of climate-related risks and opportunities on the company's business model, strategy and financial planning [Covers TCFD recommendation Strategy b]

Audley is increasingly considering the impact of climate-related risks and opportunities on our business, strategy and financial planning. We recognise the importance and the opportunities of integrating sustainability considerations in the investment process. We would view neglect of climate-related risks and opportunities as an extreme risk in itself, to support long-term business resiliency. We are making strides into introducing consideration of climate-related risks into our own corporate thinking, processes and financial planning. This includes working towards incorporation of climate-related risks into our ISO 14001-aligned Environmental Management System (EMS) and enhancement in our reporting, which will help describe the impact of climate-related risks and opportunities.

Describe the ways in which the company's business model can impact the climate, both positively and negatively

Our business has negative impacts on the climate in a variety of ways – our carbon footprint being the main source. Conversely, as a leader in our field we aim to continually raise the bar and set standards for others to emulate. ESG in our acquisition policies is a mainstay – we develop villages that integrate innovative low carbon technologies. We report transparently and openly, participating in reporting frameworks where considered valuable.

Describe the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios over different time horizons, including at least a 2 °C or lower scenario and a greater than 2 °C scenario [Covers TCFD recommendation Strategy c]

We believe our evolving ESG strategy, incorporating our net zero ambitions, are resilient to the range of energy transition pathways and scenarios including that of the Paris Agreement. Our strategy is validated annually by the Board to ensure it remains relevant and resilient, as part of our standard governance processes. Elements of the strategy may be refreshed earlier if there are significant changes in external or internal environment. We undertake net zero pathways for all of our villages to inform our approach on future spending and investment decision-making.

DISCLOSURE ON POLICIES AND DUE DILIGENCE PROCESSES

Describe any company policies related to climate, including any climate change mitigation or adaptation policy

Audley's goal is to conduct current and future business operations in a sustainable manner that helps create a better future for the environment. We seek to ensure that environmental sustainability is managed as any other critical business activity in an integrated, systematic way. Our ESG Policy formalises our commitment to managing climate-related risks. Furthermore, our EMS framework is designed to ensure pollution prevention, carbon reduction, waste minimisation, responsible use of resources and compliance with legislation through good practice and continuous improvement.

Describe any climate-related targets the company has set as part of its policies, especially any GHG emissions targets, and how company targets relate to national and international targets and to the Paris Agreement in particular

We aim to achieve operational net zero carbon by 2030 and material net zero carbon by 2040, or sooner.

Describe the Board's oversight of climate-related risks and opportunities [Covers TCFD recommendation Governance a]

Our [Board](#) takes overall accountability for the management of Audley's ESG strategy, including climate change risks and opportunities, with support from the ESG Committee. They are equipped with the capabilities and credentials to oversee the impacts of climate change to our business and are responsible for approving controls through Audley's sustainability targets and strategies, which remain focused on climate change resilience and the decarbonisation of our portfolio.

The Board also bears overall responsibility for Audley's risk management framework and is responsible for decisions in relation to strategies and key risks. The Board meets quarterly, considering quarterly risk reports that cover Audley's risk culture, its risk appetite framework, its strategic risk profile and emerging or notable risks, including those related to climate. In addition, the Board reviews management's recommendations on risk, and makes decisions regarding risk appetite, risk strategy and risk profile. During 2023, climate matters were included on the agenda at every Board meeting.

We are committed to the ongoing development and maintenance of Board and management climate capability and each year invite third-party specialist consultants, such as EVORA Global, to offer specific training.

The ESG Committee provides oversight of the effectiveness of the implementation of Audley's sustainability framework. This includes reviewing that appropriate progress is being made against our ESG aims. The Committee will continue to cover existing sustainability-related activities, including the oversight of climate-related risks and opportunities. The ESG Committee has representatives from across the business and meets quarterly.

Describe management's role in assessing and managing climate-related risks and opportunities and explain the rationale for the approach [Covers TCFD recommendation Governance b]

Stewardship of sustainability at Audley does not stop at Board level; it is integrated at every level of our company. Our ESG Committee plays a crucial role in delivering on our sustainability strategy, working with the Board to ensure that material risks, controls and thresholds are communicated and adhered to. Every member of the ESG Committee has specific responsibilities relating to Audley's sustainability performance, including objectives involving climate-related risks and opportunities. This group comprises members of the Audley leadership team – covering all key departments to ensure information is effectively

disseminated down. The Group meets on a quarterly basis (as a minimum) to review progress against the sustainability framework and decide on critical strategic positions related to climate change that present risks or opportunities to delivery. The Committee will report to the main Board and other committees as required.

The Audley ESG Committee has oversight of environmental and social issues, including climate-related risk. This is managed within the framework of an ISO 14001-aligned Environmental Management System (EMS).

Audley's ESG Committee is responsible for developing and facilitating the climate risk management framework, advising the business on climate risk management, and consolidating climate risk reporting to senior management.

The village operational management teams are accountable for village specific risks, including risks related to climate, and are expected to actively manage and report on these risks, implement risk management initiatives, and use appropriate processes, procedures and controls to maintain compliance. Our approach to risk management is aligned with regulatory standards and Audley's own codes and policies.

The ESG Committee continuously liaises with all levels of the organisation, across development projects and village management teams, to ensure risks are appropriately identified, assessed, mitigated where possible and monitored.

Existing and emerging regulatory requirements related to climate change are incorporated into overall risk management, risk registers and risk reporting. Environmental and sustainability risks are classified as a key strategic risk and reported to the Board.

Finally, as one of Audley's key strategic objectives, sustainability forms part of each team member's short-term incentive calculation. This provides powerful motivation for all team members, including senior management and the Board, to deliver on the Group's sustainability key targets, of which climate change is one.

CLOSING STATEMENTS CONTINUED

DISCLOSURE ON OUTCOMES

Describe the outcomes of the company's policy on climate change, including the performance of the company against the indicators used and targets set to manage climate-related risks and opportunities [Covers TCFD Metrics and targets c]

Metrics reported against climate-related risks and climate-related opportunities are presented under '[Climate Risk Management](#)'

Describe the development of GHG emissions against the targets set and the related risks over time [Covers TCFD Metrics and targets b]

See GHG Emissions data in '[ESG Performance Metrics](#)'

DISCLOSURE ON PRINCIPAL RISKS AND THEIR MANAGEMENT

Describe the company's processes for identifying and assessing climate-related risks over the short, medium, and long term and disclose how the company defines short, medium, and long term [Covers TCFD recommendation Risk management a]

Risks are assessed in line with our EMS risk-management procedures and this includes an impact and likelihood assessment which supports relative prioritisation. Climate-related risks are classified in alignment with TCFD's description of physical and transition risks

- Physical risks – risks related to the physical impacts of climate change including event-driven risks such as changes in the severity and/or frequency of extreme weather events.
- Transition risks – risks related to the transition to a lower carbon economy including policy and legal, technology, markets and reputational risks. An effective time horizon for short (1-3 years), medium (3-7 years) and long term (over 7 years) is integrated into the risk definition.

Describe the principal climate-related risks the company has identified over the short, medium, and long term throughout the value chain, and any assumptions that have been made when identifying these risks [Covers TCFD recommendation Strategy a]

The principal climate-related risks are described in Risk factors under '[Climate Risk Management](#)'

Describe processes for managing climate-related risks (if applicable how they make decisions to mitigate, transfer, accept, or control those risks), and how the company is managing the particular climate-related risks that it has identified [Covers TCFD recommendation Risk management b]

Climate change and the transition to a lower carbon economy has been identified as a principal risk. This covers various aspects of how risks associated with the energy transition could manifest. Similarly, physical climate-related risks such as extreme weather are covered in our principal risks related to safety and operations.

We manage risks on a case-by-case basis, seeking to reduce our exposure to the risk followed by reducing the vulnerability of the business or asset to any risk. This could include any number of risk-specific adaptations or mitigation measures. If risks cannot be managed in this way, we actively seek to transfer the risk or acknowledge that the risk must be accepted in line with our risk tolerances.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management [Covers TCFD recommendation Risk management c]

Our processes for identifying, assessing, managing and monitoring climate-related risks are integrated into our risk management policy and the associated risk management procedures.

KEY PERFORMANCE INDICATORS

GHG emissions

See '[ESG performance metrics](#)'

Energy

See '[ESG performance metrics](#)'

Future ESG Reports will endeavour to include further TCFD-related KPIs to promote continual improvement in transparency.

CLOSING STATEMENTS CONTINUED

APPENDIX 2: GLOSSARY OF TERMS

Term	Definition
1.5°C Agreement	In 2015, global leaders pledged to try and prevent global temperatures from rising above 1.5°C.
Biodiversity	The variety of plant and animal species within a habitat.
Blue Roof	A roof designed to retain rainwater more than a typical roof to help manage the impacts of heavy rainwater events.
CapEx	Capital Expenditure is the money spent by an organisation to improve its assets.
CDP	The Carbon Disclosure Project (CDP) is an international non-profit organisation which provides a global disclosure system for environmental data and information.
Circular Economy	An economic model prioritising resource reuse and regeneration, promoting refurbishment, repair and recycling.
Climate Resilience	The ability of people, the economy and the planet to cope with hazardous climate-related events like extreme storms or rainfall events.
Due Diligence	Research conducted by an investor to ensure all information regarding a potential asset is available and taken into consideration when making investment decisions.
Energy Efficiency	Reducing the amount of energy required to provide services/power products.
ESG	Environmental, Social and Governance.
EV	Electric Vehicles (EVs) are vehicles powered by electricity rather than traditional petrol and diesel fuels.
Green Roof	A 'living' roof consisting of various plants.
GHG	Greenhouse Gases (GHGs) are gases that absorb and emit radiant energy, contributing to the greenhouse effect and global warming. For example, carbon dioxide, methane and nitrous oxide.
IFRS S1/S2	The International Financial Reporting Standards is a non-profit organisation for developing globally-applicable accounting and sustainability disclosure standards. S1 and S2 relate specifically to sustainability-related financial disclosures. IFRS S1 and S2 are replacing TCFD.
INREV	The European Association for Investors in Non-Listed Real Estate Vehicles is a trade association providing education and resources to European non-listed real estate funds.
Intensity	Intensity provides a comparable metric of a unit per m ² of an asset.
ISO 14001-aligned EMS	The International Organisation for Standardisation is an independent standard development organisation providing best practice guidance for systems such as an Environmental Management System.
kWh	Unit of energy (kilowatt-hour) equal to the energy a system generates while operating at a kilowatt power output for one hour.
Location-Based Emissions	Reflects the average GHG emissions intensity of the national grid(s).
Market-Based Emissions	Reflects the average GHG emissions intensity of the national grid(s) taking into account market tools such as renewable tariffs.
Material Net Zero Carbon	The GHG emissions generated from an organisation's operation, e.g. employee commuting, construction activities (Scope 3 emissions).
Net Zero Carbon	The balance between GHG emissions and removal of GHGs.
Operational Net Zero Carbon	The GHG emissions generated from a building's operation, e.g. heating and powering the building (Scopes 1 and 2 emissions).
PRI	The United Nations' Principles for Responsible Investment is a UN-supported network of international financial institutions working collaboratively to implement 6 key principles surrounding responsible investment practices.
Renewable Electricity	Electricity generated using natural resources which are replenished more quickly than they are consumed, e.g. wind and solar.
Scope 1 GHG Emissions	Direct GHG emissions occurring from sources owned/controlled by a company e.g. the burning of fuel onsite for heating.
Scope 2 GHG Emissions	Indirect GHG emissions occurring from the generation of purchased energy e.g. electricity generation provided by the grid.
Scope 3 GHG Emissions	Indirect GHG emissions occurring from an organisation's operations, not controlled or owned by a company e.g. employee commuting, supply chain emissions, waste.
Stakeholders	Groups or individuals who support an organisation in their operation e.g. tenants, employees, investors, suppliers.
Sustainability	The ability to meet the needs of people and the planet at present without compromising the ability of future generations' needs to also be met.
TCFD	The Task Force on Climate-Related Financial Disclosures provides recommendations for disclosure of climate-related financial information relating to governance, strategy, risk management and metrics and targets.



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