



CORPORATE SOCIAL
RESPONSIBILITY REPORT
2020



CHIEF EXECUTIVE'S STATEMENT



On behalf of the Audley Board of Directors, we are pleased to present Audley Group's first Corporate Social Responsibility Report.

This report signifies another important step in our journey to document, measure and embed our strategy for sustainability in the areas of environment, social impact and governance and we value the opportunity to openly communicate our progress and performance.

In addition to delivering support for property owners and returns for our stakeholders, it is also imperative that Audley proactively manages key issues including:

- Managing the environmental impact of our operations and corporate activities
- Engaging with the communities in which we operate
- Developing the skills and talents of our employees

Traditionally, Audley's approach to ESG (Environmental, Social & Governance) was predominantly environmentally focused. However, in recognition of the importance of operating in an ethical and sustainable manner and Audley's ongoing commitment to deliver commercial success whilst championing the interests and experience of our owners and people, the ESG framework is in the process of expansion, to ensure a more rounded and holistic approach.

As a result, Audley's ESG strategy is to adopt a multi-faceted view of the Group's operations and interactions with the wider community and environment. This approach reflects Audley's firm belief that sustainability encompasses how Audley Group conducts its business now, and into the future.

In promoting sustainable business practices and reporting against our ESG strategy,

we believe Audley is better placed to create long-term value for key stakeholders and revolutionise the way retirement villages are developed and operated.

Audley is establishing an ESG Committee to oversee the sustainability approach for Audley. The Committee's sole focus is to assist the Board in building the framework, policy and actions required to become a more environmentally and socially responsible organisation.

“Sustainability encompasses how Audley Group conducts its business now, and into the future.”

KEY HIGHLIGHTS OF 2019

During 2019, the satisfaction, welfare and quality of the retirement offering we provide to our owners continued to be our core focus. We are proud to report that owner satisfaction levels were as consistently high as previous years, with 87% of our owners rating Audley as 'Excellent' or 'Good'.

This sentiment was echoed by our team members with 97% saying that they are proud to work for Audley. Employee engagement overall was up from 73% in 2018 to 75%, despite a 15% increase in headcount.

We continue to support many fundraising initiatives, predominantly focussing on age-related health issues faced by many of our owners. Over the course of 2019, we raised almost £30,000 across all villages for these worthy causes.



We have made good progress implementing appropriate frameworks aimed at strengthening our governance processes and ensure we are well placed to address legislative changes and community expectations.

Lastly, in 2019 – and in a unique move for the retirement community sector – Audley submitted a planning application for our first ever carbon neutral development.

GOING FORWARD

The impact of coronavirus is making 2020 a challenging year. Safeguarding the health and wellbeing of our owners and our teams remains our highest priority. We discuss how we are dealing with this crisis within this report.

We recognise that having a strong ESG framework enables us to respond to threats quickly and more efficiently. We remain driven to develop and advance our ESG strategy for the long-term benefit of all.

With sustainability at our core, we remain well positioned for continued growth and to consolidate our position as the market leader in retirement living in the UK. Working to improve and innovate on the provision and delivery of greater living choices is at the heart of everything we do.

Nick Sanderson
Chief Executive Officer

CORONAVIRUS RESPONSE

As the publication of this report comes mid-COVID-19 lockdown, it is appropriate to update with our current response.

As concerning as these unprecedented times are for all our teams, owners and customers, it is encouraging to see the Audley community coming together and supporting one another.

At the heart of this lies the many new initiatives that we have been able to launch, embracing the power of digital communication and using the channels we have at our disposal to stay connected both to each other and to our Audley teams.

Across the Group, our teams have been working incredibly hard to ensure owners feel engaged and able to stay active.

As part of this, we have created a series of 'How to' guides, including guides for video calling and how to install an app.

The health and wellbeing of all our owners and staff is especially important during this lockdown period and we will continue to share new virtual activities in the hope that we can continue to motivate and inspire our owners during this unsettling time.

Now, more than ever, it is important we all feel connected.

Our leisure managers are creating videos of simple exercises to do at home. These are easily accessible via our new Instagram and YouTube channels.

We also have a range of activities taking place, from puzzles and trivia to keep our minds active, to cocktail making and cookery masterclasses, along with a selection of village-wide music playlists. All available on our new Audley app or via our website.

Despite the temporary closure of our restaurants, our chefs are still busy working on exciting new menu choices for delivery to our owners and team members. The Audley Pantry is also open across our villages. It enables owners and team members to purchase essentials like pasta, eggs and handwash, without needing to leave the village.

Living at an Audley Village, and being part of the Audley community, continues as the best place to be.

MR GARNETT, OWNER AT AUDLEY BINSWOOD

Mr and Mrs Garnett found everything they were looking for when they moved from their family home six years ago, to Audley Binswood, just minutes from the centre of Royal Leamington Spa. Having

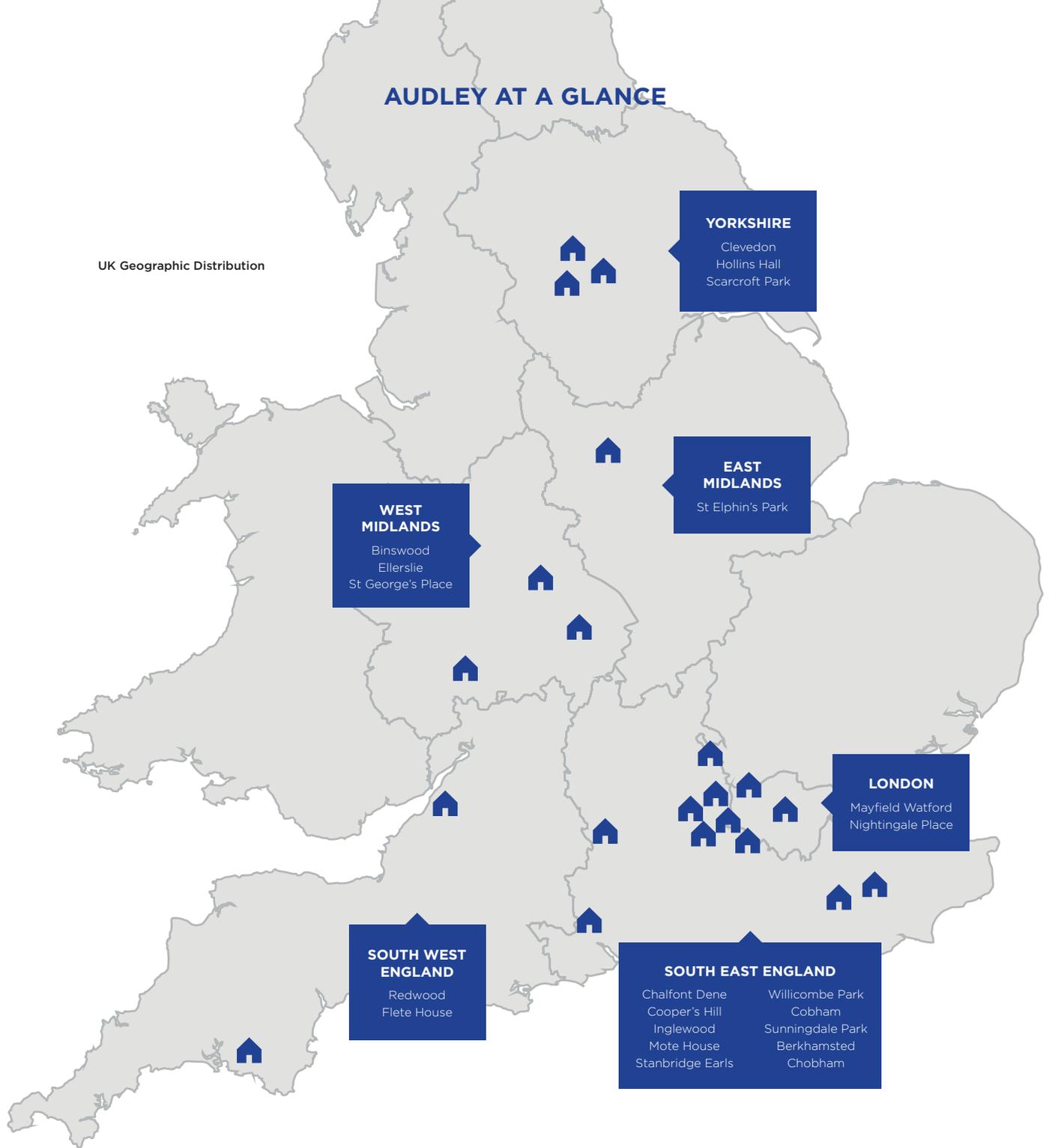
always felt that moving to an Audley Village was the best decision they made in later life, that sentiment is ever more prevalent during this pandemic. Despite social distancing regulations, Alan and Claire Garnett have so far found themselves both well looked after and entertained by their neighbours and village staff.

"What a wonderful thing it is to live here with the comfort, security and quality of service that is available to us every day. This crisis gives Claire and I even more time to reflect upon the good fortune that brought us to Binswood six years ago. We feel truly blessed with the sincerity and warmth of all the staff, dedicated as they are to our comfort and wellbeing. What a superb concept is the 'Audley luxury retirement proposal'. We want for nothing in our comfortable and secure home and luxuriate in the – meals brought our door – service that will see us through this wretched pandemic."



AUDLEY AT A GLANCE

UK Geographic Distribution



KEY NUMBERS

1,214

completed
properties over
21 villages

1,362

owners

748

team members

1,403

community
care customers

BUSINESS MODEL

Audley Group's business model has been developed and refined over its 20-year history, 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 enable them to achieve that vision.

OUR VISION

Life Enhancing

OUR MISSION

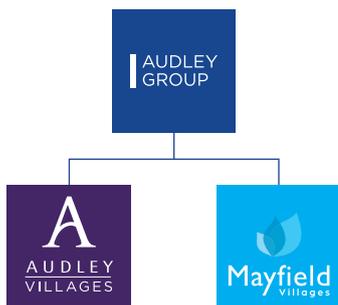
To be the market leader and most trusted provider of retirement living in the UK.

OUR VALUES

Enriching, Exceptional, Proud, Caring

AUDLEY GROUP

Audley Group is the Parent Company and is home to all central functions such as finance, marketing and HR.



Audley Group develops and operates villages within two main brands. The two Audley Group brands serve distinct audiences, so although the overall model is the same, how that is provided differs.

Audley Villages offer luxury retirement living often centred around majestic heritage buildings with a range of facilities similar to those you might expect in a boutique hotel.

“Audley Villages allows owners to live the independent lives they want to in a safe and secure environment. It will continue to fly the flag for excellence in retirement living for generations to come.”

Mayfield Villages was launched in 2015 to appeal to a growing mid-market who seek a lower price option but still demand the same facilities, level of service and care. Mayfield Villages have a fresh, contemporary design and will typically be found in more urban/suburban locations.

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

DEVELOPMENT

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

- Land acquisition
- Planning
- Construction
- Marketing
- Sales

By the end of 2019, the Audley Group had achieved planning permission on 1,900 properties, plus resolution to grant on a further 506. The planning team take time to clearly consider the social and economic benefits of the Audley model whilst challenging the preconceptions of the sector.

BUSINESS MODEL CONTINUED

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

Overall, Audley Group has 21 villages in its portfolio, with over 1,200 built properties. 2019 welcomed the completion of the first properties at two of these villages: Cooper's Hill in Englefield Green and Stanbridge Earls in Romsey, as well as Audley's first 'satellite' site, Kenilworth Place in Leamington Spa.

Over the past 20 years, we have honed the design and construction elements, learning from each project to ensure the next village build goes even more smoothly. We have also become bolder with the types of materials we use and construction methods we employ to ensure we can provide the very best product for our customers in the most cost-effective way.

OPERATIONAL

The following business areas are covered by Operations:

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

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

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

The award-winning restaurants and health clubs are all open to owners, their guests and the local community. This helps to create a lively atmosphere, worlds away from the stereotype of an 'old people's home'. At the end of 2019, there were 11 operational Audley Clubs across the UK.

CARE AND SUPPORT SERVICES

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

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

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

In 2019, Homecare.co.uk named Audley Care a 'Top 20 Home Care Group', an accolade which we are extremely proud of.

BUSINESS MODEL CONTINUED

2019 ESG SCORECARD

Our mission, to be the most trusted provider of retirement living in the UK has never felt more relevant. Clear reporting helps us know where we're making progress and where we should focus our attention. It also increases transparency about what we do, which is crucial to building trust. This scorecard provides a consolidated view

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

FAIR AND TRUSTED BUSINESS

	INDICATOR	UNIT OF MEASURE	PERFORMANCE	
			2018	2019
OWNER SATISFACTION	Satisfaction Survey	Overall satisfaction (out of 5)	4.0	4.1
		Percentage rating Audley as 'Good' or 'Excellent'	81%	87%
		Percentage likelihood to recommend	70%	78%

EMPOWERED PEOPLE AND COMMUNITIES

	INDICATOR	UNIT OF MEASURE	PERFORMANCE		
			2018	2019	
EMPLOYEE WELLBEING	Absence through sickness	Percentage ¹	4.7%	4.2%	
		Medicash claims	Average per employee	1.3%	1.8%
		Percentage likelihood to recommend Audley	70%	78%	
EMPLOYEE ENGAGEMENT	Engagement survey	Response rate (%)	75%	79%	
		Overall score (%) ²	73%	75%	
	Employee training	No. of hours training undertaken in total	22,101	23,337	
		No. of hours training undertaken - Average per employee	34	31	
		Spending on learning and development (£)	£225,957	£216,360	

¹ Percentage of average monthly sick hours to average monthly headcount hours.

² Results are derived from the firmwide staff survey questions: "I am satisfied with Audley Group as a place to work", "I am proud to work at Audley Group", "I expect to be working at Audley Group 12 months from now" and "I would recommend Audley Group to friends and family as a great place to work". Percentage of Audley Group staff who 'agree' or 'strongly agree'.

BUSINESS MODEL CONTINUED

DIVERSITY	Gender	Percentage of females at Board Level	0%	14.3%
		Percentage of females within Senior Management	28.9%	34.5%
		Percentage of females across all employees	69.7%	70.1%
		Gender Pay Ratio Percentage (median)	3.2%	12.1%
TALENT RETENTION	Employee turnover	Percentage	32.9%	30.8%
COMMUNITY CONTRIBUTION	Total community contribution	£	9,000	30,000

LOW CARBON AND CIRCULAR BUSINESS

	INDICATOR	UNIT OF MEASURE	PERFORMANCE	
			2018	2019
ENERGY	Energy consumption	kWh/m ² (like-for-like)	123	125
GREENHOUSE GAS EMISSIONS	Scope 1 & 2 emissions	kgCO ₂ e / m ² (like-for-like)	27	26
WATER	Water consumption	m ³ /m ² (like-for-like)	0.41	0.39
EXTERNAL REPORTING	Global Real Estate Sustainability Benchmark (GRESB)	Points	53	57
		Star Rating (out of 5)	1	1
SOLAR PHOTOVOLTAIC	Coverage	Percentage share of total portfolio	-	21%
EXTERNAL REPORTING	Global Real Estate Sustainability Benchmark (GRESB)	Points	53	57
		Star Rating (out of 5)	1	1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY

The Audley Group aims to promote sustainability initiatives, environmental responsibility and resource-efficient processes that drive improved operational and environmental outcomes. We have commenced a comprehensive process to identify and evaluate the environmental impact of our villages and operations. This is part of Audley's strategy to reduce our carbon emissions and to limit our impact on climate change.



"Audley understands that a socially responsible company is accountable for its impact on, and has an obligation to protect and sustain, the environment in which it operates. Throughout the organisation, our people are passionate about developing new solutions to sustainability challenges and growing our business both successfully and responsibly."

Paul Morgan
Managing Director - Operations

ESG STRATEGY

We are in the process of developing our ESG Strategy and Action Plan. In line with the Strategy, Audley is developing its objectives and energy reduction targets. This strategy development programme has investigated, considered and will incorporate elements of sustainability frameworks including the Sustainable Development Goals (SDGs) and Task Force on Climate-related Financial Disclosures (TCFD). Fundamentally, any ESG framework established should reflect Audley's position in the market as the UK's leading retirement village developer and operator.

We have identified five pillars of ESG that we will embed in how we conduct business, which then enables stronger and more secure and stable growth. These pillars are:

- Our Environment
- Our Community
- Our People
- Our Owners
- Our Governance

We believe this holistic approach is paramount in achieving our vision for the future. We address all these pillars in this report.



"Our purpose to create sustainable value is now more relevant than ever. With our strategic approach, we are securing our company's future and contributing to sustainable development around the UK."

Kevin Shaw
Managing Director - Development

RESPONSIBILITY POLICY

One of our first objectives is to integrate and promote greater environmental responsibility and resource-efficient processes across our operations and activities. As such, we will launch a Corporate Social Responsibility (CSR) Policy in late 2020.

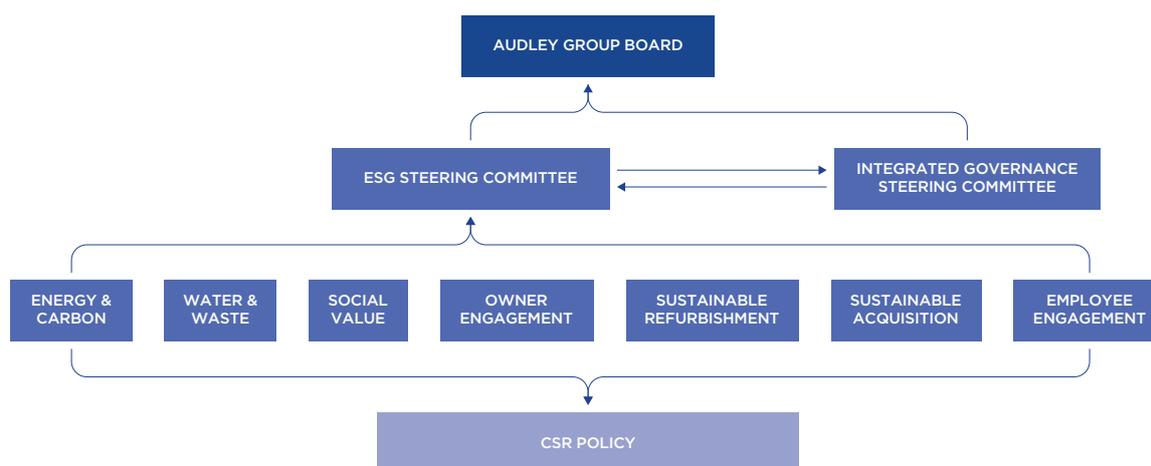
The Policy will demonstrate Audley's commitment to having a sustainable approach to management by integrating environmental sustainability across all our activities as well as fostering a shared sense of responsibility for optimal environmental performance from senior management through to our team members and subcontractors.

ESG STEERING COMMITTEE

An ESG Steering Committee is being set up to assist in the development and implementation of Audley's Corporate Social Responsibility Policy. The Committee will include representation from all business functions, with oversight from the Board. Reporting to the ESG Steering Committee will be seven workstreams which will each contribute to the development of the CSR Policy, monitoring and reporting progress towards the overall ESG strategy.

Each workstream plans to meet quarterly, with the ESG Steering Committee meeting bi-annually to discuss short-term, medium-term and longer-term areas for improvement and success.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY CONTINUED



GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

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

We have participated in GRESB since 2018, and in 2019 achieved a score of 57, which is a year-on-year improvement of 7.5%.

One component of our ESG strategy is to raise the profile of GRESB throughout the business and set a target that will encourage collation of evidence for submission.

IAN MAXWELL GROUP HEALTH AND SAFETY MANAGER



WHAT DOES SUSTAINABILITY MEAN TO YOU?

In my view, it's an acknowledgement that the life we lead and create should have lasting positive benefits for the present and future.

HOW DOES YOUR ROLE RELATE TO AUDLEY'S CORPORATE SOCIAL RESPONSIBILITY?

There are two key aspects which integrate my role at a CSR level in Audley. I have sat on both the Integrated Governance Steering Committee and the Risk Management Group since their inception and additionally, I am required to report to the Board all aspects of occupational health and safety management across the Group.

WHAT DOES YOUR ROLE INVOLVE?

I am responsible for ensuring that, across each discipline, we adhere to the requirements of occupational health and safety management; in particular, the ISO 45001 Standard to which we are certified through BSI. My role is to ensure we continuously improve our knowledge and understanding through training, consultation and participation of team members.

WHAT DO YOU LOVE ABOUT YOUR JOB?

I love the diversity of the job given that I am fortunate to maintain an oversight of every aspect of the business.

HAVE YOU SEEN SUSTAINABLE/ CSR BUSINESS PRACTICES INCORPORATED IN THE BUSINESS?

Yes, within building design and use of sustainable environmental technologies such as ground source heat pumps in the villages.

ENVIRONMENT



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

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

In late 2020, we will publish our initial Corporate Social Responsibility Policy. This will affirm our vision to promote and enhance the quality of life for owners entrusted into our care, whilst acknowledging and improving the environmental and social impacts of our business operations.

RISK MANAGEMENT

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

As the UK's leading developer and operator of retirement villages, Audley can expect to operate in a climate that will progressively depart from the weather conditions and events historically experienced, to more acute challenges and risks arising from increasing climate variability.

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

MOVE TO ZERO CARBON

Reflecting Audley's existing commitment to energy-efficient developments, the company is exploring opportunities to move further towards zero carbon status on future projects.

The initial driver will be to limit the projected energy demand and associated carbon emissions of our developments. This will be achieved via building orientation, construction methods, use of low-energy materials and equipment, supplemented by the integration of low to zero carbon technologies such as natural ventilation, passive solar control, photovoltaic panels, ground source, air source or local district heating schemes.

OTHER SUSTAINABILITY INITIATIVES INCLUDE: ENERGY

- Solar photovoltaic (PV) technologies: convert sunlight into electrical energy, reducing Audley's carbon footprint. In 2019, 21% of our villages had a solar photovoltaic installation (coverage by m²). When our latest installation completes in 2020, our solar project portfolio will total 149 kW, and consist of rooftop applications located in St Elphin's Park, St George's Place, Chalfont Dene, and Nightingale Place. The solar panels source clean and renewable energy, whilst reducing the village's dependence on non-renewable fuels and strengthen the resiliency of the energy grid
- Low-energy lighting: we prioritise using light fittings that contain light emitting diode (LED) technology
- Renewable air source heat pumps: high-efficiency technology provides heating for villages in areas where a mains gas service is unavailable

ENVIRONMENT CONTINUED

- Ground source heat pumps: highly efficient technology which has been introduced to provide heating to apartments where ground conditions are viable
- Energy recovery ventilation systems: during cooler weather, house ventilation systems recover heat from air being exhausted and use this to temper cooler fresh air coming into the buildings, reducing the need for thermal energy
- Combined heat and power: adopted where there is a cluster of buildings and the energy loads are favourable

WATER

- Incorporation of low-demand fittings and flow monitoring warn of potential leaks. The Group is also investigating opportunities for rainwater harvesting on larger developments

GREEN BUILDING CERTIFICATION

- We now target BREEAM 'Very Good' on all new developments, as a minimum
- We are researching other standards, such as WELL certification, to best suit the needs of our stakeholders and our ESG strategy
- Nightingale Place currently holds an interim BREEAM certificate, rating 'Very Good'. This site opened in May 2020

TRAVEL

- Sustainable travel plans to reduce car journeys. Each Audley scheme has its own bus, used by owners and staff for journeys to the city/village centre and to and from transport hubs
- The new developments at Audley and Mayfield Villages incorporate infrastructure for future electric car charging points

BIODIVERSITY

- During the refurbishment process, Audley takes great care to maintain bat habitats. Surrounding trees are fitted with heated bat boxes; these have also been built into the external fabric of the buildings
- In several villages, allotments are provided to owners, helping to reduce the ecological footprint of the village and add to the natural beauty. This includes Audley Mote House, where one resident, Liz Hedges, comments, "It is a community here and we all go on to our allotments and swap cuttings and things, and the gardens are beautiful." Audley St Elphin's Park, Matlock, has 15

allotment holders. Christine and Alan Goldsack state, "We were both keen gardeners before we moved here and wanted to keep it up. We've planted soft fruits – gooseberries, raspberries and redcurrants – and have eaten our own lettuce, broad beans, herbs and peas. It gives us a sense of wellbeing."

- Support of native and pollinating plants, such as the wildflower garden at Audley Chalfont Dene



CASE STUDY

CONSTRUCTING SUSTAINABLY

Audley Inglewood, in Kintbury, Berkshire, will be, subject to planning approval, extended by building an additional 23 two-bed single-storey units within the village's walled garden.

Owing to its rural location, Audley Inglewood does not have mains gas, water or drainage, which has encouraged the employment of a variety of sustainable technologies to meet the energy demands of the existing village. The proposed walled garden scheme design will take this approach even further to create the most sustainable Audley Group development to date by creating a village extension that is self-sufficient in terms of energy consumption.

The vision can be achieved by building highly insulated, airtight units and generating electricity onsite via roof-mounted photovoltaic panels, which will power highly efficient LED lighting and sustainable heating and ventilation systems. Any excess energy can be fed back to the National Grid, with a predicted 5% net contribution of carbon offset to the grid.

The team is also evaluating modern methods of construction, including off-site modular systems that will dramatically reduce construction time on site and deliver a higher-quality product.

“It is in Audley’s DNA to innovate; the very model on which the business is built has set the standard for retirement living, so it is natural that we are continuing to redefine the sector by embarking upon a carbon neutral village. We have always taken environmental and sustainability issues very seriously and this proposal sends a signal about the scale of our ambition in this space. It is simply not a case of being the responsible approach to construction, it is the only approach that is sustainable over the long term.”



ENVIRONMENT CONTINUED

CASE STUDY

COMMITMENT TO GREEN ENERGY

The entire Audley Group portfolio of villages will be powered by green energy by November 2021.

Audley Cooper's Hill in Surrey, which opened in late 2019, is Audley's very first green energy village and all newly completed villages will operate on green energy. Villages which are already in operation will transfer over to green energy sources in the next 18 months. The commitment spans all communal areas at the villages including the restaurant, Audley Club and Mayfield Club, spa and gym. In addition, the vast majority of property owners purchase their gas and electricity through Audley's provider and this means over 90% of owner properties will also be powered by green energy by winter 2021. This is one of the Group's initiatives to move towards zero carbon status.

“Sustainability impacts every aspect of our daily lives, from the food we eat to the energy we use, and not least the homes we live in. It is something that is incredibly important to not only us at Audley, but also our property owners. We are the very first retirement village provider to implement green energy across our full portfolio of villages and we are part of just a handful of housebuilders putting zero carbon initiatives at the heart of our projects. This reaffirms our commitment to reducing emissions from the housing sector and is just another step on the journey to zero carbon status.”



COMMUNITY



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

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

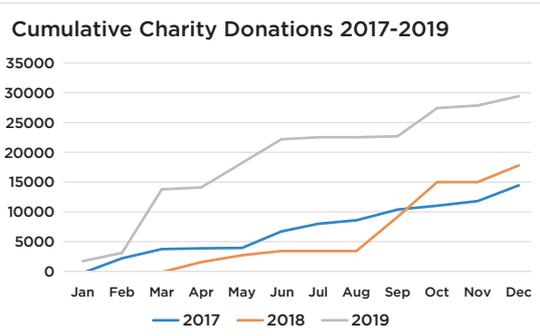
The effectiveness of our community engagement is continuously being reviewed and adjusted to ensure that we sufficiently address community interest and opportunities.

Audley gives back to the community through fundraising and volunteering for a wide range of charities and causes. Fundraising takes place in the villages, as well as at the central support office, through owner and team member activities including car washes, cake sales, Christmas fairs, raffles and sponsored sports activities.

Over 2019, Audley supported a number of charities including:

- British Heart Foundation
- Cancer Research UK
- Brighter Futures Charity
- Care Workers Charity
- Parkinson's UK
- RNLI
- Diabetes UK

Almost £30,000 was raised in 2019, up 67% on the previous year.



We are in the process of launching our own charitable payroll giving system, to help our team members contribute to their favourite charities more easily, conveniently and tax efficiently.

Audley is also working towards the formation of a dedicated Audley Foundation to formalise charitable giving.

COMMUNITY CONTINUED

CASE STUDY

CHRISTMAS FAIRS

10 of our villages hosted Christmas fairs in 2019, an event which has now become much anticipated among our village communities and their neighbours. Local traders and craftspeople were invited to attend to demonstrate and sell their wares to over 1,300 owners, guests and people from the local area who enjoyed complimentary mulled wine and mince pies while shopping for Christmas gifts.



CASE STUDY

PLANTING TREES IN DERBYSHIRE

Children from Flutterby's Nursery in Matlock in the Peak District, and owners at Audley St Elphin's Park came together in March to plant 60 sapling trees. The trees were kindly donated by the Woodland Trust for the benefit of the local environment in Matlock.

Equipped with their shovels, compost and rabbit guards, children and St Elphin's Park owners revelled in helping to create an even healthier green environment around the village.

Susan McClean, General Manager at Audley St Elphin's Park, said: "It was lovely to have the children from Flutterby's Nursery along to plant the trees that had been donated, and we are honoured they chose to plant them in our grounds. Hosting community events is a great part of the village life here at Audley St Elphin's Park and we look forward to having many more events here."



CASE STUDY

'GOING THE EXTRA MILE' FOR CARERS

Hundreds of Audley staff working in various roles across our villages and central office went the extra mile in July 2019, to raise funds for the Care Workers Charity. The Care Workers Charity (CWC) is an occupational charity, founded in 2009 to support current and former workers in the care industry.

At Audley, we have been a corporate partner for a few years now and are keen to increase awareness of this charity and the widespread support they provide to both Audley care workers and carers throughout the UK.

The CWC supports carers throughout the UK with financial grants, emotional support and even legal advice. It operates fundraising events all year round, although the charity is not widely known outside of the organisations and devoted care workers it supports.



COMMUNITY CONTINUED

Care workers across the country do an amazing job under some very sensitive and difficult circumstances. Their daily experiences at work can be distressing and for little financial reward, yet these kind and caring individuals continue to go the extra mile for other people day in day out.

At Audley Villages, 45% of our entire workforce are dedicated to working in care roles. So we're helping to raise funds for these employees and for the many other carers countrywide who benefit from the incredible work by the CWC.

Paul Morgan, Managing Director - Operations said, "It's inspiring to see so many team members, owners, family and friends getting involved in this event. It shows recognition for the thousands of dedicated carers going the extra mile every single day."

In total, £1,359 was raised through a variety of events, including:

- Audley donated £5 for each photo of team members sharing their own stories #goingtheextramile
- Fundraising raffle at our central support office
- Staff cycled the distance between Chalfont Dene and Cooper's Hill on gym bikes
- Clevedon hosted a charity car wash and sold homemade puzzle books
- St George's Place held a charity fundraising event at Edgbaston Reservoir
- Several villages ran charity walks, raffles, collection boxes and other fundraising efforts to contribute

CASE STUDY

BOXING FOR CANCER RESEARCH UK

They say the world of finance can be hard-hitting, but Audley Group Operations Financial Controller Kamran Ahmad took this to another level when he decided to attempt a boxing match challenge in aid of Cancer Research UK. He may have had no boxing experience at the start of his journey, but Kam is no stranger to putting himself through fitness ordeals for Audley fundraising efforts, having previously raised £1,100 for the RNIB whilst cycling 100 miles across London.

He trained for eight weeks in the build-up to his match, which took place in March with Ultra White Collar Boxing (UWCB). Ultra White Collar Boxing is a unique opportunity for people with no boxing background to experience the wonderful world of boxing, in a safe and enjoyable environment.

Many Audley staff attended the match to support him and Kam came away with a win!

He has raised an incredible £2,065 for Cancer Research UK.

Audley fundraising is a big part of our culture and we see a number of our team members getting involved in charity events throughout the year. Kam's involvement in this boxing match is another fantastic showcase of the efforts our team members will make to raise money for worthy causes.



SNAPSHOT OF OTHER COMMUNITY FUNDRAISING, ACTION AND EVENTS OVER 2019



Mayfield Watford - Downsizing Event



Audley Willicombe Park - D-Day 75th anniversary remembrance



Audley Redwood - Celebrating 4th July



The Orangery at St Elphin's Park - Cocktail Masterclass



Audley St George's Place - Edward's Trust Fundraising



Egham Office - Raffle for The Care Workers Charity raising £277



Audley Redwood - Hog Roast on the Terrace



Egham Office - Raising money for Diabetes UK



Audley Redwood - Mexican-themed Evening



Audley Mote House - World's Biggest Coffee Morning



Audley Chalfont Dene - Raising £450 for BBC Children in Need with car washing, tombola and cake sale



Audley Chalfont Dene - VIP reception attended by Dame Cheryl Gillan, MP for Chesham and Amersham, owners and people from the local community

Audley Mote House - raising money from The Royal British Legion



Audley Redwood - talk by Philippa Parish a renowned nutritionist therapist and life coach about healthy lifestyles, healthy diets and nutrition

Audley Ellerslie - Held an exclusive fundraising lunch with special guest, double Olivier award-winning actor, Robert Lindsay for the Malvern Theatres Tomorrow Fund to help secure the future of Malvern Theatres



Audley Ellerslie - Celebrating Oktoberfest

Audley Ellerslie - Basic First Aid Training



Audley Redwood - Traditional Tea Dance



Audley Redwood - RNLI Fish Supper

Audley Stanbridge Earls - Cookery demonstration

CASE STUDY

AUDLEY'S NIGHT TREK

In February, a 60-strong team embarked on a 13-mile walk, starting at Warwick Castle and trekking all the way to Audley Binswood in Leamington Spa, via Kenilworth Castle, raising £7,977.

This was one in a series of Audley events raising vital funds for the Dove Ward, Great Western Hospital. The Brighter Futures Charity is a cause close to our hearts at Audley as the Dove Ward supports our Care Director, Jo Lander, who was suddenly, devastatingly, diagnosed with Acute Myeloid Leukemia (AML).

60 walkers, including family and friends of Jo, Audley Group directors, care, hospitality, finance, HR and sales colleagues, all set off across fields, verges and all manner of terrain, armed with torches and their positive spirits. Jo was there to wave them off and wave them back.

“The Audley team is like no other, and the cross-village, cross-department and cross-function camaraderie really is evident in most events, but certainly when it comes to helping one of our own!”



ELIAS AJAKA
GROUP HEAD OF PROCUREMENT



WHAT DOES YOUR ROLE INVOLVE?

I am responsible for sourcing products and services for all areas of the business to ensure that the best quality and value is achieved, both operationally and financially.

WHAT DO YOU LOVE ABOUT YOUR JOB?

Unlike many other companies, Audley's business model is multi-faceted and I really love that variety in my role. I could be dealing with energy companies and broadband suppliers one day and grocers or pool supply companies the next. I find that really enjoyable.

WHAT DOES SUSTAINABILITY MEAN TO YOU?

To me, personally, I believe that sustainability means being fair. That's being fair to our employees, our owners and customers as well as our partners and suppliers. For the latter, it's important that, in a tender process, we

give all potential competing suppliers the same brief, the same data, with no bias or subjective preferences giving any one company an advantage. Process is key.

HAVE YOU WITNESSED A CHANGING APPROACH TO SUSTAINABILITY/CSR IN THE COMPANY?

Yes, particularly with environmental improvements. This has become a big focus over the last year.

HAVE YOU SEEN SUSTAINABLE/CSR BUSINESS PRACTICES INCORPORATED IN THE BUSINESS?

Definitely. Within the villages' operations, we have four main areas we're making changes to:

- Green energy – all new villages will be “green from start” and we've made a commitment to use green energy contracts in all legacy villages from 2021
- Cleaning products – making a move to all bio-products
- Coffee supplies – we already work with ethical suppliers but we will be moving to only using Alliance Certified products
- Reduction of utility consumption – we're working with an independent auditor to plan how to reduce consumption within all of our villages



EMPLOYEES

Our team members are our most important asset to the business, and we are dedicated to providing a working environment in which they can develop and thrive. We encourage open and honest communication and have robust policies covering everything from equality and diversity to health and safety, to ensure that their wellbeing is at the core of what we do. In 2019, Audley began its journey towards the British Standards Institution's (BSI) ISO45001 Occupational Health & Safety Management Certificate, which was awarded in March 2020.

There have been a number of employee engagement activities undertaken throughout the year across all business areas including:

- An annual staff conference for the leadership of the organisation with special guest speakers and a staff recognition awards event in the evening
- An annual staff satisfaction survey in which response rate and overall engagement were up year on year and the percentage of team members who were "proud to work for Audley" was up from 93% in 2018 to 97% in 2019
- Regional operational village management meetings (bimonthly)
- Care branch manager meetings (bimonthly)
- Head office all-staff meetings (bimonthly)
- A daily '10 at 10': An update from the village general manager at 10am at each operational village
- Audley has an in-house learning and development team and we now have 36 employees enrolled into a new apprenticeship programme
- Audley Care was named the winner of the 'End of Life Expertise' category at the 2019 Home Care Awards

Audley recognises that performance schemes are a key tool in employee engagement and has a range of schemes to promote employee engagement across disciplines including an annual pay review, bonus schemes, a sales commissions scheme, an incentive scheme, spot awards, and a long-term incentive plan.

In 2019, Audley launched a new Associate Operations Director in Training (AODIT) Programme, a two-year programme that provides a mix of learning opportunities, coaching and in-role experience. Included in the programme is an invitation to join a new Strategic Development Group that will support the organisation with commercial discussions, culture and change initiatives, design, innovation and operational performance. The AODs will be responsible for all aspects of the business within their own village as general manager, as well as a portfolio of up to three additional villages, providing leadership, business development, operational management, local business strategy and communication. There are multiple vacancies on the programme and the opportunity to apply is open to all Audley staff. A General Manager in Training (GMIT) and a Care Branch Manager in Training (CBMIT) programme are also due to be launched in the future. The AODIT Programme adds to Audley's existing Sales Manager in Training Programme, which has proven to be a success over the past two years.

DIVERSITY & INCLUSION

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

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

EMPLOYEES CONTINUED

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

Audley Group is proud to be an equal opportunities employer and gender has no impact on our recruitment process. Audley Group gender pay details reveal that women's mean hourly rate is 32.7% (2018 - 27.4%) lower than men's and women's median hourly rate is 12.1% (2018 - 3.2%) lower than men's.

This data primarily reflects the fact Audley Group is a business which has three key functions: property, care and hospitality. Each function has different levels of pay. Care accounts for nearly half of the organisation's headcount, of which 97% of those staff are female, and generally fall into the lower quartiles for pay compared to other business units. The median gender pay gap across the entire business is 12.1%, which suggests that the main bulk of pay grades are relatively even, and we believe that this provides a more accurate view of the overall gender pay gap.

EMPLOYEE ENGAGEMENT SURVEY

Each year, we conduct an employee engagement survey to understand how employees feel about their workplace and identify areas for improvement. 570 employees completed the survey in 2019, and the results were again very positive. We achieved an overall engagement score of 75%, up from 73% in 2018.

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



EMPLOYEES CONTINUED



CASE STUDY

AUDLEY STARS 2019

In January 2020, team members gathered together to talk through the highs of 2019, celebrate the Audley Stars who made the biggest difference and to look towards the exciting year of growth ahead.

Audley Group CEO Nick Sanderson, HR Director Lisa Rickman and MD John Nettleton introduced the conference. They were joined by guest speakers on a range of subjects throughout the day, including the outstanding operational performance as expressed by MD Paul Morgan and an update on our villages' performance from MD Kevin Shaw.

Conference delegates were invited to attend workshop sessions throughout the day, to share their own experiences, ideas and feed back on how we can excel in a year of growth and increasing competition.

Paul Morgan, Managing Director - Operations, hosts the Audley Awards every year and was delighted to see so many Audley employees recognised for their contributions this year, "The Audley Stars Awards was introduced to recognise those individuals who excelled in their area and are truly deserving of their recognition. These are team members and leaders we can all look up to in a year of growth."

Kevin Shaw, Managing Director - Development, added, "I am extremely proud of the brilliant people we work with. Individuals who truly believe in the Audley values and stand behind the exceptional quality of what we build and the service we deliver. They make this business what it is."

The winners were:

- Overall Hospitality Star of the Year -
Joanne Louram at Audley Clevedon
- Overall Heart of House Star of the Year -
Adrian McGlynn at Audley Willicombe Park
- Overall Care Star of the Year -
Clare Foster at Audley Inglewood
- Egham Star of the Year -
Victoria Philips at Audley Court, Egham
- Marketeer of the Year -
Samantha Happe at Audley Court, Egham
- Branch Manager of the Year -
Dawn Jackson at Audley Chalfont Dene
- Salesperson of the Year -
Rachel Gregory at Mayfield Watford
- Care Branch of the Year - **Audley Mote House**
- Sales Manager of the Year -
Karl Schubeis at Audley Willicombe Park
- General Manager of the Year -
Susan McClean at Audley St Elphin's Park
- Sales Team of the Year - **Telesales**
- Village of the Year - **Audley Redwood**

EMPLOYEES CONTINUED

CASE STUDY

AUDLEY ACADEMY ROADSHOW

Over summer 2019, the training roadshow aimed to engage as many team members as possible, with a real focus on outlining the diversity of what we have available and to provide bespoke learning opportunities to teams and individuals. This included a dementia experience and upskilling campaigns by the British Red Cross and Skills Network UK.

AUDLEY ANNUAL 10K

In September, upwards of 80 Audley employees took on the challenge that is the Audley annual 10k and 2k at Blenheim Palace in Oxfordshire. For many taking part, the run-up to the event has involved hours upon hours of running and walking spanning several months, with the most avid runners of course tracking their pace each time and beating their personal bests. Many managed to beat their time set in the Audley Annual 10k 2018. As expected, there was some friendly competition on the day, with the winner crossing the finish line in under 50 minutes. Well done Jamie Prideaux!

Chantelle Parish, Head of Sales, went to extremes with her training, travelling to Disneyland Paris to complete a gruelling 5k, 10k and half marathon in one weekend! After only one week's recovery, Chantelle attended our event, running the 10k.

Audley Care Director, Joanna Lander, dedicated the event in aid of the British Heart Foundation, raising £4,865.45.



“The number of people taking part is a reflection of the caring nature of our business and the people we have working in it.”



LISA RICKMAN
AUDLEY GROUP HR DIRECTOR



In February 2020, it was announced that, now Group HR Director, Lisa Rickman had been invited to join the Board. As well as her fundamental role in the leadership team at Audley Group, Lisa is a mum and enjoys a busy family life at home in West Sussex.

WHAT ATTRACTED YOU TO JOIN AUDLEY?

Care is a tough sector globally, heavily influenced by the labour market and ageing population, and it comes with huge public responsibility. Experiencing how the tenacity and engagement to drive improvement makes a difference to people's lives is exceptionally rewarding.

My positive experience of working in the care sector therefore made it almost impossible to shift sectors. Audley is a superb brand that is attractive to both our owners and future team members. Building an employee brand that is recognised and understood externally and internally really appealed to me, as did Audley's plans for growth. I am passionate about our exceptional people and the complex challenges across diverse roles.

To support and contribute to the growth of the business and to be an integral part of the Audley culture is a privilege.

HOW IMPORTANT IS CULTURE IN AN ORGANISATION?

The impact of culture has always been my core interest. I have worked within many different cultures, some created by the nature of the sector and

others by the local cultures relevant to the geographical location. Culture and behaviour do impact people and business performance. My experience tells me that it should be at the top of the list, with focus on establishing strong values and ethical behaviour that is equalised in gender. Culture and equality are key for success at both an individual and overall organisation level.

HAVE YOU SEEN ANY TRENDS IN BUSINESSES ADDRESSING EQUALITY IN EMPLOYMENT?

I've experienced many legislation reviews, and therefore organisation policy and behaviour change, many times in my career. I have seen many successful and improved performances as a result of organisations exercising agile working methodologies, for example job shares, flexible working and shared parental leave. By embracing these improved practices, we are more likely to increase engagement and personal satisfaction. It is every organisation's responsibility to promote a good 'work/life' balance, and it can be all too easy to unintentionally create a culture where the balance is not healthy.

At Audley, we promote healthy policies that provide choices for women and men alike to achieve their desired balance of professional and personal life.

FINALLY, WHAT ADVICE WOULD YOU GIVE TO ASPIRING YOUNG WOMEN IN BUSINESS?

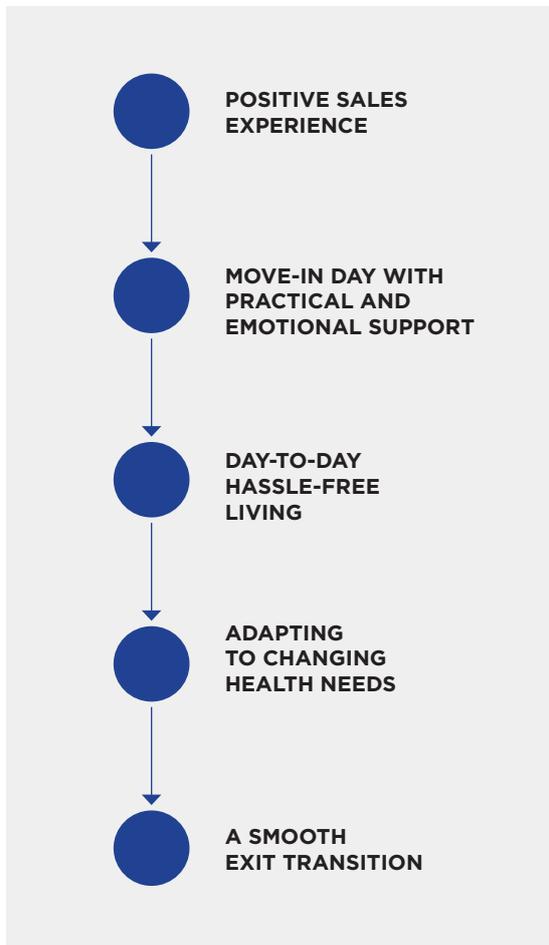
My advice would be to persevere and to never 'stop being you'.

Women not only have a multitude of skills and experience to offer, but also extended natural skills that include empathy, resilience, multi-tasking, courage and tenacity. All of these traits are key to an effective culture delivering leadership, friendship, trust, integrity and kindness. Strong culture impacts higher performance and so having a natural ability to self-manage and support others will lead to personal and organisational success and satisfaction.

PROPERTY OWNERS



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



POSITIVE SALES EXPERIENCE

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

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

MOVE-IN DAY

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

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

We are constantly seeking ways to improve all our processes and this includes the development of video tutorials to further help with the handover of the property to the customer, something which we plan to implement soon.

PROPERTY OWNERS CONTINUED

DAY-TO-DAY, HASSLE-FREE LIVING

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

Wellbeing

At Audley, our aim is to enable owners and customers to live a happy and independent life. As we get older, we may need a little more support, but our wellbeing offering does more than providing traditional care services. There are many ways we can maintain and improve people's health right now, rather than only providing reactive services when the time comes.

In 2020 a holistic plan to address 8 key pillars is being developed.



Food and Nutrition

Audley has introduced nutritional food standards, which cover all food services in the villages. Menus have been expertly designed to include healthy options and traditional favourites. Audley owners are welcome to dine at any of our villages and our restaurants are open to the public, having built enviable reputation with those living nearby.

In late 2018, Blandy's Restaurant at Audley Inglewood was awarded an AA Rosette in Culinary Excellence.

Exercise

Our villages have exceptional health club facilities which promote an active lifestyle. Each Audley Club has an extensive programme of classes, and personal trainers are available to design a bespoke plan for each owner and club member. Whether that be for rehabilitation, mobility, or to improve overall fitness.

Social Activities

Audley's villages are designed to connect owners with others through shared facilities, services and activities. Every Audley community has a wide range of social activities and events coordinated by village staff or owners. Owners are welcome to take part as little or as much as they like. There's no pressure.

Domestic Assistance

Audley offers assistance in and around the home with any domestic errand. Owners can opt for as much or as little support as required and only pay for the services used, which can include:

- Cleaning
- Laundry
- Grocery shopping or collecting prescriptions
- Walking the dog or feeding the cat
- Making the bed

CHANGING HEALTH NEEDS

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

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

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

Andrew, the son of one of our Willicombe Park property owners, said: "All the visiting carers have been lovely and have treated my father with great respect. The whole team has been excellent and I would recommend Audley Care to anyone in our position."



MOVING ON

We are committed to smoothing and simplifying the transition when an owner leaves one of our villages, whether that be because they have decided to move somewhere else, or because they pass away. Audley carers are also able to provide palliative care to allow end-of-life owners to stay at home in familiar surroundings. Indeed, Audley Care was named the winner of the 'End of Life Expertise' category at the 2019 Home Care Awards. The sales team work closely with the owner or their family to ensure that the property is sold quickly and for the best possible price.

OWNERS' SATISFACTION

In 2019, we completed the annual owners' satisfaction survey for all Audley communities. Owners were asked to rate Audley, and the village they live at, on a variety of topics. The survey aims to monitor both high-level satisfaction and more detailed community-by-community issues. The most significant findings were:

- The percentage of owners rating Audley as 'Good' or 'Excellent' was 87%, up from 81% in 2018
- Owners' overall opinion of Audley improved from 4.0 to 4.1 out of 5 in 2019
- 78% of owners are likely to recommend Audley, up from 70% in 2018
- 80% of owners say their opinion of Audley has improved year on year

CASE STUDY

CARE AT AUDLEY

We have many Audley Care success stories, many similar to that of Mrs Wickstead, an owner at Audley Ellerslie in Great Malvern. Mrs Wickstead had been living with Parkinson's disease and her mobility was deteriorating rapidly. Getting about town was becoming very challenging as she was in a wheelchair and, for the most part, housebound. Audley Care stepped in to assist with rehabilitation and support under our Specialist Help care profile, which aids those with long-term or serious medical conditions.

First, the team began the training during visits within her home. These initial sessions were all chair-based, where the team focused on helping Mrs Wickstead build up her strength and confidence in familiar surroundings. Gradually, she began making progress. Over time, Mrs Wickstead was eventually able to walk again and she began attending her Audley Village gym for regular exercise. Our carers report that not only has her overall mobility improved, but her confidence and self-esteem has also grown as a result. Now the team can focus on preventative care and reinforce the strength training with other activities that will build on her positive growth. We're confident the progress Mrs Wickstead has made will delay the onset of further frailty concerns for a long time to come.

PHILIP ROLFE
DEVELOPMENT DIRECTOR



WHAT DOES YOUR ROLE INVOLVE?

My role is a broad one, which involves working with the land, planning and construction teams to assess potential new sites for development and then collaborating with the various parties to acquire the site, ultimately delivering a completed village into its operational phase and beyond. I also work closely with our JV partners and Funders to deliver our development pipeline and growth plan.

WHAT DO YOU LOVE ABOUT YOUR JOB?

I'm a practical person, so I love being part of a process that transforms unused sites and re-purposes existing heritage buildings into remarkable developments, so that our owners can live independently in amazing, secure environments.

WHAT DOES SUSTAINABILITY MEAN TO YOU?

For me, it is all about meeting the needs and requirements of the present without negatively affecting the ability of our future generations to live a life that we would aspire to.

HOW DOES YOUR ROLE RELATE TO AUDLEY'S CORPORATE SOCIAL RESPONSIBILITY?

As I am involved at an early stage of a project, I have influence on the design and procurement approach, promoting standards we should be aspiring to and selecting the right partners to work with, who understand our values and sustainability ethos.

HAVE YOU WITNESSED A CHANGING APPROACH TO SUSTAINABILITY/CSR IN THE COMPANY?

Absolutely, I have always been impressed with the Audley culture and how we are all encouraged to play a part – no matter how big or small. However, CSR and sustainability has definitely moved up the agenda in recent years and this is being actively embraced by the company.

HAVE YOU SEEN SUSTAINABLE/CSR BUSINESS PRACTICES INCORPORATED IN THE BUSINESS?

Indeed, we are looking to target appropriate environmental standards for our new schemes, with a great example of this being our planned 'zero carbon' extension to our Inglewood Village.

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

The Board of Directors continually reviews Audley's governance framework and practices to ensure that they meet the varying needs and interests of stakeholders.

INTEGRATED GOVERNANCE STEERING COMMITTEE

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

- Risk Management
- Business Continuity
- Policies

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

THE RISK MANAGEMENT PROCESS

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

Risk management starts at Board level which sets risk appetite, provides policy, maintains risk oversight and enforces risk management reporting. Facilitated by the Group Health and Safety Manager, the Risk Management Group regularly reviews

the risk register and is informed of all risk management activity and emerging risks. The Risk Management Group meets quarterly, with a risk report being submitted to the IGSC. All identified risks on the risk register are scored on a traffic light system on the consequence and likelihood of their occurrence, with "red" rated risks reviewed by the Board.

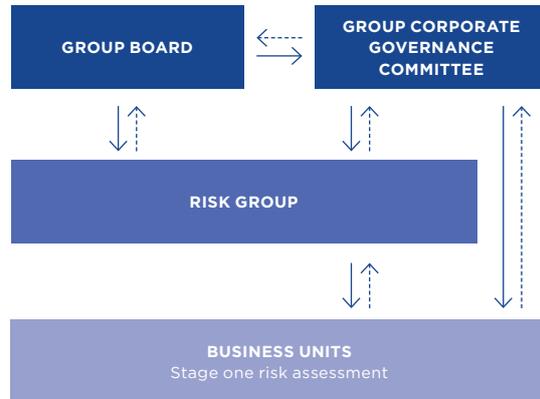
RISK APPETITE

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

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



RISK MANAGEMENT PROCESS FLOW



→ Direct and monitor - - - - -> Report for evaluation

MODERN SLAVERY

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

WHISTLE BLOWING

Audley Group has a clear Whistle-blowing Policy to encourage our team members to raise any concerns. The full policy can be read at audleygroup.com/corporate-governance along with our Anti Bribery Statement and Health & Safety Policy.

REGULATORY AND INDUSTRY RESPONSIBILITY

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

- All branches are regulated and inspected by the Care Quality Commission (CQC)
- The most up-to-date regulations are complied with. These describe the essential quality and safety that people who use our services have the right to expect

- Service is also monitored through formal review meetings, the distribution of satisfaction surveys and a close review of the results
- Spot checks observe carers at work and regular contact with owners and their families ensure customers are happy with the service they receive
- All homecare staff undergo a thorough DBS (Disclosure and Barring Service) check and receive regular training. Carers are people our owners will get to know and trust as a friend
- Where possible, carers are recruited from within the local community. These workers spend less time travelling so owners receive the maximum time from them, at the time they promise

We champion the retirement sector as a whole, and as such are a founding member of the Associated Retirement Community Operators (ARCO) trade body and our CEO, Nick Sanderson, is Chair. Membership of this organisation means we are at the forefront of setting best practice in the retirement village sector and enables us to act as a united voice representing the interests of older people in engagement with both the private and public sectors, including government.



LYNN VELLIN
HEAD OF HR OPERATIONS



WHAT DOES YOUR ROLE INVOLVE?

My role involves many things but looking after the governance of all activities related to our team members is one of them. From ensuring that we provide a framework and guidance to help understanding these policies, to helping bring to life what that means in a practical sense. I also look after HR Shared Services and payroll, as well as supporting Audley with its levels of team member engagement. Working on a day-to-day basis with stakeholders across the business is also a large part of my role.

WHAT DO YOU LOVE ABOUT YOUR JOB?

I honestly love everything! Helping to create the culture that makes Audley so special is hugely important to me, as well as the purpose and reason behind what we do at Audley. My personal values have to match to those of the organisation that I work for, and that's very much the case working at Audley. I love working for a growing organisation that is leading the way in retirement living and I find that I'm able to have strategic and hands-on involvement that makes a positive impact. Every day is still a learning day; I like the fact that every day is different.

WHAT DOES SUSTAINABILITY MEAN TO YOU?

For me, it's about understanding what we do and the impact that it has on the environment. From an Audley team member perspective, everyone plays a part in making a difference to the world we live in. Having this high on our agenda helps us to become an employer of choice as I believe the approach that businesses take to sustainability will be a key factor in helping to decide who you work for. We have a responsibility to keep our planet safe for future generations.

HOW DOES YOUR ROLE RELATE TO AUDLEY'S CORPORATE SOCIAL RESPONSIBILITY?

There's a lot of my role that relates to this. Simple things we can all do on a day-to-day basis to make sure we don't waste energy, and recycle, for example. There's also wider considerations like how we can embrace technology to attend meetings in different ways, rather than needing to travel, in order to reduce CO² emissions, while still keeping the impact and communication of the meetings to the same high standard. I always try to question, understand and encourage all team members to think about different and more effective ways of doing things.

HAVE YOU WITNESSED A CHANGING APPROACH TO SUSTAINABILITY/CSR IN THE COMPANY?

Yes, during my time with Audley I have seen an increased awareness and desire to make a difference in terms of our approach to improving sustainability. Some great examples have been around our build concepts and embracing new technology and initiatives to reduce our carbon footprint.

PERFORMANCE REPORT

The tables below show our environmental sustainability performance for assets under management. Sustainability performance for the 2019 calendar year (1 January 2019 to 31 December 2019) is presented against 2018.

- Table 1: Energy – Absolute, Like-for-Like and Intensity – 2019 versus 2018 (Not applicable: Electricity self-generated from renewable sources)
- Table 2: GHG emissions – Absolute, Like-for-Like and Intensity – 2019 versus 2018 (Scope 1 – gas; Scope 2 – electricity)
- Table 3: Water – Absolute, Like-for-Like and Intensity – 2019 versus 2018

The reporting boundary has been defined according to where Audley Group has Operational Control, i.e. where it has the full authority to introduce and implement operating policies.

As such, it does not cover owner-owned properties or development sites under contractors.

Future reports will endeavour to include the following information: waste data, self-generated energy, e.g. solar, energy utilised at Head Office, Scope 3 emissions. Normalisation techniques against occupancy levels may also be considered to allow greater analysis.

ABSOLUTE DATA

Includes consumption for assets that were sold during the reporting period and where Audley Group held operational control.³

LIKE-FOR-LIKE DATA

Performance data excludes assets where they were not in ownership for 24 months covering the reporting periods (2019 and 2018 as applicable).⁴

INTENSITY DATA

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

COMMENTARY ON PERFORMANCE TRENDS

- Like-for-like electricity consumption rose by average 2.5%. Out of the 11 like-for-like assets, 6 experienced rises in electricity consumption over the annum,⁵ whilst 5 had drops.⁶ The rationale between variances is mostly attributable to changing levels of owners within the village. For instance, at St Elphin's Park (+4.35%), between Q4 2018 and Q4 2019, 19 extra properties were occupied. The biggest electricity rise was identified at St George's Place (35.6%). This annual variance in consumption at this property is deemed attributable to estimations utilised in early 2018. Next year, data quality processes will increase to minimise discrepancies within the data set
- Like-for-like fuel use (gas) experienced a negligible increase of 0.2%
- Average like-for-like carbon emissions fell by 3%. The change for Scope 1 emissions was 0.2%, and Scope 2 emissions by -7.3%. This is attributable to evolving carbon factors
- Average like-for-like water usage fell by 4% at the 7 villages where water usage is monitored and measured.⁷ All water data provided is sourced from invoices

³ Absolute data recorded for villages: St Elphin's Park, Binswood, Ellerslie 1, Ellerslie 2, St George's Place, Flete House, Clevedon, Mote House, Inglewood, Inglewood 1, Chalfont Dene, Stanbridge Earls, Redwood, Willicombe Park, Cooper's Hill, Binswood - Kenilworth Cottage & Homewood Cottage

⁴ Like-for-like villages: St Elphin's Park, Binswood, Ellerslie 1, St George's Place, Flete House, Clevedon, Mote House, Inglewood, Chalfont Dene, Redwood, Willicombe Park

⁵ Electricity Consumption increases over reporting period at: St Elphin's Park (4.35%), Binswood (7.83%), St George's Place (35.6%), Flete House (14.19%), Chalfont Dene (5.57%), Willicombe Park (9.81%)

⁶ Electricity Consumption falls over reporting period at: Ellerslie 1 (-8.38%), Clevedon (-4.95%), Mote House (-2.99%), Inglewood (-1.71%), Redwood (-7.3%)

⁷ Like-for-like water consumption recorded at: Binswood, St George's Place, Clevedon, Mote House, Chalfont Dene, Redwood, Willicombe Park

PERFORMANCE REPORT CONTINUED

TABLE 1: ENERGY - ABSOLUTE, LIKE-FOR-LIKE AND INTENSITY - 2019 VERSUS 2018

Energy Source	Absolute Consumption (kWh)		Like-for-Like Consumption (kWh)			Like-for-Like Intensity (kWh/m ²)		
	2018	2019	2018	2019	% Change	2018	2019	% Change
Electricity	5,420,902	6,102,927	5,321,755	5,457,369	2.5%			
Fuels	10,131,549	11,246,263	9,852,857	9,875,023	0.2%			
Total Energy	15,552,450	17,349,191	15,174,612	15,332,393	1.0%	123	125	1%
Coverage (number of villages)	13	15	11					

TABLE 2: GHG EMISSIONS - ABSOLUTE, LIKE-FOR-LIKE AND INTENSITY - 2019 VERSUS 2018 (SCOPE 1 - GAS; SCOPE 2 - ELECTRICITY)

GHG Source	Absolute Emissions (tonnes CO ₂ e)		Like-for-Like Emissions (tonnes CO ₂ e)			Like-for-Like Intensity kgCO ₂ /m ²		
	2018	2019	2018	2019	% Change	2018	2019	% Change
Scope 1	1,864	2,069	1,813	1,817	0%			
Scope 2	1,534	1,562	1,506	1,397	-7%			
Total	3,398	3,631	3,319	3,214	-3%	27	26	-3%
Coverage (number of villages)	13	15	11					

TABLE 3: WATER - ABSOLUTE, LIKE-FOR-LIKE AND INTENSITY - 2019 VERSUS 2018

	Absolute m ³ Usage		Like-for-Like m ³ Usage			Like-for- Like Intensity m ³ /m ²		
	2018	2019	2018	2019	% Change	2018	2019	% Change
Water	60,019	69,215	49,938	47,815	-4%	0.41	0.39	-4%
Coverage (number of villages)	9	10	7					

PERFORMANCE REPORT CONTINUED

Third-Party Validation

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

Methodology

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

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

In summary, the applied process for data verification includes:

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

Notes:

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

Opinion

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

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

About EVORA

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



Paul Sutcliffe

Director

May 2020



