

Building a better future.

*Sustainability
Annual Statement
2024*



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A message from our Chief Executive Officer

As we navigate the ongoing global climate and biodiversity crisis, it's clear we are at a critical juncture that demands immediate action. We stand at the forefront of a necessary transition toward a truly sustainable global community. This moment calls for businesses to redefine industry leadership and adapt to an evolving landscape.

At our core, we've always embraced innovative thinking. Since opening the UK's first integrated retirement community in Cranleigh, Surrey, we have prioritised forward-looking solutions. Our commitment to sustainability has deepened, aiming to minimise our impact on the environment while maximising value for our residents, staff, supply chain, shareholder, and society as a whole.

In 2022, we launched our market leading sustainability strategy, and I'm proud to report that we've made significant strides over the past two years. This year's statement outlines our progress and the evolution of

our approach, reinforcing our dedication to making a tangible, lasting impact.

We recognise that while we've achieved a great deal, there's a significant amount of work still to be done. We're focusing on delivering our commitments across carbon reduction, biodiversity net gain and improving social impact. We will also work on our ability to report accurately on our progress and engage our stakeholders more effectively on our sustainability journey.

Our determination to lead our market remains unwavering, and we wish to inspire others to join us in realising our ambitious vision for a sustainable future. Together, we can create a better world for generations to come.

Thank you for your continued support as we work toward these vital goals.

Tim Seddon
*Chief Executive Officer
Retirement Villages Group*



We are working to deliver a market leading strategy which involves our customers, partners and shareholder.

**Setting new standards for best practice.
Leveraging industry collaboration.
Focus on maximising impact.**



We have been working to be ahead of the game and make a serious contribution to reducing climate change. Over the last year we have begun to deliver our ambition. We have embraced new technologies, and a different way of thinking to create sustainable homes for older people. We have focused our efforts, so that we can make a real difference in reducing our carbon footprint and help ensure a positive future.

Nick Jones
Director of Property Services

Our sustainability strategy

Our sustainability strategy aims to respond to the urgent climate and ecological challenges facing our planet.

Beyond the financial case for our approach, it is driven by a moral imperative. We want the actions we take, combined with those of the wider industry, to contribute to meaningful, lasting change.

Our strategy is a blueprint to position us as a sustainability leader within our sector. It adopts a holistic approach centered on three core areas: planet, circularity, and social impact.

For each pillar, we have established long-term objectives and annual targets to deliver measurable outcomes and drive systemic change for our business, our residents, our supply chain, our investors and wider society.

We also view our sustainability efforts as an opportunity to generate economic, environmental, and social value.

Planet



We'll become a regenerative business.

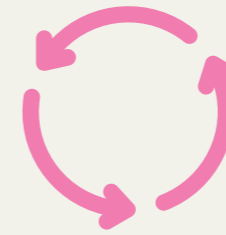
We will develop all new communities to be fully net zero carbon from 2024.

We'll be net zero carbon on our operations by 2030.

We'll regenerate biodiversity up to 20% across all communities by 2030.

We will support our operational supply chain and customers to be net zero carbon from 2034.

Waste



We'll design out waste from our communities.

We'll minimise waste through reduction, reuse and recycling at all our communities by 2030.

Social



We'll support the social and economic vitality of our local communities.

We'll champion quality employment and provide local learning and development opportunities for all our communities from 2023.

We'll create cohesive communities and integrate with existing ones by harnessing the potential of our employees and customers from 2025.

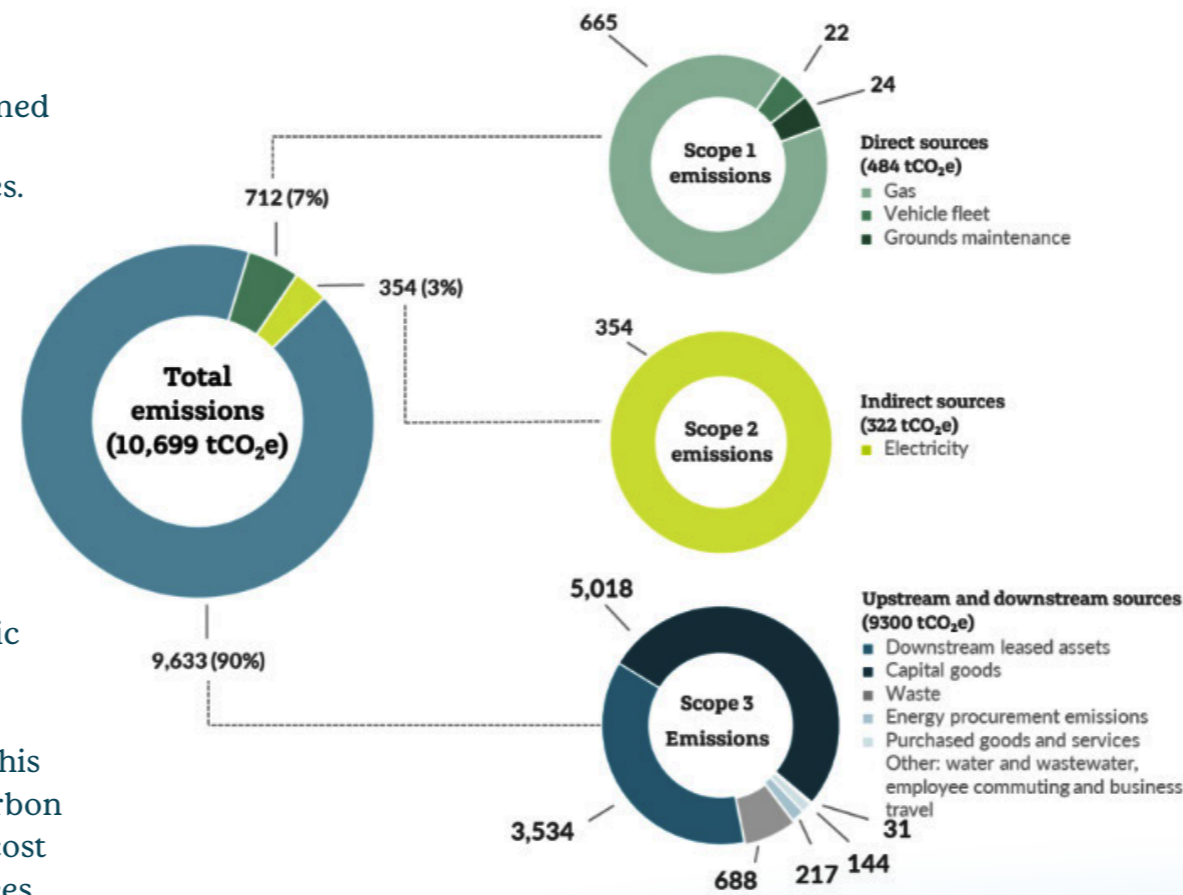
Planet

We are committed to ambitious decarbonisation goals aimed at minimising our contributions to climate change across the operation of both our existing and future communities. Alongside this, we are actively working to restore and enhance biodiversity throughout our communities, exceeding legal requirements to amplify the diverse benefits that nature provides.

Planet objective 1: We'll be net zero carbon on our operations by 2030.

Our operational carbon footprint is 1,066 tCO₂e. Our aim is to reduce this through quick wins and longer-term measures targeting energy reduction, degasification, fabric improvements and solar PV schemes.

We aim to deliver a 5% reduction in landlord emissions. This will be measured through a reduction in overall village carbon emissions, achieved through the implementation of low-cost improvements funded by service charges/management fees.



Key Achievements

RVG has signed up to SBTi, committing to reduce our carbon emissions. The first retirement community operator to do so.

Scientists understand the level of action needed worldwide to keep global warming within 2°C, but how does this apply to a business? Science-based targets translate the level of action needed globally down to a corporate level.

The Science Based Target initiative (SBTi) is a body that champions science-based target setting and officially approves these targets. Over 400 companies have committed to setting SBTs, and 106 have had them approved, including Tesco, BT, Unilever and Marks & Spencer.

We have collected the data to enable us to set science-based net zero targets to help limit global temperature rise above pre-industrial levels to 1.5°C. This operational carbon target is shown on the graph in the black dotted line, with a 2030 target of 598 tCO₂e scope 1&2 carbon emissions.

The other 3 lines show the increase in emissions due to our business growth plan and the subsequent reduction in emissions due to key carbon reduction measures. If all measures are delivered as forecasted before 2030 then RVG is able to meet the 2030 target.

Scope 1 + 2 - Decarbonising Future Development



New solar panel installation at Charters Village

Total consumption [KWH]	319,741
Total generation [KWH]	154,605 (48% reduction)
Carbon reduction [tCO ₂]	35
System cost, funded by the decarbonisation fund, £200k	

Planet objective 2: We will support our operational supply chain and customers (scope 3) to be net zero carbon from 2034.

Recognising that the climate emergency necessitates extensive collaboration, we are committed to working alongside our supply chain and residents to encourage their transition to net zero carbon. We will deliver on our carbon reduction milestones by ensuring that 100% of new development appraisals and ongoing operational budgets account for full costs and carbon offsetting across all scopes—1, 2, and 3.

Our Scope 3 carbon footprint is primarily driven by our supply chain, the development of new communities, and the residents in our existing communities.

Planet objective 3: We will develop all new communities to be fully net zero carbon (scopes 1,2 & 3) from 2024.

Our new developments are thoughtfully designed to reduce carbon emissions, improve waste management, and foster active community engagement among our residents. Key features include solar panels to generate renewable electricity for the entire development and apartments designed to be at least 50% more energy-efficient than homes built today. These are market leading advancements and mean that our communities will produce 60% less carbon and will be 20% more cost-effective to operate compared to similar projects currently under construction.

Planet objective 4: We'll regenerate biodiversity up to 20% across all communities by 2030.

We're responding to the biodiversity emergency by ensuring we not only mitigate our impact on the natural world but leave it in a better state than we found it. We're going beyond the Government's upcoming 10% biodiversity net gain requirement for new developments by targeting up to 20% biodiversity net gains across our entire portfolio of new developments and existing communities.



Key Achievements

We have undertaken a biodiversity baseline assessment across 11 of our communities and are proud to have achieved a score of 287 total biodiversity units. Based on studies, this equates to a market value of £6.3 million – a testament to our teams and residents who maintain our fabulous grounds and habitats. Additionally, this year we revised our design guide to ensure all new schemes will be designed to be operational net zero carbon and, where viable, net zero carbon in construction.

In 2024 we have spent £1.2 million on carbon reduction initiatives, including 6 solar PV schemes. This has been funded by our internal carbon levy, which enables a decarbonisation fund for investment in our existing portfolio of 1,850 homes. We apply this levy to a number of our operational retirement communities and all new developments once they have been completed. This year, we anticipate collecting £1.15 million in carbon levies.

This fund reinvests the carbon credits generated into energy-efficient measures across our villages, including the removal of gas and the installation of solar panels. A portion of the fund will also support approved voluntary carbon offset projects, such as reforestation or renewable energy initiatives. Any remaining funds will be directed toward other decarbonisation initiatives. We are the first in our sector to create an internal carbon levy model during the construction of our new developments.

Waste

To overcome the environmental impacts, lost value, and embodied carbon associated with waste, our strategy focuses on integrating circular economy principles across all aspects of our operations. This includes managing existing communities, new developments, and collaboration with our residents. Through these principles, we aim to decouple our daily activities and the consumption of finite resources, designing waste out of our processes and creating a more sustainable future.

Waste objective 1: We'll minimise, reduce, reuse and recycle at all our communities by 2030.

We will establish clear and robust recycling processes across our communities and eliminate the consumption of single use plastics in operations through strict procurement policies. To prevent materials depreciating, we will maximise opportunities to buy and sell materials and products for reuse. This will ensure resource value is retained, and lifespan extended, both contributing to revenue generation and cost savings.

Each village will implement a tailored waste management strategy aimed at reducing waste and improving our recycling rate of 37%.

Key achievements

At The Wyldewoods in Chester, our contractors have ensured that all construction waste generated by the project so far is fully recyclable.

Green leases have been introduced to all future residents, establishing a mutual agreement to uphold specific responsibilities that promote more sustainable living. These include reducing waste generation and improving water efficiency, helping to create a more environmentally conscious and resource-efficient community.





Social

Sustainability is often associated with environmental concerns, however it also includes social and economic impacts, with many overlaps where improvements in one area, support progress in another. As constructors and operators of integrated retirement villages, we have an important role to play in ensuring that both our residents and the communities they join thrive. We approach this responsibility with dedication, working to provide the highest standard of later living while supporting local economies. Our efforts focus on creating cohesive communities, championing quality employment, and partnering with local businesses to create lasting, positive impacts.

Key achievements

To date we have ensured that all our employees are paid at least the Real Living Wage and have supported local talent through apprenticeships, traineeships, and graduate opportunities. Additionally, our commitment to diversity has contributed to a reduction in the gender pay gap, reflecting our ongoing dedication to fair pay and inclusion.



Social objective 1: We will create cohesive communities and integrate with existing ones by harnessing the potential of our employees and customers.

In terms of physical wellbeing, by 2026, we aim for 50% of residents within eligible communities to be regularly using a gym or participating in physical activities. Progress will be measured by the percentage of residents engaging in physical activity per week.

For mental wellbeing, our target is for 80% of residents to report feeling socially connected and supported through community activities by 2026. This will be measured by the percentage of residents participating in community or group activities and the percentage reporting they feel less lonely.

To enhance emotional wellbeing, by 2026, 10% of residents will be involved in volunteering, and community volunteers will make up 10% of the staffing base in each location. We will track this through the percentage of residents participating in the volunteer programme and the percentage of community volunteers involved in the programme.

Social objective 2: We'll champion quality employment and provide local learning and development opportunities for our communities.

To drive the continual development of a committed and effective workforce, we're targeting an uplift in the quality of employment and local learning and development. For example, we ensure all employees are paid the Real Living Wage as a minimum. Further, to ensure a continual stream of young talented employees, we will aim for 5% of our workforce to be either apprentices, trainees, or graduates. This will support continual learning and development and promote the generation of new ideas and ways of working.

Building on our commitment to diversity and inclusion, we will close our gender pay gap, going beyond Government and market expectations. The measurement is numeric, focusing on the size of the average pay gap measured in £. This ambition will progress women into more senior roles and establish a more diverse and effective leadership team.

Summary achievements in 2024

Long term objective	2024 target	Baseline	Achievement	Progress
Net Zero Carbon (Scope 1 & 2) by 2030	Complete NZC data baseline for RVG and 75% of active villages.	N/A	Achieved: SBTI sign-up	✅ Achieved
	Achieve 5% reduction in energy consumption (measured in carbon reduction) through low-cost improvements.	1,066 tCO ₂ Operational Carbon	Partially Achieved: 32 tCO ₂ reduction (3%)	🕒 In Progress
	Achieve 2% reduction in carbon footprint via capital improvements [e.g., PV installation].	1,066 tCO ₂	Not Achieved: Major projects in progress, expect delivery in 2025	❌ Delayed
Support Scope 3 NZC by 2035	100% of unit refurbishments to a low-carbon home standard (minimum EPC C).	N/A	93% of unit refurbishments to a low-carbon home standard (minimum EPC C).	🕒 In Progress
	All new developments start on site as fully Net Zero Carbon schemes	N/A	Achieved: 100%; 2 schemes have started on site at Tunbridge Wells and West Malling, both in Kent. These schemes have been designed and costed as whole life NZC	✅ Achieved
Regenerate Biodiversity by 2025	Complete biodiversity baseline and plans for 70% of villages.	287 biodiversity units	Achieved: Plans completed for 11 villages (50%)	✅ Achieved
Minimise Waste by 2030	Each village to have waste management strategies and implement standardisation programs.	297 tonnes waste p.a., 37% recycled	Achieved: Waste audit completed for 14 villages	✅ Achieved
Champion Employment & Learning	Reduce median gender pay gap and 5% of workforce in Earn & Learn positions by 2025.	Median gap: 18%	Achieved: Gap reduced to 14.2%; 4 Earn & Learn positions in place	✅ Achieved
Create Cohesive Communities by 2025	Improve resilience of 50% of residents by 10%.	N/A	Data collection and recording processes underway.	🕒 In Progress
	Ensure 80% of residents are "never" or "hardly ever" lonely.	N/A	Data collection and recording processes underway.	🕒 In Progress
	Ensure 10% of residents are volunteers; support 20% staff as external volunteers.	N/A	Data collection and recording processes underway.	🕒 In Progress

✅ **Achieved:** Target met successfully 🕒 **In Progress:** Work ongoing with partial results ❌ **Delayed:** Target not achieved; reasons provided

Holding ourselves accountable

We will review and update our sustainability strategy to keep it relevant for our business and stakeholders, whilst proactively responding to changing trends and expectations for sustainable and responsible operations. As we attain the goals within our strategy, we will set new ones to keep us at the forefront of leading industry action.

We're committed to transparency, and so aim to disclose our performance against all targets on an annual basis. We're establishing a clear and robust reporting process, which will enable us to keep track of our performance and communicate regularly to our stakeholders.

To ensure timely and accurate disclosures we'll seek independent third-party verification for future reporting.

Throughout this process, we recognise that it's fundamental to keep awareness among our key stakeholders, enabling a systematic change to achieve our objectives and targets by 2030. We aim to continue engaging and strengthening collaboration with our partners.





For more information on our sustainability strategy and community activity, please get in touch with your contact at RVG or email:

sustainability@retirementvillages.co.uk

 retirementvillages.co.uk

 [@retirementvillagesgroup](https://www.linkedin.com/company/retirementvillagesgroup)

RETIREMENT
VILLAGES



Botanical Place, our new community at West Byfleet, is due to complete in 2025 and the building is the UK's first whole life net zero carbon retirement community.