



# Summerset

SUSTAINABILITY REVIEW FY18-22



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from the CEO

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# Our Strategy

## About Us

Summerset is a leading and fast-growing retirement village operator in New Zealand. Our business spans development, design, and construction through to managing retirement villages and care centres. Summerset has 39 villages completed or under development, and sites earmarked for potential future development across New Zealand and Australia.

'Bringing the best of life' to more than 7,400 residents is at the core of everything we do at Summerset. This approach to our residents is reflected in our connection with our wider community and our support for programmes that deliver positive social outcomes. Our strategic pillars of Growth, Our People and Our Customers have been key to Summerset's success over our 25-year history. Summerset is currently expanding into Australia, which forms an important part of our future growth plans.

Our sustainability review provides stakeholders with an overview of our environmental, social and governance management and performance.

### Period covered by the report

This report covers our sustainability performance from 1 January 2018 to 31 December 2022.

### Assurance:

Toitū Envirocare independently audit our emissions inventory to the ISO14064-1:2018 and ISO 14064-3:2019 standards. See [www.toitu.co.nz](http://www.toitu.co.nz)



## GROWTH

We look for expansion opportunities in New Zealand and Australia that deliver competitive returns for our shareholders.



## INNOVATION



## OUR PEOPLE

We want to create a great place to work, where our people can thrive.



## WELLBEING



## BRINGING THE BEST OF LIFE

Our strategic goals are underpinned by our desire to bring increased **wellbeing** to our customers and staff by harnessing the power of **innovation** and weaving **sustainability** into our work.



## OUR CUSTOMERS

We continue to improve and enhance our offering to residents.



## SUSTAINABILITY

## Introduction

Summerset's ambition is to develop, build and manage more sustainable retirement villages in both New Zealand and Australia. We strive to ensure we provide the best care for our most vulnerable residents and develop villages with the resident, and their needs, at the core of everything we do. Implementation of new technology, working collaboratively across teams and empowering our staff to make good sustainable decisions are all key parts of our journey.

Summerset's key strategic pillars are underpinned by three key themes; Wellbeing, Innovation and Sustainability. Each theme aligns with our core strategy. Sustainability is central to this and is an essential part of everything we do.

Over the last five years we've significantly reduced our waste, became the first retirement village operator to get sustainability linked lending, introduced a science-aligned emissions target, and joined the Climate Leaders Coalition. We are at the end of our first five-year carbon emissions reduction target, and we'll set another ambitious short-term target to continue to challenge ourselves to do better.

Our first short-term greenhouse gas emissions target was put in place in 2018 and ran until the end of 2022. We chose to focus on short-term sustainability targets as a method of developing our internal capabilities and knowledge before tackling longer term and more ambitious goals.

Recently we were rated an A- for our carbon and sustainability efforts by Forsyth Barr in a new study on New Zealand-listed companies. Their rating put us in the top 12 companies on the NZX—a category they called "leaders" and ahead of all others in our sector.

We are both humbled and pleased by the A- rating, as it confirms we are making headway in the key areas of carbon emissions and environmental impact, health & safety, diversity & inclusion, employee wellbeing and much more. We still have more to do, but it's great to have the work we've done so far recognised by an independent company.

It is our people that make us. We are committed to bringing the best of life to our people: our residents, our staff, and our communities.

We aim to create a great place to work where our people can thrive. We are an active participant in Aged Care Matters, an industry initiative set up to advocate for realistic government funding in aged care, including the issue of pay parity for aged care nurses. The aged care sector received some good news recently with the Government's agreement to help close the wage gap between aged care and hospital-employed nurses, to the tune of \$200 million a year, but health officials are yet to detail how the money can and will be spent. They need to move faster if we're to stop smaller operators from shutting their doors due to lack of funding. We are playing our part, Summerset's nursing pay is aged-care-market-leading in order to attract and retain the best people to care for our residents.

We partner with hundreds of suppliers, contractors and subcontractors in the construction of new villages and homes for senior residents, which has a useful

consequence of providing more efficient housing for the country as a whole. We are proud of the leading work we are doing in the fields of dementia and memory care, in terms of design and care services. Finally, our villages are a vital and valuable part of communities all over New Zealand and, soon to be, in Australia.

I'm pleased to be sharing this overview of our important sustainability work and to highlight the initiatives we have running all over our business.

Ngā mihi



**Scott Scoullar**  
**Chief Executive Officer**



# Our Sustainability Strategy

Sustainability at Summerset is one of our key strategic themes and a core component of our strategy. Our carbon reduction targets will assist in our transition to a low carbon business and are aligned with the requirements of the United Nations Paris Agreement and the United Nations Sustainable Development Goals (SDGs).



## BRINGING THE BEST OF LIFE



### ENVIRONMENT

- Greenhouse gas emissions
- Baselines and targets
- Energy efficiency
- Waste reduction
- Commitment to biodiversity
- Scenario analysis
- Decarbonisation pathway

### SDG ALIGNMENT



### SOCIAL

- Culture and values
- Diversity and inclusion
- Health, safety and wellbeing
- Learning and development
- Attraction and retention
- Supporting communities



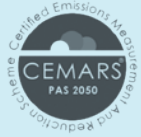
### GOVERNANCE

- Board composition and performance
- Board and executive remuneration
- Business strategy
- Risk management
- Ethical behaviour standards



# Sustainability Highlights 2018-2021

2018



1<sup>st</sup>

FIRST NZ RETIREMENT VILLAGE OPERATOR TO BECOME CEMARS CERTIFIED



1<sup>st</sup>

FIRST RETIREMENT GROUP TO RECEIVE FULL LIFEMARK VILLAGE CERTIFICATION



LEVIN VILLAGE WINS NZ AGED CARE ASSOCIATION'S BEST BUILT ENVIRONMENT AWARD FOR INNOVATIVE MEMORY CARE CENTRE



NEW UNIFORM DESIGN THAT PROMOTES DIVERSITY AND INCLUSION SHOWCASED AT NZ FASHION WEEK

2019



ADDITIONAL STAFF BENEFITS INTRODUCED INCLUDING HARDSHIP ASSISTANCE, STAFF CHARITY FUNDRAISING, STAFF SHARE SCHEME AND BIRTHDAY "DAY-OFF"



TWO NEW PURPOSE BUILT AND DESIGNED MEMORY CARE VILLAGES OPEN - CASEBROOK & ROTOTUNA



CLIMATE LEADERS COALITION  
ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

JOINED CLIMATE LEADERS COALITION PLEDGING OUR COMMITMENT TO TAKE CLIMATE ACTION



ISO 14064-1 ORGANISATION

ACHIEVED TOITŪ CARBONZERO ACCREDITATION FOR FIRST TIME

2020

2021



FIRST WAITAHA TE HOUHOU HEALTH SCHOLARSHIP AWARDED



1<sup>st</sup>

FIRST NZ RETIREMENT VILLAGE OPERATOR TO ACQUIRE A SUSTAINABILITY LINKED LOAN



1<sup>st</sup>

FIRST NZ RETIREMENT VILLAGE OPERATOR TO SET A SCIENCE-ALIGNED CARBON REDUCTION TARGET



DONATED HOUSE FROM PREBBLETON SITE TO LOCAL CHURCH GROUP

# Sustainability Highlights 2022

2022



CELEBRATED FIRST CAREGIVER AND FRONTLINER DAY WITH A GRATITUDE WALL SHARING MESSAGES FROM STAFF, RESIDENTS AND FAMILIES



NAMED AS FINALIST IN SUSTAINABLE BUSINESS NETWORK'S OUTSTANDING COLLABORATION AWARD FOR CONSTRUCTION WASTE DIVERSION WORK



CONSTRUCTION WASTE AVOIDANCE PROGRAMME ACHIEVES SUSTAINABLE LINKED LENDING TARGETS



1<sup>st</sup>

SOLAR PANELS INSTALLED AT OUR NELSON VILLAGE



1<sup>st</sup>

ELECTRIC VEHICLES PURCHASED AND NEW CHARGE STATIONS IMPLEMENTED NATIONWIDE



1<sup>st</sup>

MASS TIMBER STRUCTURE INTRODUCED



SUMMERSET MT DENBY ONE OUR FIRST OF FIVE LIGHTWEIGHT CONSTRUCTION BUILDINGS



1,276

TONNES OF CONSTRUCTION WASTE DIVERTED FROM LANDFILL



760

CUBIC METRES OF CONCRETE ELIMINATED THROUGH FIRST LIGHTWEIGHT MASS TIMBER BUILDING



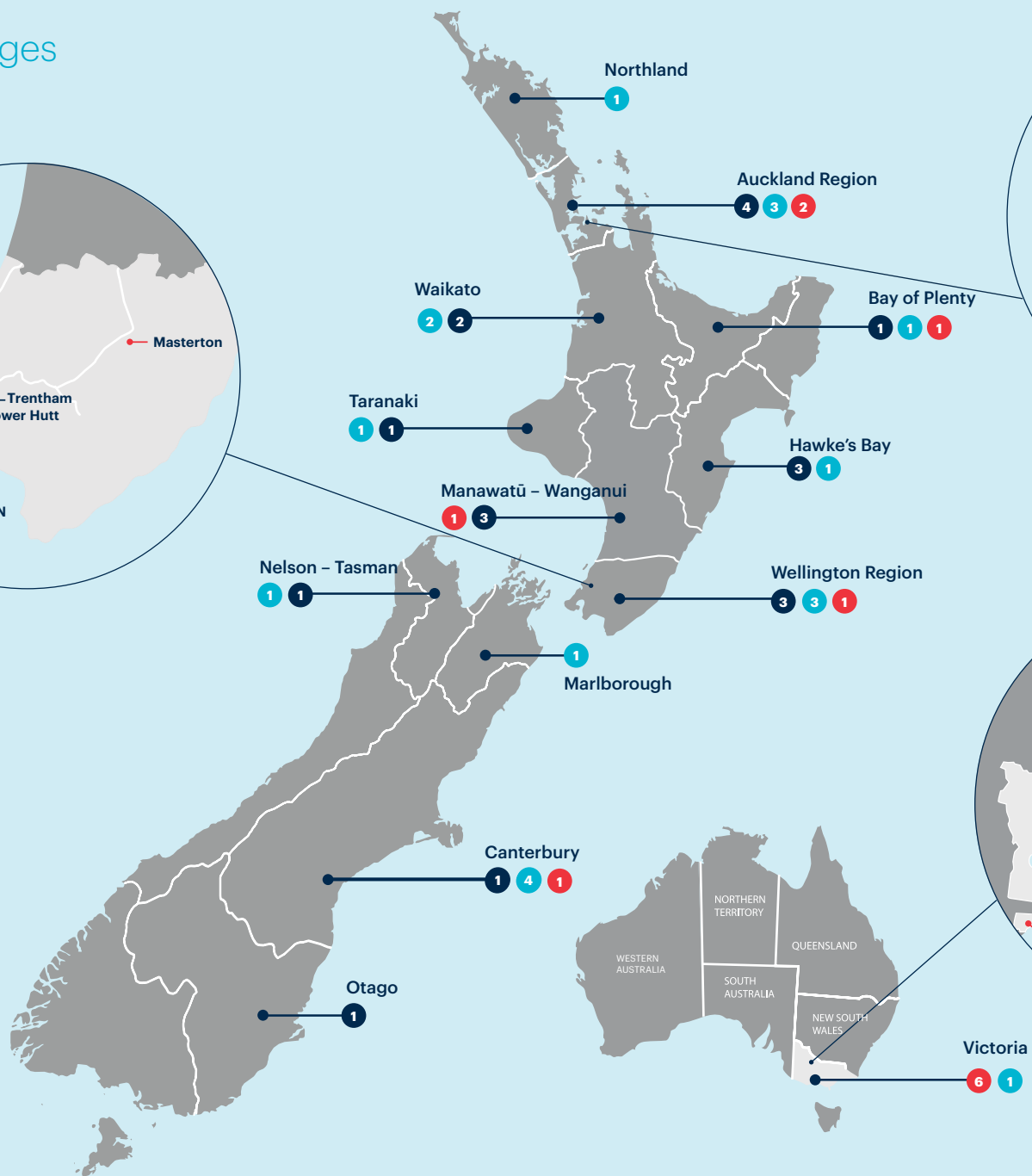
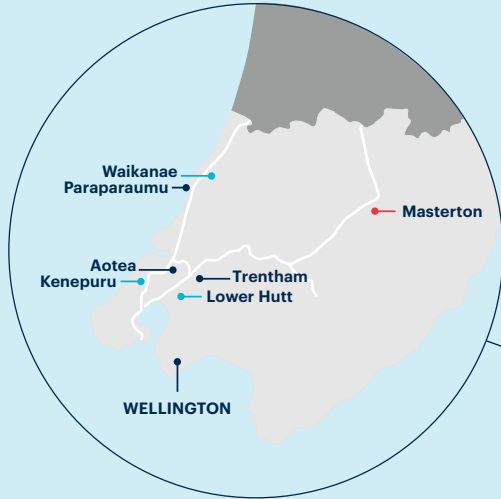
190+

COMMUNITY ORGANISATIONS SUPPORTED BY SUMMERSET



PRINCIPAL SPONSOR OF THE NEW WELLINGTON FREE AMBULANCE 'ONESIE DAY AMBULANCE'

# Our villages



- Completed villages
- In development
- Proposed villages



# Chronology of our journey so far


2017

First steps taken to measure carbon footprint  
**Baseline carbon footprint established**

2018

CEMARs accreditation  
 First environmental target and reduction plan set  
 Carbonzero™ certified

2019

Voluntary carbon disclosure starts  
 **First retirement village operator to be carbonzero**  
 Joined Climate Leaders Coalition  
 CSR framework in place  
 Green Team established  
 Added construction and Australia to carbon reporting baseline

2020

Our first internal sustainability campaign, *Go Greener*, launches  
 First stage of new integrated reporting in annual report  
 Inclusion in CDP and MSCI reporting frameworks  
 Internal sustainability work streams and governance put in place  
**Joined NZ Green Building Council**  
 Sustainable design initiatives in new builds start  
 First environment target exceeded

2021

Science-aligned target set for NZ operations  
 Construction and materials waste minimisation programme started  
 New pellet boiler innovation to replace gas signed off  
 Analysis of supply chain commences  
 Modern Slavery statement in place  
 New sustainability policy, strategy and communications work plan  
 **First EV charge stations implemented**  
 Roll out plan for electric vehicle fleet  
 Plan for transition away from gas developed

2022

 **Construction waste diversion for metros exceeds 65%**  
 First electric car purchased  
 Refresh *Go Greener* programme to *Think Green*  
 Climate change / materiality risk matrix  
 Stage two of integrated reporting framework  
 Sustainable procurement and supply chain collaboration in place  
 **Solar electricity generation approved**  
 Switch to low carbon electricity retailer  
**Solar electricity generation start**  
 Decarbonisation plan developed

2023

**FUTURE TARGETS / GOALS**  
 Stage three of integrated reporting framework  
 Progress embodied carbon movement  
 First pellet boiler installed  
 First steps to measure water  
 Science-aligned target refresh and Scope 3 supply chain reporting

2024

Deadline for transition of village communications and invoices to electronic  
 TCFD / XRB Disclosure  
 Advance circularity

2025

Solar on main buildings  
 Fully integrated reporting  
**CDP score reaches A list**  
 Alternate technology to gas fully implemented  
 All suppliers aligned to sustainable procurement programme

# 10 . People and Communities



## Social impact

### Bringing the best of life

#### Kia piki te ora o ngā tāngata

We are committed to bringing the best of life to our people: our residents, our staff, and our communities.

#### Residents

Our continuum of care model provides a range of care offerings for residents whose needs change while living in our villages. Care can be provided across our serviced apartments or in our care centres offering rest home and hospital level care. We continue to achieve high resident satisfaction of 95% for village residents and 94% for care residents. We invest in and provide high-quality rest home and hospital level care at most of our villages. As part of our commitment to our care centres we have started the process of upgrading and refurbishing some of our first-generation care centres so we meet the needs and expectations of our residents now and into the future, in modern fit-for-purpose facilities.

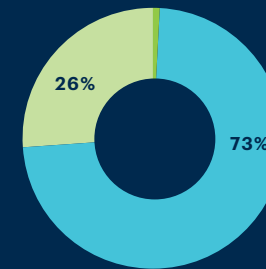
We have continued to increase the number of world-class memory care units around New Zealand. Our newer villages have state-of-the-art memory care centres designed to bring the best of life to our residents living with dementia.

We are proud to be accredited by Alzheimers New Zealand as a Dementia Friendly organisation across all of Summerset and we've partnered with Dementia New Zealand. We continue to work to increase resident and employee awareness of dementia to improve care. All villages are accredited Dementia Friendly and staff are dementia trained.

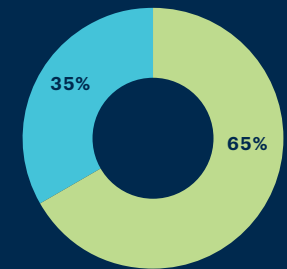
We understand the power of education for cultural change, both within our business and our communities.

In our partnership with Dementia New Zealand, we play our part by providing greater education about dementia, to remove its stigma for our residents, their families, our staff, and the wider community. We recently employed two dementia specialists whose role is to look at the journey of the person living with dementia and their families, wherever they reside in our community.

GENDER EMPLOYEES

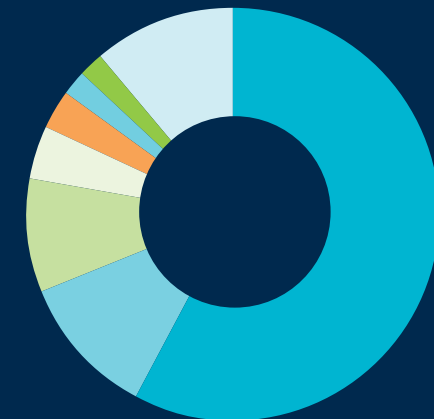


GENDER EXECUTIVE LEADERS



● FEMALE ● MALE ● GENDER DIVERSE 1%

NATIONALITY



● OTHER 11% ● UNITED KINGDOM 4%  
 ● FIJI 2% ● INDIA 9%  
 ● SOUTH AFRICA 2% ● PHILIPPINES 11%  
 ● NEPAL 3% ● NEW ZEALAND 58%

## Staff

We aim to create a great place to work where our people can thrive. We provide a comprehensive staff benefits programme, a staff share scheme, free and confidential counselling services, and learning and development opportunities.

We've established a diversity and inclusion (D&I) steering group and are collecting diversity data to learn more about our staff. This will allow us to make a more inclusive workplace.

Staff wellbeing is a priority. We partner with groups such as MATES in Construction and run GoodYarn and Wellbeing by Design programmes to help us all talk more openly about mental health.

We provide training programmes such as PDRP (Professional Development & Recognition Programme) and other programmes that help our care staff grow their nursing careers, which addresses the New Zealand and global need for more nurses.

## Community

Our villages are part of communities all over New Zealand and, soon to be, in Australia. We support those communities through the provision of local jobs, the purchase of goods and services, as well as our sponsorship and community engagement programmes.



**SUMMERSET EMPLOYEES**



**VILLAGE RESIDENT  
SATISFACTION  
SCORE 2022**



**CARE RESIDENT  
SATISFACTION  
SCORE 2022**

## Case study

# Flying the Flag for MATES In Construction

**M**ATES in Construction is an evidence-based, workplace suicide prevention model and Summerset is proud to be a foundation partner. During the year, Summerset construction sites from around the country banded together to fly the flag for MATES in Construction. By flying the MATES flag, we signalled that we prioritise mental health, and support from construction worker to construction worker is available. On World Suicide Prevention Day, our sites downed tools for 10 minutes at 10am, to acknowledge those we have lost to suicide. At Summerset, the health and wellbeing of our staff is of paramount importance, and we want to remind everyone to check in on your mates.



### Staff and technology

Though we know having assistive technology enhances wellbeing for seniors and people living with dementia, we know that it's our staff who give our residents the greatest value.

For people that require specific training, we work in partnership with Te Pūkenga (New Zealand Institute of Skills and Technology), to give our staff access to specific apprenticeships such as horticulture, recreational therapy, or chef training.

For all staff we provide an online platform which includes current and relevant training to our industry, as well as dementia. We have memoranda of understanding with universities, colleges, and schools, and welcome students to do projects or undertake a placement with us.

We also support gerontology research, in addition to assisting universities with studies that influence the wellbeing of seniors and people living with dementia. By investing in quality learning, teaching and research opportunities, we aim to enhance the wellbeing of our residents and families, our staff, and the wider community.

### Case study

## Summerset Sessions

We pride ourselves on the experiences socially, physically, and mentally that we can provide our residents to bring them the best of life - and Summerset Sessions have been an incredibly popular programme. The last couple of years have challenged us to think differently about how we host events and how we can bring fun and interesting activities such as concerts, cooking demonstrations and celebrity interviews to our residents both in person and digitally. We still believe that in-person events are the best and most rewarding for our residents, but having an online calendar allows us to reach more residents and those who can't or don't want to come in

person can also enjoy the entertainment and opportunity Summerset Sessions provide.

An example of Summerset Sessions was the Summerset Sings concert where 400 Summerset village residents, friends and family came together at SkyCity Theatre in Auckland for a live Christmas Concert hosted by recording artist and entertainer, Will Martin. Will has entertained our residents through numerous lockdowns online but there's nothing quite like seeing a performer of his calibre in person and we were excited to host our residents and give them this experience.



SUMMERSET  
*Sessions*

*Case study*

## Proactive reporting drives safety improvement in construction

Our construction division has reported a record low in accidents thanks to proactive reporting that identifies issues and hazards before they cause an incident.

However, sadly we had a fatality on one of our construction sites in November 2022 when Marin Construction (a Summerset subcontractor) scaffolder Michael Noche died following an incident at our St Johns site. This was devastating for us as a company, and we'll do everything we can to avoid it happening again. WorkSafe NZ is completing its investigation into the incident, and we have co-operated fully with them throughout this time.

Proactive reporting became a focus in 2018 when it was promoted to a key performance indicator (KPI) for all site-based staff.

It became embedded in people's day-to-day activity that continues now even though it's no longer a KPI.

Proactive reporting was set up as a formal process using construction software that allows site staff to photograph and record an issue and assign corrective measures. This also facilitates early identification of trends through the statistics it generates allowing early intervention where required to improve outcomes for the business.

It's not just hazards being reported - positive behaviour is also recognised and reported to managers and staff on construction sites. As much as 30% of reporting on some sites is positive.



*Case study*

## Diwali celebration

Summerset is a multicultural organisation where we celebrate and value the benefits of diversity. As part of our multicultural commitment we encourage our staff to share their cultural heritage. As an expression of this commitment, we held a Diwali celebration at our head office in October 2022. We also encourage our villages to celebrate diverse holidays and have provided them with a Diversity and Inclusion calendar filled with multi-cultural holidays that their staff may celebrate.

Diversity  
+ Inclusion  
AT SUMMERSET





*Case study*

## 'Heart-warming work'

### **Kaitiaki roles take personalised care to the next level**

Every Summerset village has at least one kaitiaki, a new role dedicated to providing more one-to-one care for our care centre residents to improve their health and wellbeing.

An example of the positive impact of a kaitiaki is at Summerset in the Vines (Havelock North) where a resident had been bedbound for 18 months following a stroke. Our kaitiaki carer began working with the resident to assist her with exercise and rehabilitation exercises. They set incremental goals and worked together taking small steps, literally, to rebuild her mobility and confidence. After a few months she was using a walking frame independently for family visits and taking part in village life.

The kaitiaki roles are being established as part of an extra \$4.5 million we're investing in our frontline workforce. The other areas of frontline investment are to increase registered nurse capacity by 20 hours a week per village, free up clinical nurse leads to focus on supporting frontline staff, and increase housekeeping hours.

### Community support

Summerset residents and staff are engaged and active in their communities, and we consider it is important to support initiatives that are local and of interest to each village.

Each of our villages proudly supports many local community groups, clubs, and associations, such as bowling, golf, bridge, theatre groups, and more.

Summerset supports more than 190 organisations across New Zealand, including the New Zealand Symphony Orchestra, Netball New Zealand, Wellington Free Ambulance and Hato Hone St John Therapy Pets.

### Wellington Free Ambulance Onesie Appeal

Wellington Free Ambulance (WFA) is the only free ambulance service in the country – covering the Kāpiti Coast, Wairarapa and Wellington. Every year WFA asks supporters to don a onesie and help them raise money for their valuable service. We were proud to be the principal sponsor of their new 'Onesie Ambulance' and to kick off their annual appeal with a \$40,000 donation.

### Hato Hone St John Therapy Pets Partnership

Summerset partners with Hato Hone St John as a major sponsor of its Therapy Pets programme. Therapy Pets is a popular community programme bringing animal companions to retirement villages and bedsides.



📷 Above: The Therapy Pets programme is beloved by village residents

### Music for the soul - NZSO partnership

Our partnership with the New Zealand Symphony Orchestra enables us to support many immersive experiences that enrich and inspire audiences, support exceptional talent and bring the celebration of music to our residents.

A quartet from our national orchestra has been performing its way around our Ellerslie, Hobsonville and Avonhead villages.

“St John are a valuable organisation to the community throughout the country, and our support of their Therapy Pets Programme will allow this popular and enriching programme to grow. Bringing the best of life to our residents is at the heart of what we do, and the uplifting benefits our residents and the wider community can receive from interacting with a therapy pet make this partnership a perfect fit for us.”

**SCOTT SCOULLAR, CHIEF EXECUTIVE OFFICER**



## From Caregiver to RN



Summerset actively works to support overseas nurses into Registered Nurse positions. A recent example is Mahalakshmi (Maha) Lekha who, with the assistance of Summerset, completed her Competency Assessment Programme in 2022 to become a Registered Nurse in New Zealand after arriving from India in 2019.

While the nursing training Maha received in India was very good, she decided to make a move to further her career and to experience a new culture. She joined Summerset in 2020 and found later that Summerset could provide financial assistance for nursing studies.

While she was in New Zealand, Maha's husband and daughter were back in India. With the help of Summerset, she was able to get a work visa that would allow her to return to India to bring her family back to New Zealand during COVID-19 border restrictions in January 2022. Maha plans to continue as a nurse at Summerset on the Coast in Paraparaumu.

Programme in 2022 to become a Registered Nurse in New Zealand after arriving from India in 2019.

## Dignity partnership helps women in the community and at Summerset

Summerset partners with Dignity to provide its sustainable and organic period products. Dignity is a female-owned, New Zealand company that wants to end the shame and anxiety of being caught out by a surprise period. They believe period products should be available to anyone, anytime.

By purchasing period products from Dignity, we are taking part in their Buy-one, Give-one initiative. For every product we buy for our

staff, the equivalent amount is given for free to those without access. So far our purchases have allowed Dignity to give 1,270 boxes of products to community organisations across New Zealand.



## Looking ahead

As we look ahead to 2023 and beyond, we plan to invest more into our staff with a wider health and wellbeing programme for all our people, continue to evolve our health and safety strategy and provide career pathways for our people that allow them to develop and grow. Our diversity and inclusion work will also be a focus as we continue to build a deeper understanding of our people, which will allow us to better tailor our work to suit needs of staff in a variety of communities.

'Thinking green' will remain a continued focus for us too – ensuring that our sustainability thinking is embedded throughout the organisation so we can seize on opportunities throughout the business.

For our residents, we'll continue to explore products and technology that bring the best of life and delivers the best possible retirement living offer. We'll continue to invest in care, a process we've begun already as we review all our first-generation care centres and further modernise them to meet the needs of residents now and into the future. Our Levin, Havelock North and Trentham villages are all in various stages of upgrades now.

In the community we'll continue to support both national and local organisations that resonate with our residents and share similar values to our own.

# 18 | Our commitment to the environment



**Environment**

We have been measuring, managing, and reporting on our carbon footprint since our base year, 2017, and we're proud that we were the first net carbonzero™ retirement village operator in New Zealand. Toitū Envirocare began independently auditing our emissions to the ISO14064-1 standard in 2018, and we have been increasing our commitment to emissions reductions ever since.

We've moved past the 'going green' phase to 'thinking green' right across the company. We've integrated sustainability into business decisions and we're challenging ourselves in all parts of our business to do better. That's not to say there's not more to do, there is.

Over the last five years we've significantly reduced our construction waste, become the first retirement village operator to get sustainability linked lending, introduced a science-aligned emissions target, and joined the Climate Leaders Coalition.

**Climate change**

Summerset expects to operate in a climate that will progressively experience more acute challenges and risks arising from increasing climate variability. 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 residents and the overall lifestyle satisfaction enjoyed in Summerset's villages.

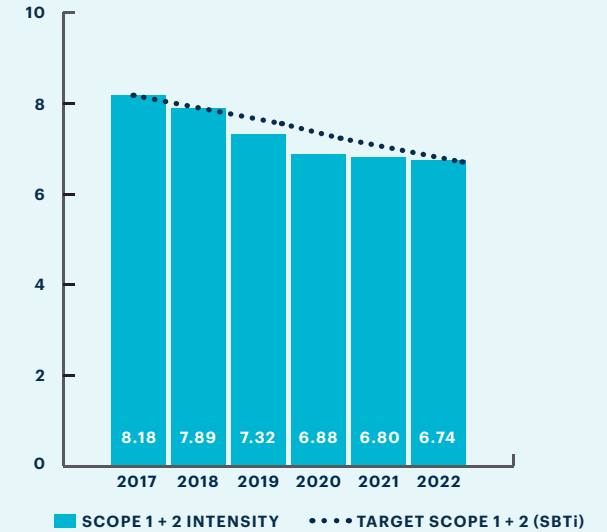
We have a roadmap to implement Taskforce for Climate-Related Financial Disclosures and the New Zealand External Reporting Board's climate-related financial disclosure standards. We are aiming for a full disclosure in the full year 2023 reporting period, to be published in 2024.

Climate change risks, including emissions reporting, are regularly reported to our Board as part of our risk management process.

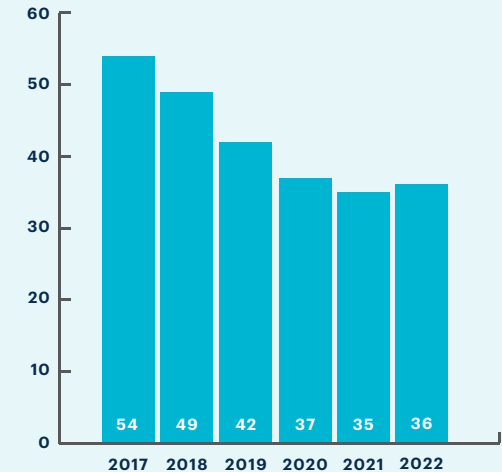
We have reached the end of our Toitū five-year target and will set a new five-year target which utilises the latest Science-Based Target initiative tool v2.1 (SBTi) and meets the latest emissions reduction standards. As a result, we will have a scope 1 and 2 emissions intensity reduction target per square metre to meet (by end of 2027) and a scope 3 supply chain engagement and measurement target.

We've invested in a decarbonisation plan to assist in guiding us towards meeting our science-aligned target. Key initiatives include the use of renewable energy sources and the transition away from gas through an asset replacement plan and the introduction of new alternative technology. We have installed solar photovoltaic panels at our Nelson and Karaka villages with an intention to add more on our new regional main buildings and our first pellet boiler will be installed at our St Johns site.

EMISSIONS INTENSITY - tCO2e PER SQM



EMISSIONS INTENSITY - tCO2e PER \$MILLION OF REVENUE



We use intensity-based targets as they help us to analyse our emissions while we're growing as a business. To measure these areas, we use two key measures of efficiency: total emissions per million dollars of revenue, and total emissions per square metre.

## Progress against our short, medium & longer term targets

### SHORT-TERM FIVE-YEAR TARGET:

5% reduction in emissions intensity per million dollars of revenue by 2022 from our 2017 base year. This includes a focus on five key carbon reduction areas: energy, waste, travel, paper and fertiliser use.

### RESULT:

# 16%

reduction achieved since base year.

### CARBON REDUCTION FOCUS AREAS:



FERTILISER



PAPER



WASTE



ENERGY



TRAVEL

### MEDIUM-TERM TARGET:

In 2021 we introduced a medium-term target based on our sustainability linked lending facility. The deliverables include a wellbeing target, an emissions intensity target, and a reduction in construction waste to landfill.

### RESULT:



**Emissions:** A reduction in emissions intensity per square metre was achieved in the target period but below the level required to trigger a discount.



**Construction Waste:** Our construction waste avoidance programme exceeded the required diversion rates and triggered a discount.



**Wellbeing:** While we managed to maintain our dementia accreditation, we did not increase the number of dementia beds within the target timeframe. As this is a cumulative target and we have several dementia beds opening in 2023, we are confident of meeting this target.

### LONG-TERM SCIENCE-ALIGNED TARGET

62% reduction in emissions intensity per square metre of built environment by 2032 from 2017 base year levels.

### RESULT TO DATE:

# 18%

reduction achieved since base year.



Resident recycling in action at Summerset on Cavendish

## Our emissions profile

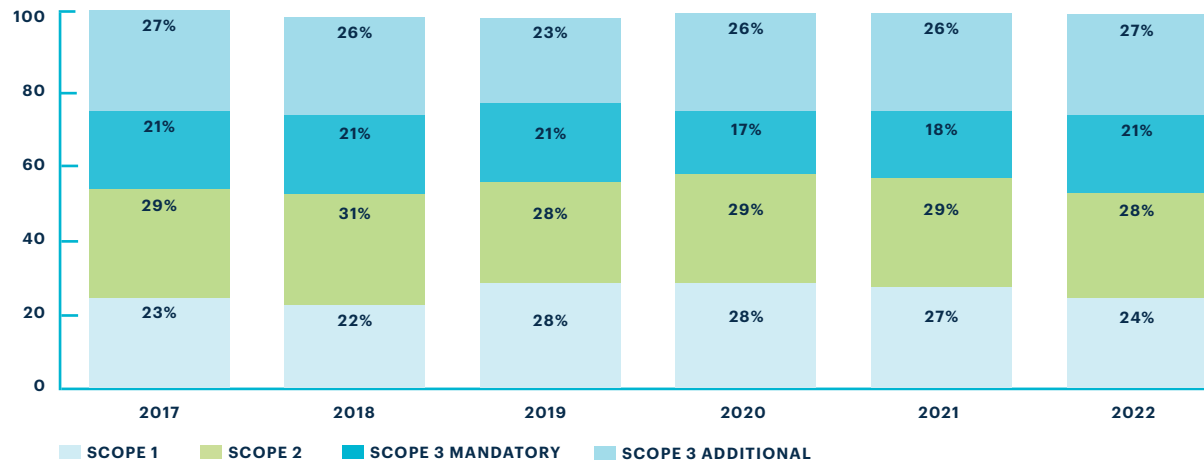
Summerset's total emissions in 2022 were 8,549 tCO<sub>2</sub>e, which is an increase on our 2017 base year of 5,939 tCO<sub>2</sub>e. As Summerset's portfolio grows and the number of villages and residents increases, it means our absolute carbon emissions will continue to increase.

However, the growth in emissions per square metre of developed land decreased 17% when compared to our base year of 2017 due to greater construction and operational efficiencies.

We have been measuring our direct emissions under scopes 1 and 2 and mandatory scope 3. Most of the scope 1 emissions relate to the consumption of gas to provide heating, water heating, cooking and laundry services for residents. Scope 2 is electricity used to provide heating, cooling, and lighting to village main buildings (includes care centres) and common areas. Mandatory scope 3 includes all waste to landfill (construction, operations, offices, and residents) and business travel. We have also been measuring additional scope 3 emissions that include resident electricity and paper use.

Our next challenge is to measure and report on our scope 3 value chain covering all fifteen categories based on the GHG Protocol. This will commence in 2023 in line with the setting of our new five-year target. The new targets will be aligned with the latest Science Based Target Initiative standards and within the required 1.5 degrees of warming target.

**GREENHOUSE GAS EMISSIONS BY SCOPE AS A PERCENTAGE OF TOTAL EMISSIONS**



## Energy

Total energy (electricity and gas) consumption accounts for 77% of our total carbon emissions. Electricity is widely used throughout our villages with resident consumption contributing to 26% of our carbon footprint. During 2022 we moved our electricity load to Meridian Energy which generates electricity from 100% renewable sources. We've taken our first steps to introduce renewable energy installing solar onto our rooftops, helping to reduce our scope 2 electricity emissions.

In February 2022 we added our first electric vehicles (EVs) to our fleet with many being used at our villages for running errands and

taking residents to appointments. We have partnered with Meridian in introducing several public charging stations at our villages and we installed our very own Wallbox/Summerset charger at our Kenepuru site in Wellington to support our communities in the adoption of electric vehicles.

As part of offsetting our unavoidable carbon emissions we've invested in three high quality projects, supporting New Zealand forestry regeneration and international renewable energy efforts.


















Case study

# Summerset in the Sun turns to solar

Nelson is known for its sunny weather, which made it perfect for testing Summerset’s first solar panel installation. Summerset in the Sun has 46 solar panels on its standalone club house. The panels will provide around 27,000 kWh a year, heating the outdoor swimming pool and providing electricity to the popular clubhouse. The installation of solar panels is our first step in understanding the benefits of solar and how we can use it in existing and new villages. We will learn about retrofitting panels, the maintenance required, and right sizing panels to suit our electricity requirements.



## MEETING OUR SHORT-TERM (FIVE-YEAR) TARGETS

GOAL	SDG ALIGNMENT	DESCRIPTION	UNIT	PROGRESS	AS AT 31 DEC 2022
Sustainable energy consumption	 	Reduce energy per resident and per \$m of underlying revenue by 5%	tCO2e		✓ 5%
Reduce waste	 	Reduce waste to landfill by 5% per year per resident and per \$m of underlying revenue	tCO2e		✓ 16%
Sustainable travel		Reduce travel per staff member and per \$m of underlying revenue by 10%	tCO2e		✓ 12%
Responsible consumption		Reduce use of paper by 10% per staff member and per \$m of underlying revenue	kgs		✓ 38%
Reduce impact on climate change		Reduce emissions intensity per square meter (scope 1,2 & 3)	tCO2e		✓ 17%
Protect ecosystems		Reduce use of NPK based fertiliser by 20% per village area and per \$m of underlying revenue	tonnes		✓ 99%
Enhancing residents’ lives	 	Improving quantity and quality of dementia care bedrooms and green spaces at villages	Dementia Beds		From 20 Dementia beds in 2017 to 120 in 2022

All targets set for 31.12.2022 from a 2017 baseline year.

### A commitment to biodiversity

We have strict environmental management practices at sites under development. These practices may include erosion and sediment control, chemical treatment management, groundwater settlement monitoring, noise, and vibration controls, and ecological and weed management plans.

Experts are engaged to advise the best course of action and we monitor sites to ensure we are not impacting local native species such as birds, lizards, and cultural heritage. In challenging climate conditions, or water restricted areas, we incorporate drought tolerant grasses in our lawns.

Native plants are increasingly being used within our villages to enhance and improve the villages' biodiversity. We reduced the use of nitrogen-based fertiliser, use environmentally friendly fertilisers on village gardens and have a growing number of bee-friendly villages. At our Waikanae village we are replanting more trees than we've removed as part of our earthworks and designated a large area of emerging Mahoe forest as protected.

### Managing our waste

Over 12 million tonnes of waste end up in New Zealand landfills each year. About three-quarters of this waste could have been recovered, reused, or recycled. Not only is this wasting precious resources, but it also causes environmental harm.

Throughout 2022 we had 18 construction sites with 13 in vertical construction and all have implemented a waste avoidance programme. This initiative motivated us to review the building life cycle from design, procurement of materials, pre-construction techniques through to waste treatment.

We've identified waste in our supply chain – Gib, PVC and HDPE pipe - and opportunities to recycle nationwide, we've challenged coloured logos on plastic wrap which makes the wrap unattractive to recyclers, and we've upskilled, educated and trained staff and 140-180 site subcontractors as we implemented the programme.

Working with our supplier, Waste Management, the initiative has seen 1,276 tonnes of waste avoid the landfill to date and we saved around 238 tCO2e. As we continue to divert waste from the landfill this collaboration will continue to deliver positive outcomes financially, environmentally, and socially, making our communities demonstrably better off.

In 2022 our construction waste avoidance programme was named as a finalist in the Sustainable Business Network Outstanding Collaboration Awards alongside our partner Waste Management.



Case study

## Bishopscourt is making bee-utiful honey

Summerset at Bishopscourt in Dunedin welcomed their queen bee, Matilda, in 2021. Now her 'Floral Reserve Handcrafted Honey' is making its debut. Bishopscourt, a bee-friendly village, works with an apiarist who supplied the hive and bees. He helps the village maintain the hive, manage the regulation required, and disease control. He even jars the honey, which is available to residents and the public through the Divine Café. To be a 'bee-friendly' village, areas in the village gardens are planted with flowering plants that the bees love, there are bee watering stations and we have eliminated the use of harmful sprays or pesticides.



Case study

## Avonhead construction team is leading the waste reduction pack

The target for waste diversion at the Avonhead, Christchurch village under construction was 35% and the team achieved 66% in the period Oct 21-Sept 22.

Working with Waste Management from October 2021, the team implemented a waste management plan which started with a full audit of the bins currently onsite and a discussion around additional recycling and diversion

options. Skips, bins, and signage were delivered to the site shortly after.

Starting with the contractor's site induction, the site team discussed recycling and reducing waste. It is reiterated regularly during toolbox talks and site meetings. The conversation has been built into relationships with contractors who are also asked to separate their waste and recycling.





## Case study

### Switching Off for powerful results

In 2020 we ran the Big Summerset Switch Off initiative across all villages, construction sites and offices. The goal was to raise awareness about electricity waste and look at ways to save electricity across the week of the Switch Off.

“  
**Switch me off  
if you don't  
need me**



### BIG SWITCH OFF SAVINGS:

3.5

tonnes of carbon

33,662

kWh

6%

reduction on weekly average

## Looking ahead

We have set a new ambitious five-year science-aligned target through to 2027 and we will achieve this through a continued focus on reducing our emissions intensity per square metre. Our intentions for the future are to invest in reductions through innovation and renewable energy, process improvement and design out wastage and inefficiency as we construct our built environment. We will also be seeking more information from all areas of our supply chain to better understand our indirect emissions – those generated by what we purchase, the waste we generate and how our people move around.

### Our future actions:

- Regular review of our decarbonisation through key initiatives including a transition away from gas and the introduction of renewable energy
- Better understanding our supply chain impacts and investigating how we can achieve greater impact by collaborating more with our clients and partners
- Applying a Life Cycle Assessment view to measure the embodied emissions of key typologies within our built environment
- Taking the first steps towards assessing our water footprint
- Continued membership of the Climate Leaders Coalition and meeting the 2022 Statement of Ambition

### Signage paves the way

It was apparent we needed clear signage to ensure waste and recycle materials were placed in the correct bins. New reusable and changeable construction waste and recycling signage will be rolled out to all active construction sites following successful trials at Casebrook and Papamoa in late 2022. Interchangeable and reusable vinyl stickers go on top of generic base signs allowing signage to be moved to match the waste streams that change over the course of a construction project.

### Getting behind national recycling week

During NZ Recycling Week in October 2022 our Green Team conducted an audit of our waste in Wellington head office. Earlier in the month a larger waste audit was conducted at our Karaka village.

Overall, 57% of the waste found in the Karaka audit could be diverted from landfill using existing services. Organic waste was the biggest contributor at 46% of the 950 kgs audited. Organic waste includes food waste, green waste, compostable packaging, and paper towels. Paper came in second at 4% and plastics at 2.5%. Of the waste found in the kitchen 80% was food waste that could be composted. In the serviced apartments, 65% was paper waste - primarily newspapers that should be recycled. Food waste collections have since been implemented across the Karaka village and we have implemented changes within our serviced apartment waste/recycle rooms to address the paper waste.

# 26 Governance



Governance of our sustainability is important to keep us on target. This year we have invested further in innovation by introducing a research and development forum to support our efforts to build quality, sustainable housing in changing climatic conditions.

**Board oversight**

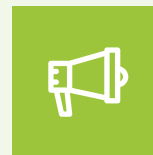
Our Board directors collectively have responsibility for climate-related issues and, given their experience across many industries, are competent when it comes to climate-related issues and constraints. Our Chair has broad experience working across the key areas of energy (including renewable energy) and the transport sector and we have directors with a diverse range of experience including construction, property development, health, infrastructure, telecommunications and regulation.

The Chair of Summerset’s Audit Committee sits on our Board. This Committee is responsible for overseeing effective climate governance that includes raising awareness and reviewing controls. This committee has oversight of emerging ESG disclosures and the adoption of climate-related financial disclosures.

**SUSTAINABILITY GOVERNANCE : ROLES AND RESPONSIBILITIES**



**CDP SUPPLIER ENGAGEMENT RATING**



**ANNUAL REPORTING ON PROGRESS**



**COMMITMENT TO REPORT IN LINE WITH TCFD FRAMEWORK**



**CDP CLIMATE CHANGE RATING**

## Managing our sustainability programme

Our sustainability programme covers Summerset villages, corporate offices, our construction activities, and our future Australian sites. Given the diverse number of sustainability initiatives and opportunities across our business, we introduced an internal Sustainability Forum. This provides a clear and robust governance structure and includes executive and senior managers from across the business. The Sustainability Forum's role is to prioritise, co-ordinate and monitor our sustainability strategy, and the programme has full support at Board level.

## Our Green Team

Summerset's Green Team is a group of volunteers committed to driving change and embedding the sustainability culture throughout Summerset including within the village way of life. They focus on the five key carbon reduction areas of energy, waste, travel, paper, and fertiliser use implementing the actions and initiatives identified as part of our emissions reduction planning.

## Recognising sustainability champions

The Green Champion Award is part of our annual staff Applause Awards which recognises employees' contributions to the Summerset values. The Green Champion Award recognises a staff member or team that has excelled in environmental sustainability and/or their contribution and inspiration models our culture.



📷 Above: Summerset Board of Directors. See [summerset.co.nz/investor-centre/board-of-directors/](https://summerset.co.nz/investor-centre/board-of-directors/)

Nominated by staff peers, in 2022 the award went to our Dunedin village for implementing a series of sustainability initiatives including the introduction of their village beehives, innovation in paper use, reusable bin liners in care and the elimination of harmful sprays or pesticides.

## Disclosure

Increasingly, we are being asked to disclose more about what we are doing in relation to environmental, social and governance (ESG) activities.

We are committed to transparent governance and reporting and will continue to report in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD)

and participate in the annual Carbon Disclosure Project (CDP), an international non-profit organisation that helps companies and cities disclose their environmental impact. In 2022 we maintained our B result which puts us in the top 13 companies in New Zealand to be highly scored and among 30 who submitted a response to climate change questions. Our CDP Supplier Engagement Rating also scored high with an A-.

To meet the TCFD and External Reporting Board (XRB) disclosure timeframes and obligations we undertook a gap analysis process in 2022 to evaluate our disclosure progress. Progress was determined as advancing according to plan, with the findings from the gap analysis being used to refine our implementation pathway and roadmap.

## Supply chain

We are developing deeper relationships with our suppliers using our supplier code of conduct and modern slavery statements to provide guidance.

Our supplier code of conduct sets out the minimum standards expected of suppliers for human rights, modern slavery, health and safety, environment, and ethical standards. We expect suppliers to strive to support national climate protection goals and initiatives through the products and services they deliver.

Summerset has a wide range of suppliers, from medical equipment to food and construction providers. To understand our supply chain sustainability we survey annually, conduct in person reviews, seek documented verification of processes and monitor performance regularly through KPI and contract review processes. We ask specific location and emissions measurement questions on our supplier onboarding questionnaire to ensure we capture critical supplier information at the outset. Identification of potential at-risk suppliers is highlighted immediately, and further investigation can be conducted.

## Slavery in the modern world

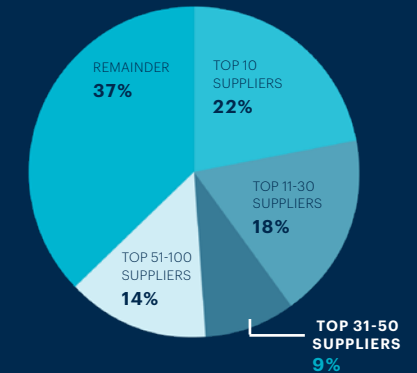
Modern slavery persists in every country in the world, including New Zealand and Australia. It includes situations where coercion, threats, violence or deception are used to exploit victims and deprive them of their freedom.

It's important for us to ensure no modern slavery is connected to the goods and services we procure. Common high-risk industries include textiles, construction, cleaning services and catering services.

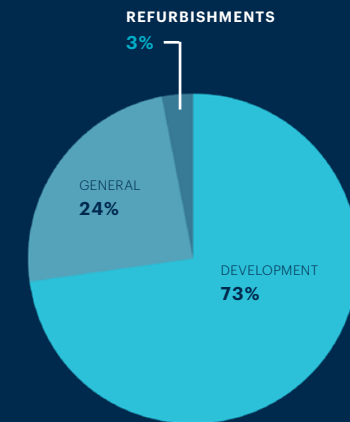
Summerset has suppliers operating in all these high-risk industries making a transparent supply chain imperative. We need to ensure all the products and materials we procure adhere to quality, safety and ethical standards.

We have a commitment to help address this global human rights issue. Our work in Australia legally requires this commitment and we expect the same in New Zealand in 2023.

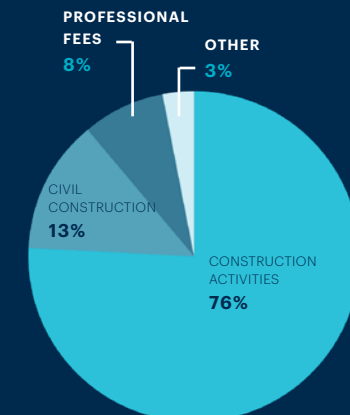
## SPEND BY TOP 50 SUPPLIERS



## SPEND BY ACTIVITY



## SPEND BY CONSTRUCTION ACTIVITIES



Spend data is from FY22

### Affiliations

As part of our contribution to civil society, Summerset Group holds affiliations and memberships with many organisations operating or advocating in the spheres of community or environmental protection.

In 2022, we joined forces with providers from around the country and the Aged Care Association of New Zealand in a group called Aged Care Matters, which was set up to advocate for realistic government funding in aged care, including the issue of pay parity for aged care nurses.

Summerset is a member of the Retirement Villages Association, which represents the interests of retirement village developers and operators. The Retirement Villages Association has recently put in place a Sustainability Committee where Summerset is represented.

We have been a member of the Climate Leaders Coalition since its inception in 2018 when it was launched to promote business leadership and collective action on climate change. We are working towards meeting the CLC's New Statement of Ambition by September 2023.

The Coalition is made up of approximately 100 of New Zealand's largest businesses.

We are members of the New Zealand Green Building Council which provides access to technical knowledge on the best environmental building practices.

The Lifemark Star Rating shows how well a home or retirement village suits residents' needs over a lifetime and is based on the principles of Universal Design for accessibility.

Being Lifemark certified represents a unique and significant undertaking to both deliver an accessible village infrastructure and be independently validated through a comprehensive on-site audit process.

### Independent ESG ratings

Summerset Group is regularly reviewed and receives ratings by several local and global sustainability ratings agencies and wealth management firms. The most recent was the December 2022 Carbon & ESG Ratings Report from Forsyth Barr which rated Summerset in the top 12 companies on the NZX, and the top retirement village operator, for our ESG work.



Member 2022-2023



ISO 14064-1 ORGANISATION

## Looking ahead

ESG reporting and disclosure is only set to grow as the government and investors demand more information from organisations throughout New Zealand and Australia to ensure we're doing our bit. We will, of course, continue to meet and exceed the reporting standards and display how we are playing our part in New Zealand and Australia's sustainable future.

Our adoption of science-aligned targets will help guide our progress and will strengthen our accountability to our shareholders, communities and regulators.

Climate Change has been recognised as a strategic risk and included in the company's Risk Register. It will be an ongoing action point for our board and executive as we work to meet our sustainability goals.

Our ambition is to continue to build on what we have started and continue to utilise new technology for social and environmental benefits across our sites. Implementation of new technology, working collaboratively across teams and empowering our staff to make good sustainable decisions are all a key part of our journey.



**AA**

**ESG RATING**

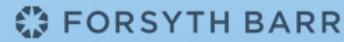
Only 22% of Health Care Providers & Services scored AA (20%) or AAA (2%)



**4.9**

**ESG RATING**

Aged care sector average 4.4  
New Zealand average 4.3



**A-**

**ESG RATING**

Aged care sector average B-  
New Zealand average C+



**A-**

**SUPPLIER ENGAGEMENT**

Rates our supply chain engagement on climate related issues



**B**

**CLIMATE CHANGE**

Health care organisations around the world achieved an average score of 'C'  
One of 30 NZ companies who submitted a response



## CONTACT US

For further information about our sustainability approach and efforts,  
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