

Ryman Healthcare

SUSTAINABILITY STRATEGY

OCTOBER 2022



On the front cover is an artist's impression of our Raelene Boyle Village in Aberfeldie, Melbourne which includes a host of sustainable design features such as rain gardens and a solar energy generation system.

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A message from our Group Chief Executive

When Kevin Hickman and John Ryder started Ryman in 1984, it was founded on an ethos of ensuring everything we do must be “good enough for Mum or Dad”.

Now, as we approach Ryman’s 40th anniversary, it is a privilege to introduce our first formal sustainability strategy. This work reflects our continued passion to live up to this ethos, as well as our wider commitment to the communities we operate in – from our residents and our people to our neighbours and our suppliers – in addition to the commitment we have to our shareholders to deliver financial success.

Critically, it has been developed through careful consultation with a representative group of stakeholders who know us well. Our partners at thinkstep-anz guided this process, and our resulting materiality matrix reflects this work.

In addressing the issues identified in the matrix, we have grouped them under three pillars – Our Places, Our People and Our Purpose. We had already commenced work on many of these issues, reflecting the strong alignment between our stakeholders and our internally identified sustainable business practices.

In launching the strategy, we are committing to even stronger accountability for that work programme as well as making important new commitments.

It is an ambitious programme – 21 projects across the three pillars. Many, if not most of these, will take considerable time to explore fully and then address.

Keeping this in mind, we identified three key priorities for 2023. Each of these hold additional, immediate significance for Ryman in terms of a sustainable future and we wanted them highlighted in this first year of our sustainability strategy.

It is important to note that this process has reaffirmed that which has remained true – and must remain true – that care sits at the heart of Ryman. The Board and management team are committed to implementing this sustainability strategy, while delivering strong financial performance, achieving our corporate objectives and providing care that is “good enough for Mum or Dad”.

We are excited to formally document and align our efforts. We look forward to updating you on our progress.



Richard Umbers
Group Chief Executive
Ryman Healthcare

October 2022

“
The Board and management team are committed to implementing this sustainability strategy, while delivering strong financial performance, achieving our corporate objectives and providing care that is ‘good enough for Mum or Dad’.”




Richard Umbers, Group Chief Executive

At a glance



Our key priorities

For this first year, we have identified three top priorities from the ambitious programme of 21 important projects we have committed to.

Climate change	 <h3>Establish science-based emission targets</h3> <p>We have been measuring our greenhouse gas emissions for several years, refining our approach and reporting our progress publicly.</p> <p>In 2023 we will join an elite group of global companies and be one of only three healthcare providers in Oceania to register with the Science Based Targets Initiative (SBTi) and establish a verified near-term science-based target.</p> <p>By the end of this first year we will deliver a detailed emissions reduction plan, including milestones to achieve our science-based emissions target.</p>
Quality care	 <h3>Deliver future-focused dementia design</h3> <p>We understand the criticality of our continuum of care model to our success, and its value to current and future residents. <i>Quality care</i> sits firmly as a material issue. Our goal is to be the exemplars of quality in the aged-care industry; delivering care that is tailored to our residents' health needs, preferences and rights, and innovating for the future.</p> <p>With the impending tsunami of age-related dementia threatening to overwhelm health systems, sustainable dementia communities will become an increasingly important offering within our model.</p> <p>This coming year we will invest in research and pilot leading dementia design, moving beyond dementia care centres to create dementia-friendly communities.</p>
Indigenous engagement	 <h3>Enhance indigenous engagement</h3> <p>As a leader in our sector, we have chosen to prioritise our deliberate engagement with indigenous communities in both Australia and Aotearoa New Zealand.</p> <p>Our goal is to cultivate meaningful relationships with Ngā iwi Māori in Aotearoa New Zealand and First Nations People in Australia to empower an indigenous perspective across our business model and into all of our services.</p> <p>We are excited to already have our Taha Māori Kaitiaki - Cultural Navigator appointed in Aotearoa New Zealand to help guide us. In Australia, we will focus on developing a fully articulated Engagement and Participation Plan (EPP) in partnership with Aboriginal and Torres Strait Islander peoples.</p>

As one of New Zealand's largest companies, we are taking a leadership position with this sustainability strategy in response to the issues our stakeholders saw as being important for us to address now and in the future.

Developing our sustainability strategy

For some time, the efforts of our team have been guided through our previous sustainability framework, focusing on the environment, our society and our own financial sustainability.

Over the past year, we committed to formalising our approach. We engaged thinkstep-anz to complete a stakeholder exercise and identify those issues which are considered material for us to address in order to be sustainable for the future.

We interviewed a range of external stakeholders across New Zealand and Australia, including shareholders, financiers, investors, district health boards, local councils, indigenous communities, suppliers, our commercial partners and selected members of our Board.

Each person participated in a detailed interview and gave their views on the material issues they believe we need to address now and in the future.

We also sought input through targeted focus groups with our senior leadership team (SLT), our residents and our people. We extended coverage beyond our current residents and interviewed village prospects, our residents of the future.

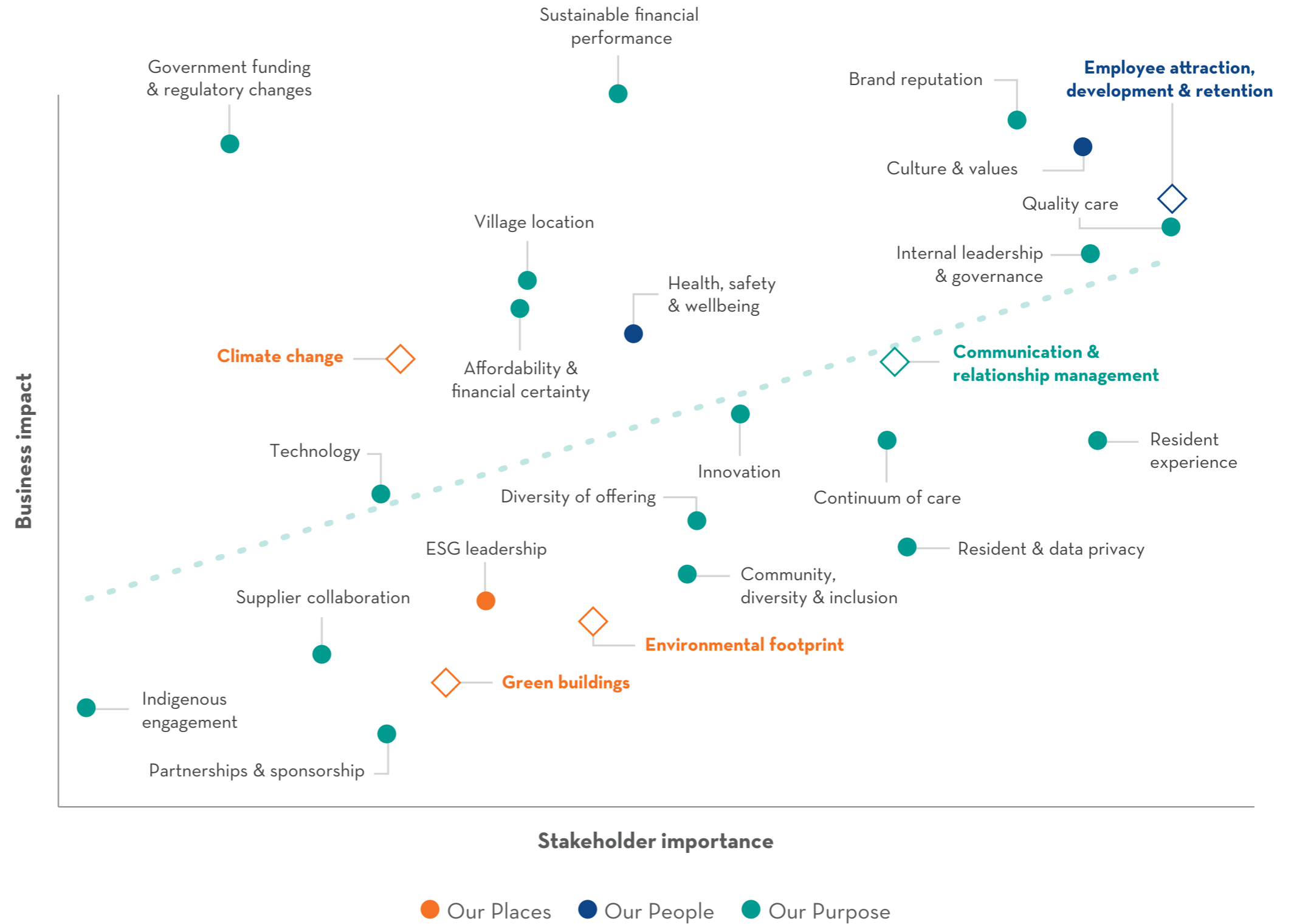
To ensure comprehensive coverage we also evaluated responses from our annual internal surveys across our team and residents, including independent, serviced and care residents and their relatives.

Through this process, 25 issues were identified as material for us. They are the issues that are key for us to address to ensure we are moving towards a successful sustainable future.

We then asked our stakeholders to rank the 25 issues by importance and to identify the issues they believe we have the most opportunity to improve our performance.

Our senior executive team (SET) reviewed and assessed the issues in terms of their impact on our business. The rankings of external stakeholder importance and impact on the business resulted in the formulation of our materiality matrix, presented on page 8.

Our materiality matrix



Top 5 material issues where our stakeholders thought Ryman has the most opportunity to improve its performance are marked with a diamond.

Addressing our material issues

By assessing the 25 material issues in terms of their business impact, we can now prioritise our efforts and focus our resources in the right areas to drive sustainable outcomes.

The alignment between the issues of importance and the business impact was striking. In addition, we also asked our stakeholders to identify where they felt Ryman had the most opportunity to improve its performance. By asking this, we gained further insight into these most important issues.

This process has provided a firm foundation for our sustainability strategy, but we were not starting with a blank piece of paper as we've been able to incorporate elements from our previous sustainability framework into this work.

Two of the three pillars of the framework remain the same, with the third being renamed from 'Our Business' to 'Our Purpose' – a distinction we believe makes Ryman unique and underpins our success.

We have set annual 12-month rolling targets from the launch date of our sustainability strategy. Targets for 2023 are therefore expected to be met by October 2023.

Our Places

We strive to minimise any adverse impact on our communities. We seek to leave the environment in better shape for generations to come.

Our People

Our people are Ryman. We invest in them to enable them to grow, to care for and support our residents, as well as accelerate our business performance.

Our Purpose

Our purpose is our glue. We know that by focusing on our purpose – greater freedom, richer connections and deeper wellbeing for people as we grow older – our business will succeed.

Under each of these pillars, we have set out the specific material issues we are seeking to address. We are not only focusing on the issues that landed in the top right-hand quadrant of our materiality matrix. This is for three key reasons:

- We want to take a leadership position for our industry and in our markets where we believe leadership is needed. For example, indigenous engagement and supplier collaboration.
- We reflected on the insights from the additional question relating to our greatest opportunities. We believe we need to act on some of these areas sooner, to make the most difference to our stakeholders. This includes the material issues of resident experience, climate change, green buildings and our environmental footprint.
- We already have a significant investment or programme under way that addresses the material issues. For example, the issues of brand reputation, and communication and relationship management.

Where possible, we have established a KPI and a 2023 target. In some cases, our work in the coming year will be to further investigate or develop a plan for addressing the material issue. This will provide the direction for our efforts in years to come, as well as targets that will measure our progress in following years.

Finally, we have identified specific projects or activity we will undertake to address the issue, including a deliverable, timeframe and department responsible.

We have also detailed how we will monitor and report on our progress, and during this year we will establish appropriate board governance frameworks as a foundation for the future.

It is important to note that not all material issues will be addressed in this first sustainability strategy. Over the next 3 years, where possible, we will continue working on issues that have not been prioritised here. We will also conduct another materiality assessment in 3 years' time to ensure we remain focused on the right issues of importance to our stakeholders.

Aligning with the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDG) remain a critical blueprint for aligning sustainability efforts globally.

As a recognised language and framework the SDGs help us ensure we are addressing the major environmental, social, and economic challenges our world faces through the material issues we are addressing.

The material issues that are the focus of our sustainability strategy have been mapped to the SDGs. This alignment will help us to better engage with residents, prospective residents, team members, and other stakeholders as we share our progress towards positive and impactful outcomes.



- Health, safety and wellbeing
- Culture and values
- Resident experience
- Quality care



- Indigenous engagement
- Culture and values
- Internal leadership and governance



- Employee attraction, development and retention
- Internal leadership and governance



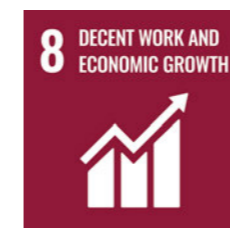
- Green buildings
- Environmental footprint



- Climate change
- Environmental footprint
- Green buildings



- Environmental footprint
- Climate change
- Green buildings
- Supplier collaboration



- Employee attraction, development and retention



- Environmental footprint
- Green buildings
- Climate change



- Green buildings



- Indigenous engagement
- Supplier collaboration
- Culture and values

OUR PLACES



Artist's impression of our Kevin Hickman Village in Christchurch where we have committed to constructing our first mass timber structure using cross-laminated timber in place of some elements previously made from steel and concrete as a means to help reduce the embodied carbon in our buildings.



We strive to minimise any adverse impact on our communities. We seek to leave the environment in better shape for generations to come.

Our Places

As well as being material issues, climate change, our environmental footprint and green buildings were in the top five improvement areas identified by stakeholders as most important for us to address.

As such, and in alignment with New Zealand and Australia's commitment to meet the terms of the Paris Agreement, Ryman is prioritising climate change as a material issue for immediate action. We have been measuring our emissions and implementing changes over the past 5 years, and we acknowledge we need more targeted and effective strategies to reduce emissions to achieve our long-term goal of Net Zero by 2050.

In terms of our environmental footprint, we know our largest volume of waste material comes from our construction activities – whether new villages or refurbishing existing villages – and we will work with our suppliers to minimise these often-challenging waste streams.

Our environmental footprint is not limited to waste. Emissions from electricity usage in our Australian villages also contribute materially to our footprint. Given this, we are committed to seeking renewable energy solutions to minimise our footprint.

Green building has been growing in importance for our design teams and for our residents. As a significant contributor to home building in both New Zealand and Victoria, we have been exploring ways to reduce our emissions from our embodied carbon, through alternative materials and we will continue to do so.

Material issues

Climate change



Goal
Addressing our emissions and ensuring our organisation is resilient to a changing climate

KPI: Science-based target

2023 target: Detailed emissions reduction plan, including milestones to achieve our verified science-based emissions target

KPI: Risk preparedness

2023 target: 86% of climate disclosure road map actions completed

Environmental footprint

Goal
Ensuring energy and resource efficiency and minimising waste



KPI: Renewable energy procurement

2023 target: Review completed, target identified

KPI: Waste reduction

2023 target: Deliverables achieved

Green buildings



Goal
Incorporating green building design, elements or materials in new developments or refurbishments

KPI: Feasibility study

2023 target: To be established

Our projects



Climate change

Goal: Addressing our emissions and ensuring our organisation is resilient to a changing climate

Lead: Chief Sales and Marketing Officer

Establish science-based emission reduction targets

Deliverable	Responsibility	Timeframe
Establish a formal commitment to set a science-based target and register with the Science Based Targets Initiative (SBTi)	Sustainability	2023
Carry out an assessment of our scope 3 inventory to support the establishment of a science-based target	Sustainability	2023
Establish a verified near-term science-based target and develop emissions reductions plans to achieve targets	Sustainability	2023

Identify alternative fuel vehicles

Deliverable	Responsibility	Timeframe
Complete an alternative fuel vehicle feasibility report across construction and operations, identifying path and targets for removing combustion engine vehicles from our fleet	Construction and Shared Services	2023

Implement climate change risk management roadmap

Deliverable	Responsibility	Timeframe
Complete 100% of External Reporting Board (XRB) climate disclosure roadmap actions	Sustainability	2024



Environmental footprint

Goal: Ensuring energy and resource efficiency and minimising waste

Lead: Chief Development and Construction Officer

Reduce construction waste

Deliverable	Responsibility	Timeframe
Adopt standard process to measure construction waste across all Ryman construction sites and deliver comprehensive waste reporting	Construction	2023
Develop sustainable model for management of construction waste alternatives	Construction	2023
Identify and endorse pathway to waste reduction, and set targets	Construction	2024

Reduce refurbishment waste

Deliverable	Responsibility	Timeframe
Complete analysis and measurement of unit refurbishment waste	Property	2023
Recommend reuse and recycle strategies and set targets	Property	2024

Identify renewable energy solutions in Australia

Deliverable	Responsibility	Timeframe
Complete review of renewable energy sources for Australian villages consistent with a goal of 100% renewable energy procurement by 2030	Finance - AU	2023
Recommend renewable energy sources and set targets	Finance - AU	2023



Green buildings

Goal: Incorporating green building design, elements or materials in new developments or refurbishments

Lead: Chief Development and Construction Officer

Identify opportunities for green buildings

Deliverable	Responsibility	Timeframe
Complete a green buildings feasibility study and present recommendations to the Board relating to accreditation levels for current and future villages	Group Design	2023
Implement approved recommendations	Group Design	2024

Continue improvements in construction materials selection

Deliverable	Responsibility	Timeframe
Advance the use of construction materials in village design and construction to reduce carbon intensity to its lowest levels	Construction	2023-2025

OUR PEOPLE

Clinical Manager Madelyn Premacio (far right) with her care team at our Charles Upham Village in Canterbury, whose outstanding daily efforts demonstrate what it means to be a Rymanian.



Our people are Ryman.
We invest in them to
enable them to grow,
to care for and support
our residents, as well as
accelerate our business
performance.

Our People

We nurture a purpose-led culture that attracts great people and motivates them to deliver to a standard that is “good enough for Mum or Dad”. Key to that culture is a plan to foster diversity, ensuring all team members enjoy equal opportunities to both contribute and to grow.

Employee attraction and retention has been a strong focus for our leadership team since we began almost 40 years ago. Today, we face global workforce challenges in several key sectors for our business success. In that context, we must continue to excel at attracting and retaining the right talent for sustainable business performance.

From construction site safety to infection control, effective management of health, safety and wellbeing is a constant material issue for our business. We are focused on leveraging technology to continually improve our monitoring and controls for safety in our workplaces and to promote enhanced wellbeing for our teams.

Finally, leadership of our growing business is key to our success and developing our current and future leaders remains a focus for us now and into the years to come.

Material issues

Internal leadership and governance



Goal
Growing leaders with the specific capabilities and knowledge needed to guide our business

KPI: Internal promotions

2023 target: Methodology determined and target confirmed

Health, safety and wellbeing

Goal
Empowering workplaces that protect the safety of our people and promote their wellbeing



KPI: Total Recordable Injury Frequency Rate

2023 target: Baseline data collected and target identified

KPI: Staff wellbeing score

2023 target: Baseline data collected and target identified



Culture and values

Goal
Nurturing a purpose-led culture that attracts great people and motivates them to deliver to a standard that is “good enough for Mum or Dad”

KPI: Team Net Promoter Score (NPS)

2023 target: Baseline data collected and target identified

Employee attraction, development and retention

Goal
Ensuring comprehensive workforce management policy and practice to attract, retain and grow the right talent



KPI: Voluntary turnover

2023 target: Baseline data collected and target identified

Our projects



Internal leadership and governance

Goal: Growing leaders with the specific capabilities and knowledge needed to guide our business

Lead: Chief People & Safety Officer

Develop our environmental sustainability leadership

Deliverable	Responsibility	Timeframe
Develop and provide environmental sustainability leadership and governance training to leaders	People & Culture and Sustainability	2023

Continue our investment in leadership to support sustainable business performance

Deliverable	Responsibility	Timeframe
Continue to evolve and deliver our leadership development programmes matched to our business requirements <ul style="list-style-type: none"> • ‘Advanced Leadership Programme’ for senior leaders • ‘BRICKS’ programme for construction site leaders • ‘Boost’ leadership development programme for sales leaders • Clinical leaders development programme • Talent management programme for our emerging leaders 	People & Culture	Ongoing



Health, safety and wellbeing

Goal: Empowering workplaces that protect the safety of our people and promote their wellbeing

Lead: Chief People & Safety Officer

Continue our digital improvement programme for contractor management, plant and machinery registers, audits, and wellbeing engagement

Deliverable	Responsibility	Timeframe
Deliver digital processes across contractor management, audits, wellbeing programmes and plant and machinery registers for the Group	Health, Safety and Wellbeing	2024



Culture and values

Goal: Nurturing a purpose-led culture that attracts great people and motivates them to deliver to a standard that is “good enough for Mum or Dad”

Lead: Chief People & Safety Officer

Enable greater Diversity, Equity and Inclusion (DEI)

Deliverable	Responsibility	Timeframe
Develop DEI monitoring methodology, establish data capture processes and confirm DEI objectives	People & Culture	2023



Employee attraction, development, and retention

Goal: Ensuring comprehensive workforce management policy and practice to attract, retain and grow the right talent

Lead: Chief People & Safety Officer

Manage critical workforce shortages for sustainable business performance

Deliverable	Responsibility	Timeframe
Launch a new employer brand campaign; with sub campaigns in specific markets impacted by workforce shortage	People & Culture	2023

Ensure we have the capability and capacity to deliver on our sustainability strategy

Deliverable	Responsibility	Timeframe
Map sustainability strategy to identify and recruit skill sets in key areas to deliver on our strategic targets	People & Culture	2023

OUR PURPOSE



Rosemary, a resident in our Diana Isaac Village in Christchurch, enjoys a stroll with Registered Nurse Sandra Hendriks.



Our purpose is our glue. We know that by focusing on our purpose – greater freedom, richer connections and deeper wellbeing for people as we grow older – our business will succeed.

Our Purpose

The materiality assessment identified many areas for us to focus on in terms of how we go about ensuring Ryman is a sustainable business into the future. Government funding and regulatory changes and our sustainable financial performance are critical and we will continue to invest in these areas.

We are striving to deepen and enhance our engagement with indigenous communities across New Zealand and in Victoria. We know we need to progress this as a partnership, and we look forward to doing so.

We continue to be committed to both providing quality care and a resident experience that leads the industry.

Finally, as the largest retirement living and aged-care provider in New Zealand, and with a growing presence in Australia, we have an opportunity to support, encourage and engage with our suppliers to help them on their sustainability journeys. We will take the opportunity to implement improvements with suppliers on both sides of the Tasman.

Material issues



Indigenous engagement

Goal
Cultivating meaningful relationships with Ngā iwi Māori in Aotearoa New Zealand and First Nations People in Australia to empower an indigenous perspective across our business model and into all of our services

KPI: To be determined **2023 target:** Plans developed

Resident experience

Goal
Continuing to provide a resident experience that challenges the conventions of ageing, ensuring greater freedom, richer connection and deeper wellbeing for our residents



KPI:
To be determined

2023 target:
To be established

Quality care

Goal
Being the exemplars of quality in the aged-care industry; delivering care that is tailored to our residents' health needs, preferences and rights and innovating for the future



KPI: Relevant external health quality of care standards **2023 target:** 4-year certification for >80% of New Zealand villages; and 3-year accreditation for all AU care with 100% of recommendations met

Supplier collaboration

Goal
Collaborating with our suppliers to maximise mutually beneficial outcomes



KPI: Documented supplier engagement **2023 target:** Engagement metric achieved

Our projects



Indigenous engagement

Goal: Cultivating meaningful relationships with Ngā iwi Māori in Aotearoa New Zealand and First Nations People in Australia to empower an indigenous perspective across our business model and into all of our services

Lead: Chief Strategy Officer

Enhance iwi engagement

Deliverable	Responsibility	Timeframe
Complete Taha Māori strategic plan in accordance with New Zealand Ministry of Health (MoH) standards	Operations NZ	2023
Implement actions identified through the plan	Operations NZ	2024-2025

Enhance First Nations engagement

Deliverable	Responsibility	Timeframe
Complete an Aboriginal and Torres Strait Islander community Engagement and Participation Plan (EPP) which meets the Manufacturing Collaboration Stream (MCS) of the Modern Manufacturing Initiative (MMI), including the development of a Reconciliation Action Plan (RAP)	People & Culture - AU	2024
Implement actions identified through the plan	People & Culture - AU	2025



Resident experience

Goal: Continuing to provide a resident experience that challenges the conventions of ageing, ensuring greater freedom, richer connection and deeper wellbeing for our residents

Lead: Chief Strategy Officer

Monitor and measure our impact on the wellbeing of our residents

Deliverable	Responsibility	Timeframe
Establish an holistic wellbeing index to measure the wellbeing of our residents	Chief Strategy Officer	2023
Establish targets for the positive impact of our services on our residents' holistic wellbeing	Chief Strategy Officer	2024



Quality care

Goal: Being the exemplars of quality in the aged-care industry; delivering care that is tailored to our residents' health needs, preferences and rights and innovating for sustainable care into the future

Lead: Chief Executive Officer - New Zealand & Chief Executive Officer - Australia

Deliver future-focused dementia design

Deliverable	Responsibility	Timeframe
Research and pilot leading dementia design for sustainable dementia communities	Operations	2024



Supplier collaboration

Goal: Collaborating with our suppliers to maximise mutually beneficial outcomes

Lead: Group Chief Financial Officer

Drive supplier engagement

Deliverable	Responsibility	Timeframe
Engage with 50 key suppliers in New Zealand and 20 suppliers in Australia to understand their sustainability business maturity relative to our sustainability objectives	Shared Services, Operations and Construction	2023-2024

Develop supplier code of ethics

Deliverable	Responsibility	Timeframe
Develop and implement a formal group supplier code of ethics (SCE) that will promote Ryman's sustainability aspirations across our supply chain	Shared Services, Sustainability and Compliance	2023-2024

Build mutually beneficial relationships

Deliverable	Responsibility	Timeframe
Evaluate existing supplier relationships to identify and draw on synergies, including industry best practice, to drive sustainable value (cost efficiency/reuse, recycle/reduce)	Construction and Operations	2024-2025
Identify and report on measurable efficiencies and cost savings	Construction and Operations	2025

We are committed to establishing a governance framework that drives delivery of this sustainability strategy.

Governance and reporting

To ensure accountability to all stakeholders, we will establish regular reporting, and invest in the necessary systems and processes to enable that to occur.

Governance

Over the coming year we will develop a board governance structure for the effective oversight of the pillars in our sustainability strategy.

We have already established a management governance framework, whereby accountability for reporting on progress will occur through our People, Culture and Sustainability Sub-Committee.

Reporting

We will report externally on our progress following the first 12 months of implementing this sustainability strategy. We anticipate completing and publishing this report on our website in early 2024.

We are already committed to meeting the climate related disclosure requirements as an NZX-listed entity and we will meet any reporting obligations that arise during the period.



rymanhealthcare.co.nz
rymanhealthcare.com.au