

PRIMARY HEALTH PROPERTIES PLC

MODERN SLAVERY STATEMENT 2023

INTRODUCTION

This is the annual statement published by Primary Health Properties PLC (“PHP”) in accordance with its obligations under the Modern Slavery Act 2015 (the “Act”). The Act introduced a number of measures to combat slavery and human trafficking and improve the transparency of reporting on modern slavery, including a requirement on companies with an annual turnover of at least £36m to report annually on its workforce and supply chain, and specifically to confirm that workers are not enslaved or trafficked.

This Statement relates to PHP and its subsidiaries (the “Group”) and is made in respect of its financial year ended 31 December 2022. It sets out the steps PHP has taken, and is proposing to take, to address the risk of slavery and human trafficking taking place in its business and within its supply chain.

OUR BUSINESS AND ORGANISATION'S STRUCTURE

PHP is a FTSE listed Real Estate Investment Trust which specialises in the ownership of modern purpose-built healthcare facilities, the majority of which are leased to general practitioners and other associated healthcare users. The Group’s portfolio consists of over 500 properties across the UK and during the year covered by this statement, the Group grew its assets in the Republic of Ireland for the same uses to 20. The total value of the portfolio is valued at over £2.8 billion. Our business is predominately within the UK and accordingly our direct geographic risk of slavery and human trafficking is considered to be low.

OUR SUPPLY CHAIN

The Group has approximately 1,200 suppliers that support our property and asset management, development and corporate activities. Our construction and property maintenance supply chain is where we believe the main risks of slavery and human trafficking are and in particular where lower skilled trades are being used and where certain materials or products may be sourced from outside of the EU.

PHP purchases very little directly, and the majority of materials are sourced through our contractor supply chain and are specified to meet the needs of our NHS and HSE occupiers in the UK and Ireland.

PHP does not consider its risks associated with other suppliers, such as bankers, accountants and other professional service providers to be material.

OUR POLICIES

PHP is committed to conducting its business in a lawful and ethical manner. In particular, PHP will not tolerate slavery and human trafficking and applauds efforts being made globally to eliminate such practises.

Our Business Ethics Policy sets out overarching commitments and requirements which we will abide by including on human trafficking and modern slavery and we expect our supply chain and partners to uphold these standards too.

Incidents of modern slavery and forced labour have increased in recent years and in recognition of the importance of taking a proactive approach, we have adopted an updated Anti-Slavery and Human Trafficking Policy during 2022, which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

Our policies can be viewed on our website under 'Responsible Business' and we will monitor and update these as necessary.

PHP expects its suppliers, contractors and service providers ("Suppliers") to also support the elimination of such practices. We expect all of our Suppliers to comply with our policy and a copy of the policy has been sent to all our suppliers following its launch.

WHAT WE HAVE DONE DURING 2022

- We reviewed our existing policies and strengthened these, including adopting a specific anti-slavery and human trafficking policy and making clear that our partners and suppliers have a key role to play in guarding against this in their dealings with PHP.
- We began to share our policies with our supply chain to ensure they are aware of them and the issues they relate to.
- We continued to review our supply chain with a view to minimum standards through our membership of 'SafeContractor'. We engaged with our suppliers who were not yet accredited and increased the level of accreditation during the year.
- Safe Contractor includes specific requirements related to modern slavery and we began analysing this. As of Dec 2022, 225 suppliers had met the requirements.
- We began to roll out training on business ethics and modern slavery to our employees.

WHAT WE PLAN TO DO IN 2023

- We will communicate with all our suppliers regarding our policies, including on anti-slavery and human trafficking and require them to confirm they have read and understood them. We will measure and report on progress in our annual statement going forward.
- We will continue to provide training for our staff on spotting the signs of modern slavery and for those directly involved in the procurement of goods and services, specific training on modern slavery due diligence in supply chains.
- We will carry out a review of our most commonly used materials within asset and property management to identify and assess risks related to modern slavery, in particular where materials are sourced from outside of the UK and EU.

DUE DILIGENCE PROCESSES

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms such as servitude, forced and compulsory labour, slavery and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. PHP expects all of its suppliers, contractors and service providers to act ethically, with integrity and to have in place effective systems and controls to combat modern slavery anywhere in their own business or in any of their supply chains.

We have implemented the following safeguards:

- **Due diligence:** Before a new supplier, contractor or service provider is approved, appropriate due diligence on the supplier will be carried out. We require our contractors to be accredited by the SafeContractor Evaluation Scheme (www.safecontractor.com) and be listed as an accredited member on the SafeContractor database. As part of the process, the supplier's policies will be reviewed or they will be required to adhere to our policy if they do not have their own policy in this area. New suppliers will only be approved once they have completed this due diligence process.
- **Policies:** As referenced above, PHP has put in place an Anti-Slavery and Human Trafficking Policy. The policies set out PHP's expectations of its suppliers, including in relation to anti-slavery and human trafficking. Suppliers are expected to adhere to these policies to reduce the risk of slavery and human trafficking occurring in our supply chains.
- **Contractual measures:** For our material suppliers in those areas where we have identified risk in our supply chain, PHP will endeavour, to include contractual clauses on its suppliers to ensure it and any sub-contractors or sub-suppliers comply with the law on anti-slavery and human trafficking, where these are not already in place. Appropriate rights to audit compliance will be sought, where possible.
- **Breaches:** PHP will view any breaches by a supplier of the PHP policy/code or the supplier's contractual commitments (if any) very seriously. In the event that we identify a breach of our supply chain policies or protocols, we would undertake an investigation into the circumstances, including root cause analysis. The circumstances of the breach, the results of the investigation and any process improvements and enhancements implemented as a result would be reported to the Executive Risk Committee and then to the Board Audit Committee and/or the ESG Committee as appropriate depending on the nature and severity of the breach.

PHP will continue to monitor the safeguards listed above, including reviewing its specific policies and process to prevent human trafficking and consider implementation of further measures if required.

Steven Owen, Chairman

Primary Health Properties PLC

Approved by the Board: 21 February 2023