

1. Introduction

PHP's mission is to support the NHS, HSE and other healthcare providers, by being a leading investor in modern, primary care premises, creating long term sustainable value for our stakeholders.

We aim to operate and manage our business in a way that enables positive social and environmental outcomes, whilst continuing to grow and deliver value to our stakeholders.

The Company will ensure that its sustainability commitments are applied throughout the property lifecycle – Investment, acquisition, development, management, refurbishment, and disposal and understands that compliance with legislation is the minimum standard and will strive to go beyond it.

Oversight of Sustainability and Social impact is provided by the Board's Environmental Social Governance (ESG) Committee, with environmental risk, strategy and performance reviewed by the Board at least annually.

This policy applies to all activities which PHP can directly control. Where we have influence (such as funding of new developments and properties leased to occupiers) we will encourage the uptake and adoption of the same principles. This policy will be reviewed annually and made available to all interested stakeholders.

2. Environment

We recognise the impact of our activities on the environment and that the activities of the Company contribute to the generation of carbon emissions, which in turn will influence climate change. We are committed to decarbonising all our operational, development and asset management activities to become net zero by 2030 and supporting and working with our tenants to achieve net zero carbon across our portfolio by 2040. Therefore, we seek to:

- operate to high standards of environmental management;
- improve energy efficiency and minimise energy intensity (kWh/m²) across our portfolio, engaging with occupiers to reduce their energy intensity;

- increase on-site renewable energy generation to reduce carbon emissions and provide energy security for our properties and occupiers;
- eliminate avoidable waste during the development, refurbishment and management of our buildings, and achieve the highest possible rates of reuse, recycling and diversion from landfill for any waste created;
- minimise the use of resources, including virgin materials where possible and have a preference for products from certified responsible sources.
- minimise the use of water where possible;
- reduce embodied carbon through considered design, efficient construction and by employing circular economy principles;
- have a positive impact on biodiversity through our development and refurbishment activities and seek to measure our impact over time;
- identify and monitor direct and indirect carbon emissions, including supply chain emissions; and
- advocate for a better, more sustainable built environment through active participation in industry forums.

3. Social Impact

As a leading provider of modern primary care premises, we aim to create a lasting positive social impact, particularly in the health outcomes and well-being for the communities into which we invest. Therefore, we seek to:

- invest in, design, deliver and upgrade facilities to support fully integrated healthcare systems that can tackle health inequalities, including investing in underserved and more deprived communities;
- develop and maintain relationships with our neighbours, including residents, occupiers, and adjoining owners and to consult with our communities where appropriate;
- increase biodiversity, and contribute to local air quality improvement for the health and wellbeing of our occupiers and communities;
- support charities and not-for profit groups offering programs to improve health and wellbeing in our communities e.g. via social prescribing;

- encourage our supply chain and partners to support apprenticeship schemes and to employ local people; and
- encourage consultants and contractors to improve social value during projects.

4. Suppliers

We work with a broad and diverse range of suppliers and recognise our role to ensure ethical and responsible business practices throughout our supply chain, including prompt payment of invoices in line with the Prompt Payment Code.

We expect our supply chain to uphold a strong commitment to sustainability, including:

- upholding the highest standards of Health and Safety and Environmental Management;
- measuring and reducing carbon emissions associated with business operations and seeking to work with suppliers who do the same;
- complying with all local legal requirements when employing people;
- minimising the use of agency workers;
- ensuring employees can work without risk of discrimination;
- reviewing their supply chains to ensure that their products and services are sourced from responsible sources; and
- ensuring that appropriate policies are in place to prevent and detect bribery, modern slavery and human trafficking and to uphold key conventions including the UN declaration on Human Rights, in compliance with our Business Ethics and Modern Slavery policies and annual Statement.

5. People

We recognise the importance of the welfare and development of our employees who are critical to the success of our business. Their experience and contribution to the business is essential to the delivery of our business strategy and ESG commitments.

We aim to attract, develop and retain talent and are committed to:

- clear and open communication and engagement;
- promoting our values and shared set of behaviours;
- supporting equality, inclusion and increasing diversity to bring a greater range of skills and perspectives to the organisation and the work it does;

- ensuring a good pipeline of talent by supporting and encouraging employees to study for courses and professional exams relevant to their roles, continued professional development, training graduates and apprentices, including offering opportunities for people from disadvantaged backgrounds, further increasing diversity in the property sector.
- developing our performance management systems to improve over time;
- offering valuable and fair rewards and incentives to reward and encourage the highest levels of performance, including linking personal objectives and remuneration to sustainability targets;
- ensuring continual improvement in the skills and competency of employees at all levels and across all disciplines;
- supporting our employees to have a positive social impact via dedicated volunteering leave and involvement in charities and fundraising.

Ownership

The Executive Leadership Team is responsible for the operation of this policy.

Harry Hyman

Chief Executive Officer

Primary Health Properties PLC