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Letter from The Chairman



At Healthcare Activos, we enable the creation of **critical social infrastructure**. The growth of the population over 80 years of age in Europe may require more than 1.5 million dependency beds, of which more than 1 million may remain unprovided by 2030 if the availability of resources in the sector is not decisively reinforced. This challenge may require more than 200 billion euros of investment and will be impossible to meet without an efficient model of healthcare provision in the coming years. No government will be able to sustain its budgets in a scenario with greater dependency, less active population, higher pension costs, and even more demanding healthcare costs, if infrastructures such as specialised elderly care homes do not have a number of places that allows for economies of scale, sectorisation of living areas for different levels of dependency, and operational circuits that prioritise professionals dedicated to direct care. **The need for a response is urgent, and only efficient models focused on the provision of high-quality care can guarantee the sustainability of our societies.** Public-private partnership models can undoubtedly make an important contribution to this, and are particularly necessary in the current situation of high annual budgetary deficits and high national debt.

Allow me, therefore, to present our 2023 Sustainability Report, with a resolute declaration of principles on our concern for **the future of society's most fragile population. The focus of Healthcare Activos is eminently Social, in line with our ESG policies. We believe that the response that our society will give to Europe's current situation is key to its economic sustainability** and that its lack of planned attention may generate in the near future a new layer of poverty and inequality caused by the lack of resources for care. **Nothing can create more inequality than a shortage of critical care infrastructure,** which can lead to high prices that are only viable for the privileged. A viable care framework requires the provision of infrastructure where there is the largest number of dependents together with the promotion of the necessary professional profiles and referral processes in accordance with a continuum of care that diverts the acute health system towards healthcare and social centres with lower costs than hospitals, for recovery processes or treatment of chronic illnesses, for better and more adequate care for people at lower costs.

h

2023 was a really special year for Healthcare Activos because we have been the first company in our sector to receive both a social and sustainability linked loan audited by an external party (Moody's) after the new European framework approved in 2023. More importantly, we are very proud that our business KPIs are the same as those as we use to measure our ESG performance, which are intended to respond to the long-term demographic challenges that we face in our society

Our commitment in 2023 to the Sustainable Development Goals has been consistent with our purpose as a company and we take on the challenge of continuing to improve in 2024. This is just the beginning.



Chairman of Healthcare Activos

h | healthcare
activos



Introduction

Our commitment to Social Sustainability

2023 has been a key year in Healthcare Activos' commitment to ESG. Our experience over the years has led us to give priority to those measures that have the greatest practical impact on society. We consider our activity to be fundamental for the sustainability of Europe, with an increasingly ageing population, which forces everyone to urgently respond such demographic challenge.

At Healthcare Activos, we continue our path in which we are committed to Social Sustainability, with a long-term mindset and in a way that **is jointly responsible for future needs**. Our business KPIs in the investment process are driven by the same indicators as our ESG policies. In this way, we aim to implement a model that promotes an efficient response that extends access to critical infrastructure to the maximum number of people, which is necessary for those whose health is most fragile.

In addition, we are proud to add to our environmental and governance certifications recognitions: such as GRESB and PRI, as well as BREEAM, which are increasingly active. We also maintain our strong commitment to the UN Global Compact and a continued contribution to GHG reductions. In the same way, we want to further intensify our efforts in relation to the "S". We have therefore incorporated an external validation of our social KPIs, aligned with the European Social Framework, consistent with our path towards sustainability in future health and social care.

General Manager

ESG Manager



Mission

Build **critical** social and healthcare infrastructure, fundamental for the **long-term** sustainability of society aligned with the **leading operators** in Europe to deliver the most adequate care for people with physical or mental needs through the best model of care.



Vision

To be the **leading long-term** platform in Europe for social and healthcare infrastructure based on our unique business model with an **operator mindset** that provides the highest **quality of care** and guarantees **long-term economic and social returns**.

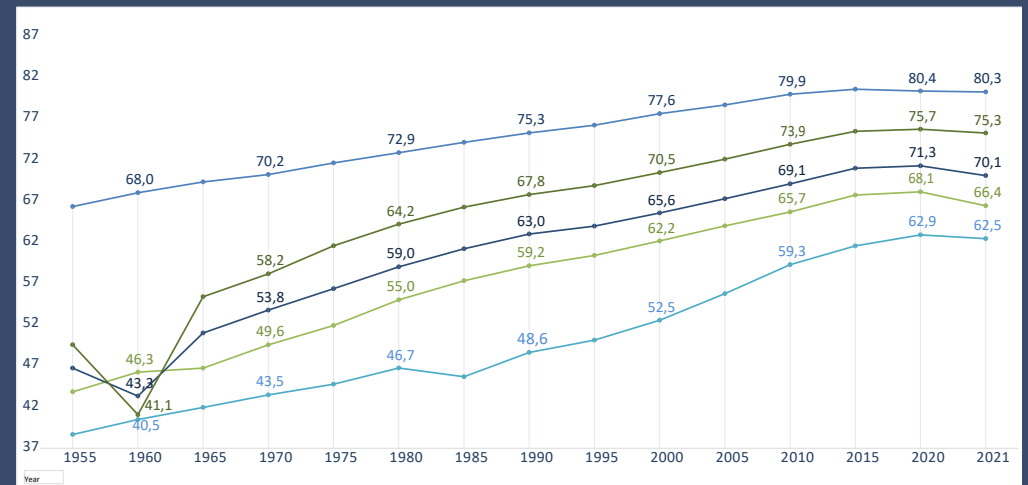




Current social crisis

Improvements in healthcare have made it possible to extend our life expectancy worldwide, with even greater impact in low income countries. **Life expectancy in High-Income Countries (such as Europe) makes it possible for their population to reach the average age of 80,3 years.**

This contrasts with a lower birth rate worldwide. The world fertility rate is expected to continue to decline to 2.2 births per woman in 2050.



Legend:

— HIC: High Income Countries
 — MIC: Middle-Income Countries
 — LIC: Low Income Countries
 — UMIC: Upper-Middle Income Countries

— LIC: Low Income Countries
 — MIC: Middle-Income Countries
 — UMIC: Upper-Middle Income Countries

This situation is aggravated in Europe by the fact that births per woman is 1.5, with small differences between countries which, however, lead to the progressive ageing of our continent. Moreover, the average age at which the first child is born is 29.4 years on average and up to 32.61 in countries such as Spain, compared to the European average in 1980, when it was 26 years.

This situation is expected to lead Europe to a population reduction of more than 5% by 2070, even taking into account migratory movements, as well as a continuously growing proportion of older people aged 65-85.

The need for care for a population with growing healthcare requirements has already begun in Europe. In addition, the prevalence of neurodegenerative or mental health diseases is significant and increasing in people over the age of 65. We are living

longer, but with more chronic diseases leading to a scenario with a higher number of dependent people.

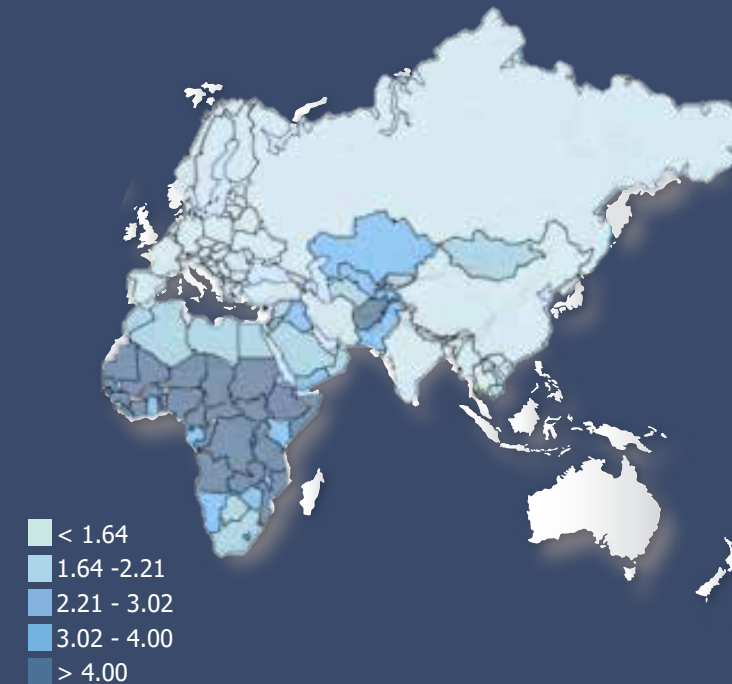
The prevalence of Alzheimer's and mental illnesses increases significantly from the age of 65 onwards, which implies a corresponding dramatic increase in the use of health services.

Prevalence of Alzheimer's and mental illnesses.

AGE RANGE	GENERAL PREVALENCE
60-64	0.6%
65-69	1.3%
70-74	3.3%
75-79	8%
80-84	12.1%
85-89	21.9%
90+	40.8%

Source: Prevalence of dementia in Europa | Alzheimer Europe (alzheimer-europe.org)

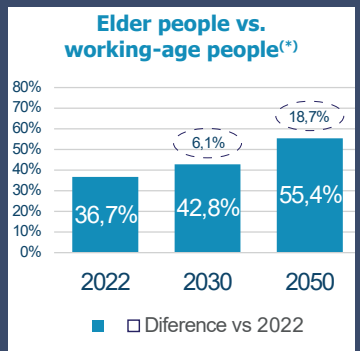
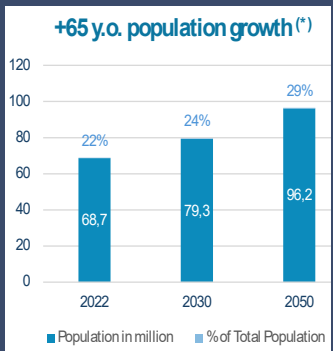
World fertility rate:



Source: World fertility rate total (birth per woman) | Data (bancomundial.org)

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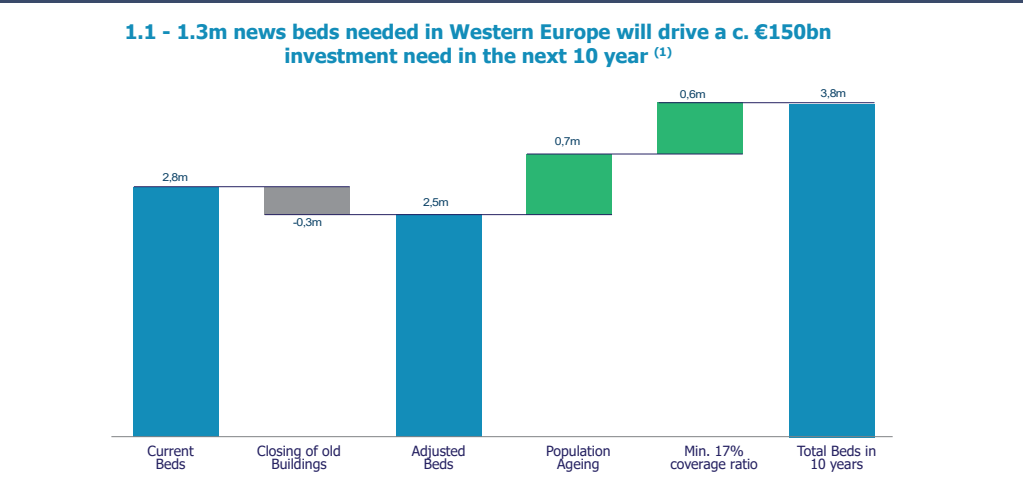
Today, the number of people over the age of 80 represents 6% of the total population in Europe. In 2050, it is expected to double, reaching 12%. This is greatly impacting the dependency ratio, expressed as the proportion of dependent population over the population at working age, that will increase 50% from current 36,7% to 55,4% in 2050 compromising our society's capacity to respond to it.



In addition to this data is the fact that between 15% and 20% of people over the age of 80 currently require medium or long-stay services.

All this leads to a need for more than 1.3 million additional beds, if we focus on the Western European analysis, with a required investment of approximately 150 billion euros over the **next 10 years**.

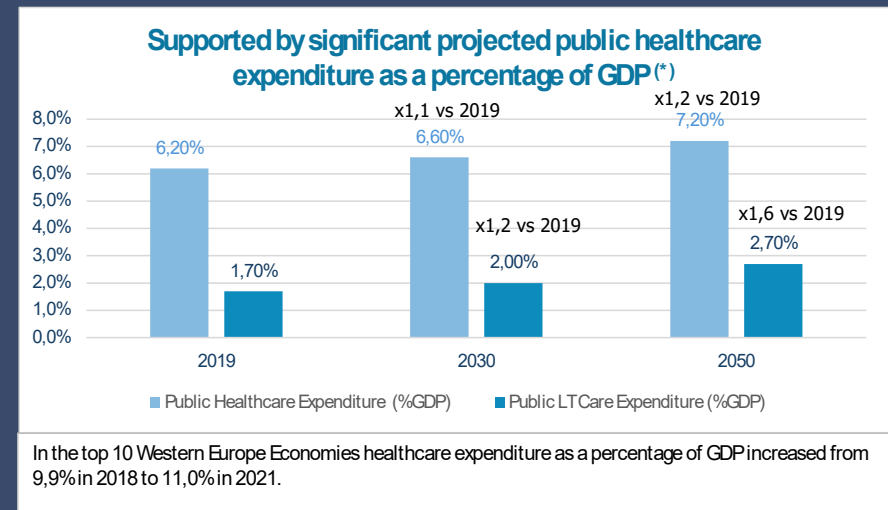
The need to respond to the most fragile people in our society will lead to an exceptionally significant increase in health expenditure, which is already beginning to take place today with increases as a percentage of GDP: 7.9% in 2019 and is expected to reach 8.6% in 2030 and 9.9% in 2050. In short, optimising the use of resources is essential for a sustainable response to the demographic challenge.



*Note: including Germany, France, Italy, Spain, Netherlands, Belgium, Portugal, Austria, Switzerland and Ireland
 *Source: Eurostat; Population in millions.
 Note 1: Assuming nursing homes with <25 beds will close due to regulatory pressure
 Minimum 17% CR as at least 17 bed per 100 +80 y.o population are needed (WHO recommends 20%)

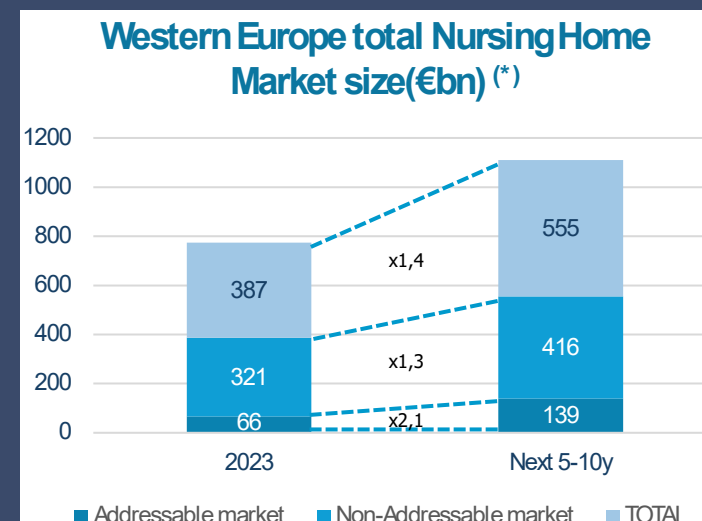
Excludes significant investment needs in :
 - rehab & mental care
 - post acute, chronic & palliative
 Note 2: Based on Eurostat population data; refers to the top 10 Western Europe Economies
 Source: Eurostat; referido a top 10 Western Europe Economies
 Source: OECD





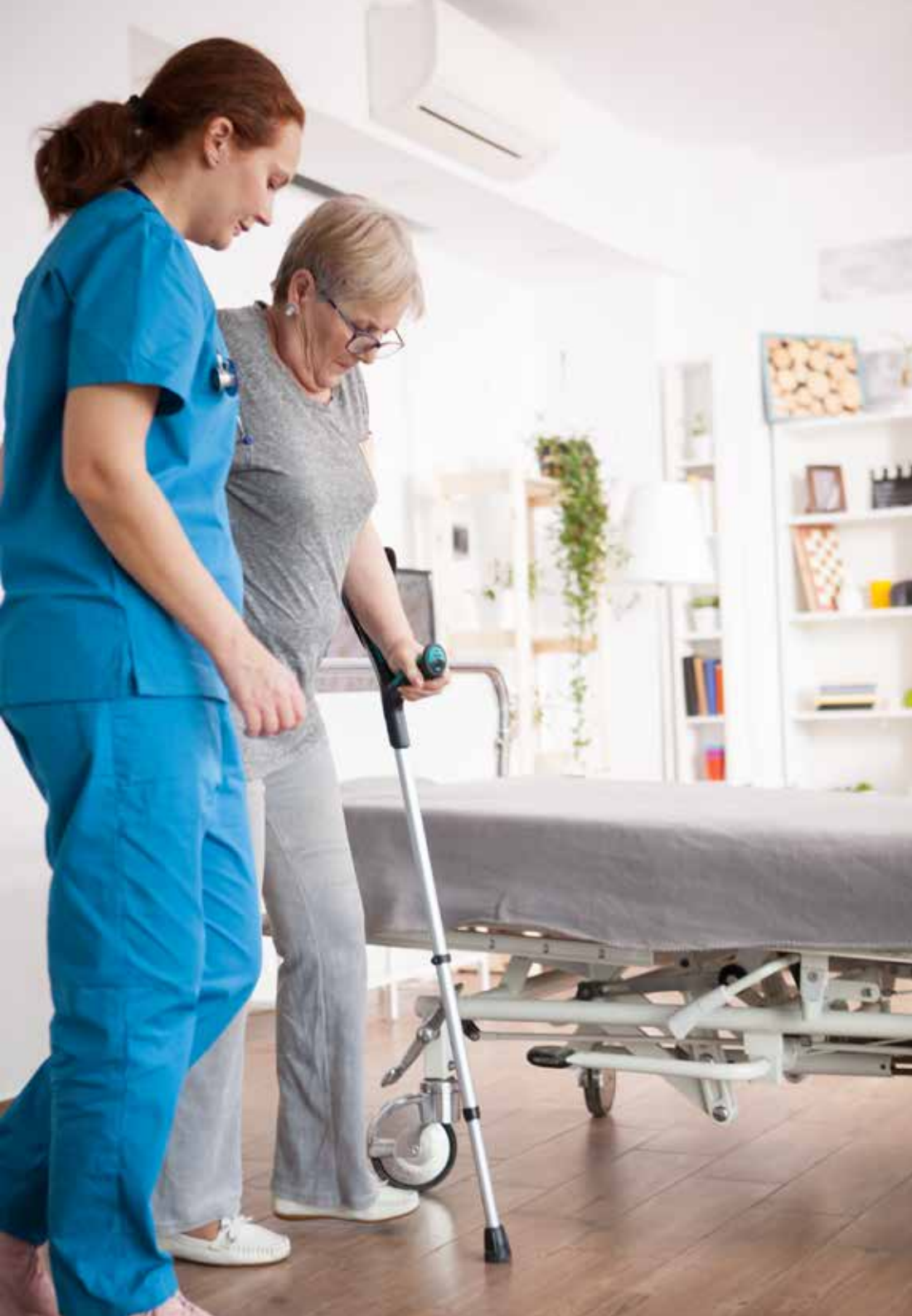
The market for social and healthcare infrastructure dedicated to the elderly is growing and has risen from 387 billion in 2023 to 555 billion euros over the next 10 years, of which 139 billion relate to private facilities, even excluding mental health, medium-term care (post-acute rehabilitation) and short- and medium-term hospital stays.

In light of this, we want to continue to contribute towards making it possible to solve this serious problem. We intend to triple our efforts and remain committed in the long term by improving the availability of critical infrastructure.



*Note: including Germany, France, Italy, Spain, Netherlands, Belgium, Portugal, Austria, Switzerland and Ireland

*Source: Eurostat; Population in millions.



What is our response?

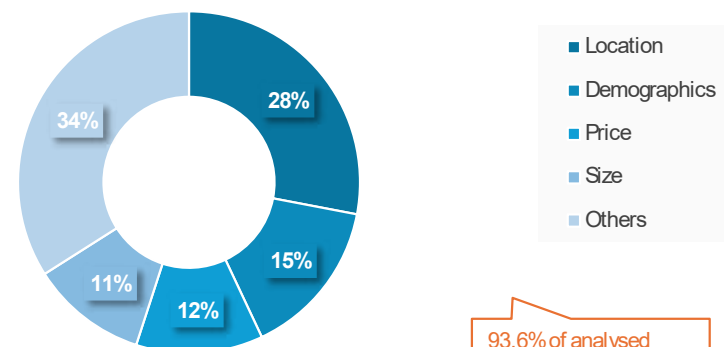
The ability to identify the best resource with a long-term mindset.

We are aware that seeking and driving the growth of Healthcare Activos is also a way to help those most in need and is an extra motivation for all the professionals in our company. That said, our good wishes is translated into a solid investment model that analyses each opportunity with an **an operator's mindset and focusing on users** valuing each asset in a unique way, with a long-term vision, and taking into account our fundamental criteria: location, population to be taken care off, need for resources in the area, appropriate building structure that allows optimal organisation of the care activity, and the quality certificates of the operators that will to manage each infrastructure.

Choosing the best asset for each health context requires rethinking on the building model so that it is not only functionally efficient in terms of care and functionality but is also suitable for each user or patient profile. Similarly, it must respond to its role in the user's continuum of care within the different types of health resources.

This leads us to be selective with what we acquire and to **opt for infrastructures that are really going to provide an effective solution in a specific location.** We want them to contribute towards making care more accessible for people with varying degrees of dependency, including those who require greater support and care.

Reasons for discarding candidate assets



93,6% of analysed

Our value proposition

Our investment model begins its journey by identifying assets that have the characteristics that correspond to our **fundamental criteria** mentioned above. In the same way, we put a special focus on the activity to be carried out with the same sensitivity as the **operators** who will manage it.

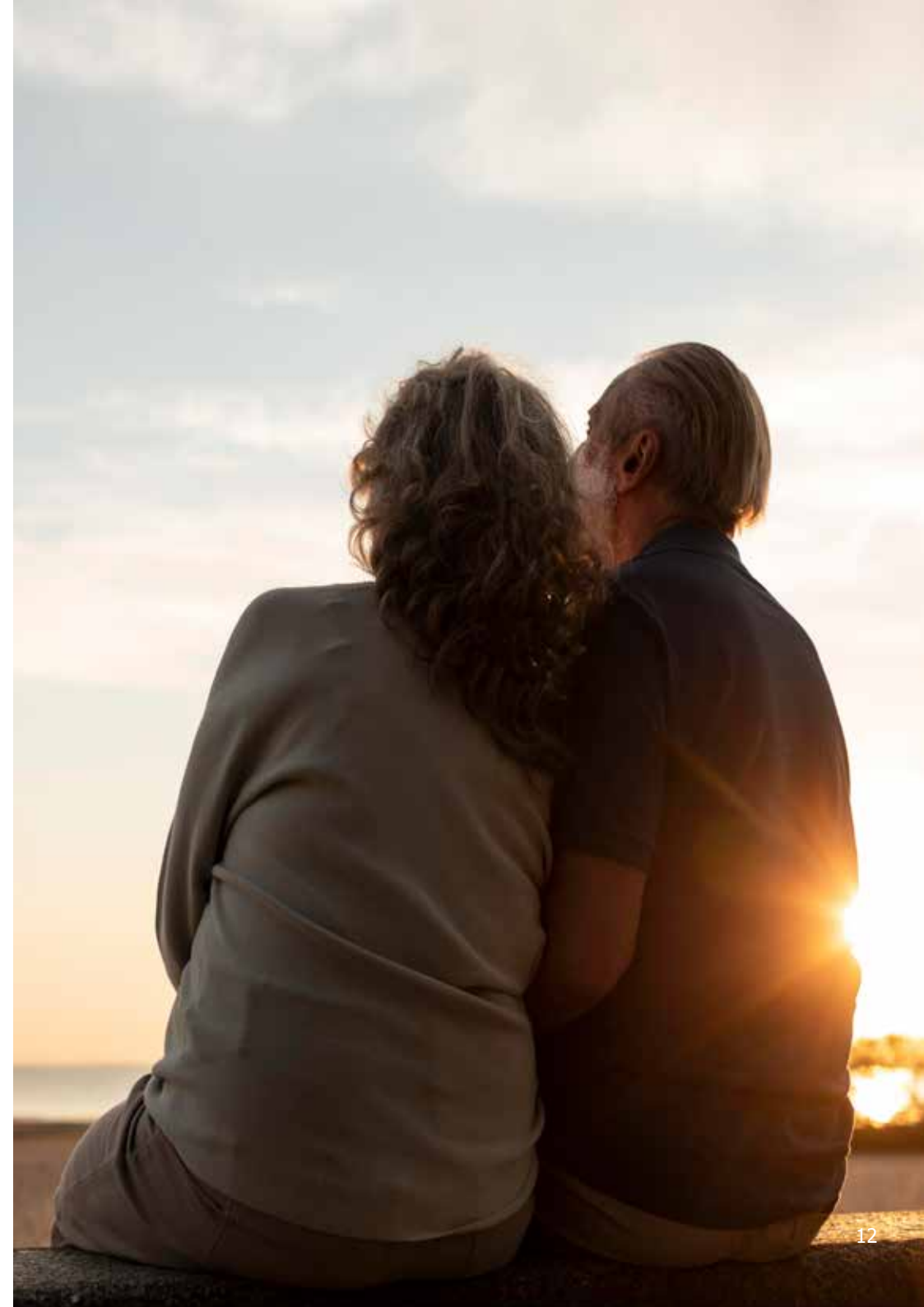
We also understand that it is key for the income coverage ratio in terms of turnover to be conservative, to allow the asset to be maintained with good results in the **long term** and thus ensure that management can maintain a high contribution of resources to continuous improvement and the adaptation of assistance to the trends of each moment.

In addition, our contracts and agreements are consistent with a governance approach that seeks to maximise the **stability** of our operations in order to bring the same solidity to our commitment to the operators with whom we work. We recognise that the **strength of our business model** also allows infrastructure managers to look to the future with confidence and **focus solely on how to run their business to the best of their ability**, without worrying about asset ownership.

We understand that this way of working is the best way to focus on people: giving stability to the resources in which they are cared for, as well as ensuring the best possible condition of the infrastructures through the annual Technical Due Diligence that we carry out to ensure their comfort.

Similarly, our focus on people in our management also leads us to work with **first-class operators** who share this philosophy and with whom we can be leading long-term partners. **100% of the companies we entrust with the management of our infrastructures have quality certificates and a relevant position in the European market.**

With adequate infrastructures and first-class operators, we make a **positive impact on society** possible, both from a care, employment and environmental point of view. At Healthcare Activos, we measure the social impact of our projects and promote it through our commitment to our ESG policies.





What is our response?

Our value proposition

Finally, our internal organisation allows us to continue working on adding value to assets through our Asset Value unit. All our infrastructures are thoroughly reviewed as part of the **annual Due Diligence**, in order to work together with the operators to improve maintenance, and to identify opportunities for improvement with a holistic vision (of the asset and care), with which also focuses on the environmental sphere in order to achieve with our **Net-Zero commitment** with the utmost speed.

In short, all of this leads us to take on asset management and control tasks that are unusual in our type of business, but which form part of Healthcare Activos' DNA, with an operator's mindset and ensuring that users receive the best possible care. We always say that we are not the fastest growing company in our sector nor the most profitable, but **we are the safest and most reliable. We are proud who we are and how we act. This has enable us to continue to grow even in times of financial turmoil.**

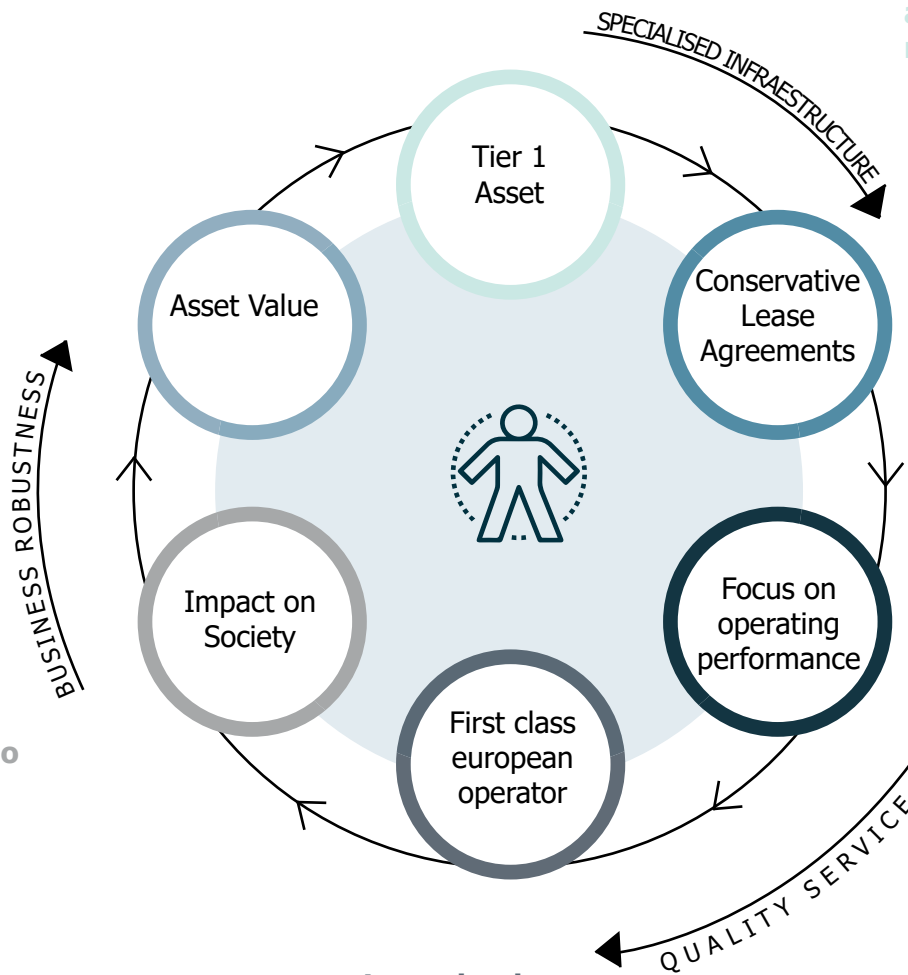
Putting people at the center means ensuring maximum stability of the center in which they are cared for, as well as greater comfort.

h We put safety and reliability ahead of profitability and growth.

In short, all of this leads us to take on asset management and control tasks that are unusual in our type of business, but which form part of Healthcare Activos' DNA, with an operator's mindset and ensuring that users receive the best possible care. We always say that we do not strive to be the fastest growing or the most profitable, but the SAFEST healthcare investor . We are proud who we are and how we act. **This has enable us to continue to grow even in times of financial turmoil.**

Best-in-class maintenance and operational performance monitoring.

Clearly defined ESG agend for our portfolio
Critical social infrastructure in out communities



Design and layout future-proof

Unique catchment areas with favourable market dynamics

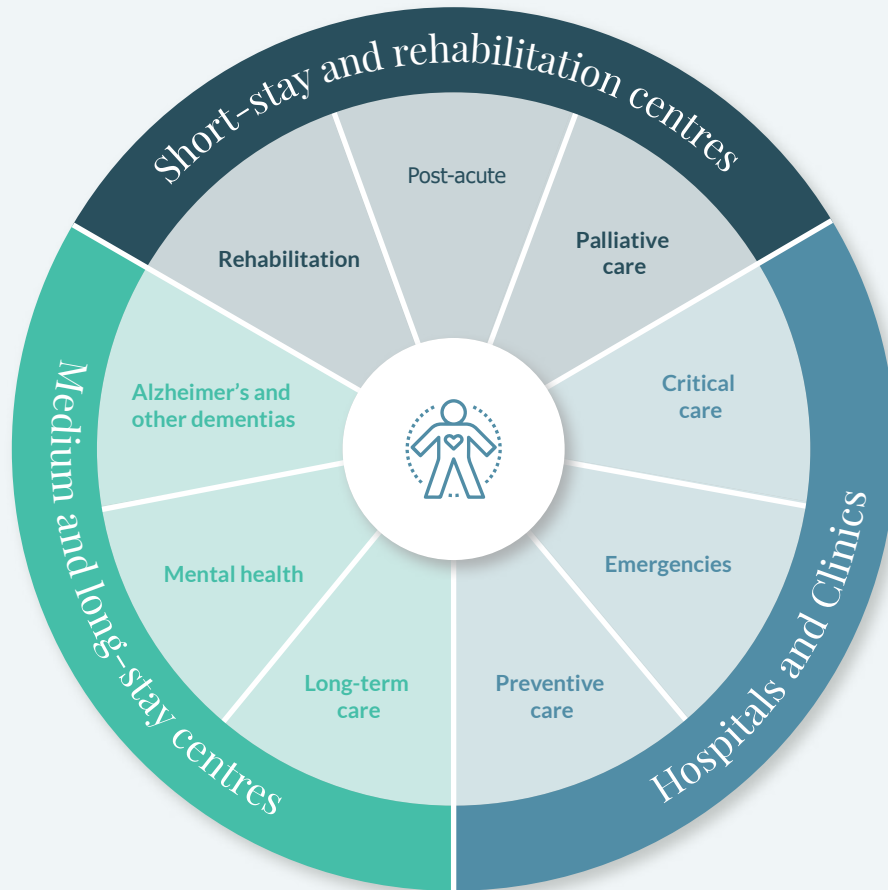
Fixed rents indexed to CPI
+15 years guaranteed triple net lease agreements with Parent Company Guarantee.

Strong focus on underlying operating performance of the asset in the long-term

Conservative rent covers

Leased to best-in-class European operators

The user and the patient are at the center of our business model.







4.1 Our Business Model

Healthcare Activos stands out in the sector for its person-focused approach, especially in the care of the elderly. We recognise the importance of providing quality services and adequate resources to meet the specific demands of this demographic group.

We strive to provide facilities and programmes that promote the health, comfort and dignity of the elderly, providing them with a safe and welcoming environment at all stages of their lives.

We are committed to improving the quality of life of older people, and to making a positive contribution to the overall well-being of society and providing a satisfactory return for our investors.

Fundamental pillars:

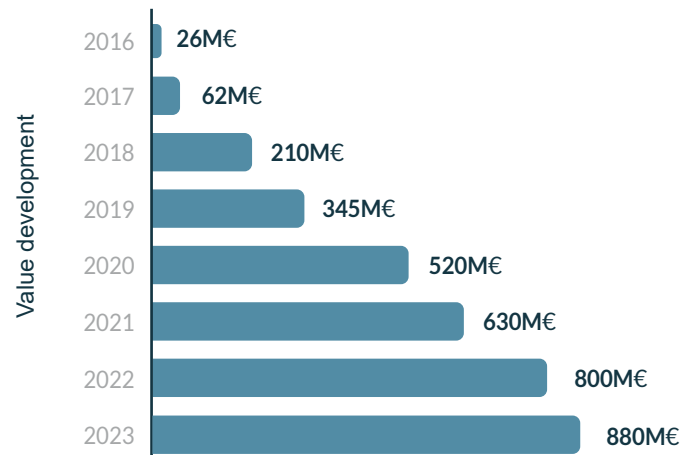
 <p>Operator mindset</p>	 <p>Conservative, safe and guaranteed profile</p>
 <p>Sustainability and value creation for all stakeholders</p>	 <p>Long-term vision</p>

4.2 Investment Strategy

Healthcare Activos has ambitious plans to **double its assets under management in the coming years**, with a particular focus on the European market. **We are committed to investing for the long term to support European players in their growth plans**, working closely with them through our analytical infrastructure and management support.

We are committed to developing, improving and modernising of social and healthcare services, with the aim of having a positive impact on society. We recognise the importance of providing facilities and services that improve people’s quality of life and contribute to their overall well-being. Our aim is to drive progress in healthcare from the social and healthcare field, providing innovative and sustainable solutions that benefit those communities most in need.

Portfolio value development





Investment fundamentals

One of the fundamental keys to Healthcare Activos' success from the outset has been its in-depth knowledge of the business from an operator's perspective. Our Human Resources team is made up of professionals with extensive experience in the sector, enabling us to understand the specific needs and challenges of the sector.

We strongly believe that assets that operate successfully and offer high quality services to users are essential elements to be considered in our investment process.

Our investment process is based on the following principles:



Catchment area: we want to be present where there is the greatest need for the service.



Top-tier operators: we collaborate with those who have the greatest social impact and commitment to their users and patients.



Quality: we consider it essential for operators to have certificates endorsed by accredited bodies.



Environmental commitment: we are committed to environmentally sustainable infrastructures.



Adequate structure: we require that the centres compartmentalise areas and internal care cycles for effective and humane therapeutic and clinical care.

We only acquire those assets that can be included in our portfolio for the long term, with the certainty that they will continue to generate stable returns for the next 20+ years.

As a consequence of this focus on the quality of service for users, we have been granted the **first sustainable loan** in the real estate market **based on both social and environmental criteria recognized as Moody's**.

Moody's has assigned an SQS2 Sustainability Quality Score (very good) Yield Socimi's (Healthcare Activos) social financing framework dated 13 July 2023. The company has established its social financing framework with the aim of capitalizing projects across one eligible social category, access to health and healthcare: nursing homes, hospitals and clinics and rehabilitation centers.

The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Social Bond Principles 2023, and the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Social Loan Principles 2023.

The issuer also incorporated MIS-identified best practices for all four components. The framework demonstrates a significant contribution to sustainability.

Sustainability quality score

SQS2



Alignment with principles USE OF PROCEEDS

Overall alignment

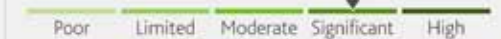


FACTORS: ALIGNMENT



Contribution to sustainability

Overall contribution



Expected impact
Relevance and magnitude: Significant

ADJUSTMENTS:

ESG risk management: No adjustment
Coherence: No adjustment



Foundation of Healthcare Activos and creation of the vehicle Healthcare Activos Investment S.A.

2016



Healthcare Activos increases its presence in Spain with the incorporation of new centres, and continues its expansion

2017



Creation of Healthcare Activos 2 S.A., the first Healthcare Activos vehicle with a "Core" strategy, and acquisition of the first hospital

2018



Creation of Healthcare Activos Yield SOCIMI S.A., a "Core" strategy vehicle with more than 100 institutional investors and family offices

2019



Healthcare Activos strengthens its position as the leading investment platform in Spain and begins its internationalisation process with entry into Portugal

2020



Healthcare Activos strengthens its shareholder base with the addition of leading global long-term institutional investors

2021



Consolidated presence in Portugal, entry into Belgium with 6 new assets, and a new office in Frankfurt

2022

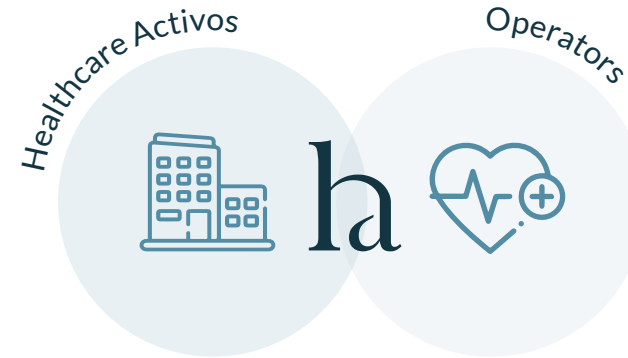


Consolidation in the European market, increasing our investment position with new assets in Spain, Belgium and Portugal.

2023



We are a holistic solution. To make healthcare and social infrastructures possible, we work together with the main European operators.



SALE & LEASE BACK

(M&A transactions): we facilitate the development of operating companies through sale and lease back operations or by supporting their M&A transactions.

GREENFIELDS

We lead solutions in the areas where we identify the greatest need for services for dependent or frail people.

BROWNFIELD

We redevelop existing assets that require significant renovations and adaptations for a particular type of service.

Healthcare activos has a unique method to design nursing homes to guarantee users wellbeing

Location: always in consolidated urban areas, close to public transportation to guarantee proximity to its community, favor family and friends visits, minimize carbon footprint and the depletion of vulnerable ecosystems.

Green/Outdoors áreas: 100% of new developments and acquisitions have green/outdoors áreas and 94% of the whole portfolio

Independent living units: what sets Healthcare activos apart is the mindset behind the independent living units of máximo 30 users



- 1 High proportion of single rooms (>80% in new developments)
- 2 Independent dining and living rooms to enable a controlled environment for users
- 3 Private bathroom for all users (100% in whole portfolio)
- 4 Service elevator near dining room to maximize air quality and increase productivity
- 5 Above requirements stretcher lift to incentivize users traffic
- 6 Discharge hooper to cleaning room to increase productivity
- 7 Control point strategically situated to maximize visibility
- 8 Above requirements room size
- 9 Working circuits specifically designed to boost productivity. More care less circulation



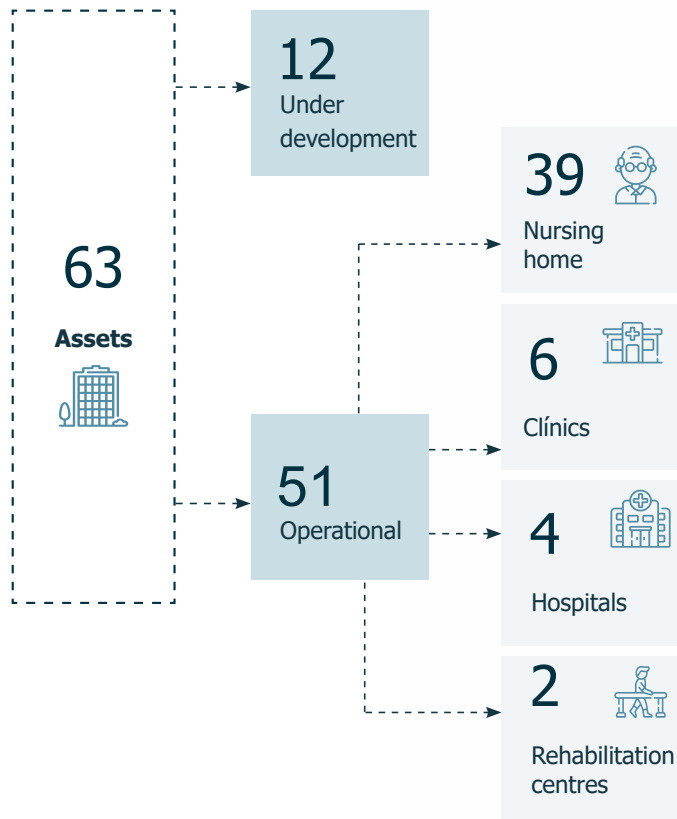
By 2023, we had 63 assets in our Portfolio, of which 51 are operational and 12 are in the development phase, with a value of approximately c.€880 million.

Achievements until 2023

In 2023, we strengthened our international position in Europe. The first investments in Portugal in 2020 and those in Belgium in 2022 were followed by more assets in these countries and a deeper understanding of other countries such as Germany - where we have an office in Frankfurt - France, Italy and Ireland.

On the other hand, our governance model and prudent investment process have enabled us to maintain our active position in the market at a time of difficulty for the sector and increased needs among operating companies. We are proud to be able to continue to support leading asset management companies when they need us most and have been doing so by participating in both greenfields and the acquisition of operating assets.

4.3 Our portfolio



c.880M€
Asset valuation

17,5 años
Portfolio WAULT



Sustainability Strategy

5.1 ESG Action Plan

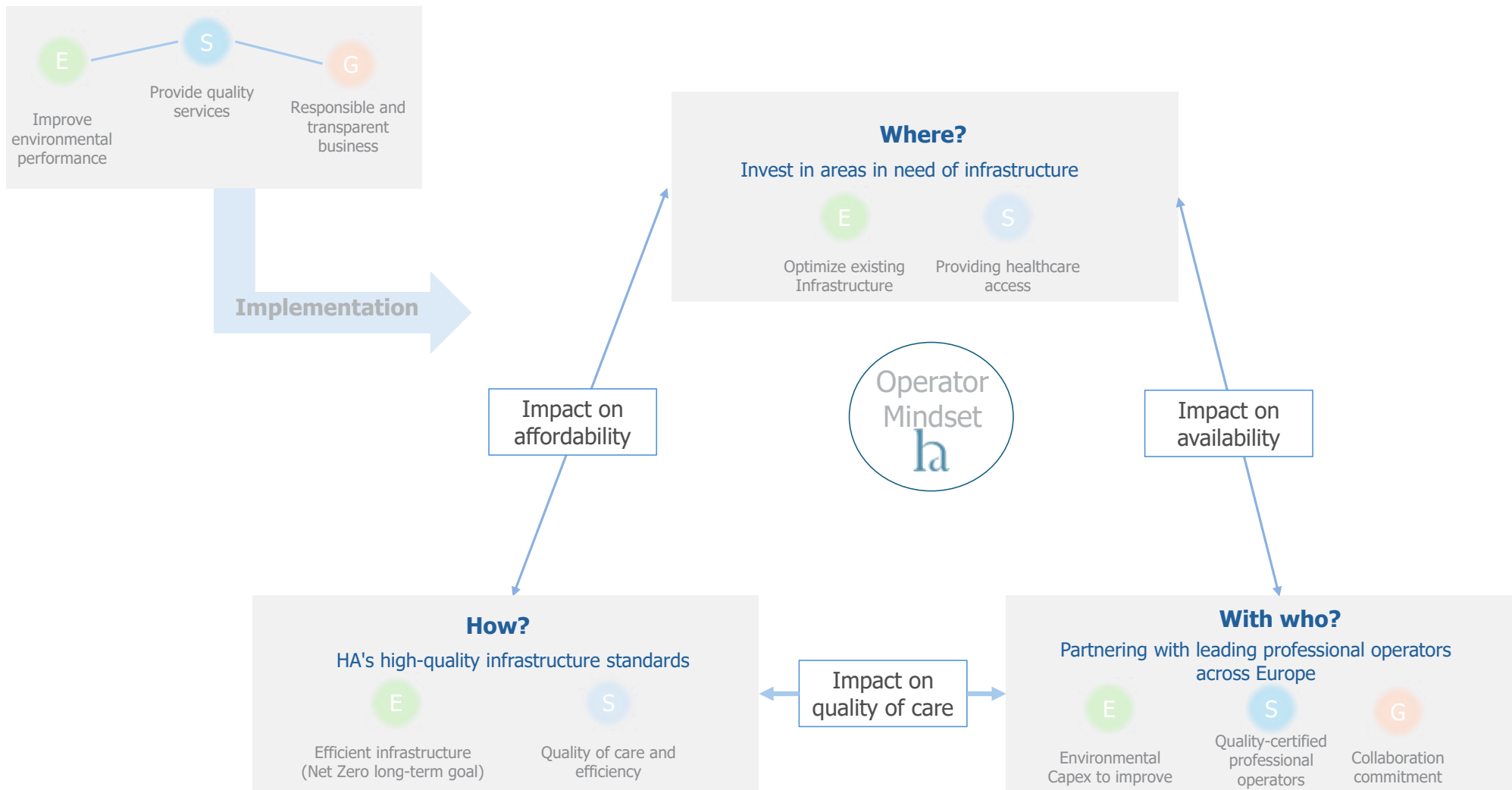
We are working to provide a strong sector in Europe, helping meet the demographic challenge we face. We must continue to provide efficient, effective and environmentally sustainable infrastructures, which make it possible to improve access to adequate resources for dependent people and which are also affordable.

Our ESG strategy is based on a model in which we set ourselves the following goals:

Social: Our goal is to develop, manage and modernize critical healthcare infrastructure that is fundamental to the well-being of our society and strategic for our economy. We are proud to support healthcare operators that care for the most fragile individuals in our communities and save lives within our buildings.

Environment: Set win-win objectives with operators to improve our portfolio by reducing its carbon footprint and increasing its energy efficiency through adequate risk-return investments.

Governance: We want to have the best team of professionals, committed and aligned with the firm's values, as well as guaranteeing compliance above and beyond legal requirements.



ESG Committee

The ESG Committee's multidisciplinary team of highly skilled professionals provided us with the following benefits:

- Reflection on ESG policy strategy in the short, medium and long term.
- Analysis of implementation costs and approval of the financial allocation to carry out the established actions.
- Implementation of initiatives both internally (organisation, department management) and externally; with our suppliers and customers.
- Facilitating dialogue with customers to improve collaboration with them and find ways of working together.
- Contributing to ensuring that the impact of ESG policies can have an impact on all departments, promoting a common commitment to the implementation of established internal processes.
- Raising awareness of our environment by seeking opportunities for collaboration to increase sustainability initiatives, essentially based on internal training and awareness-raising.
- Maintaining uniform management criteria throughout the organisation.
- Allowing for a comprehensive evaluation of the measures implemented.
- Maintaining a high degree of solidarity in relation to the policies implemented.

We are working to provide a strong sector in Europe, helping meet the demographic challenge we face. We must continue to provide efficient, effective and environmentally sustainable infrastructures, which make it possible to improve access to adequate resources for dependent people and which are also affordable.



The composition of the ESG Committee is diverse in terms of background, experience, age and gender. This variety of profiles enables us to ensure that the decision-making process is enriched by multiple approaches.

Jorge Guarner
(Executive Chairman)

Albert Fernández
(CEO)

Toni Serra
(Corporate General Manager & ESG)

Henrique Borges
(Associate)

Leticia Hernández
(Legal and compliance lawyer)

Alba Núñez
(Project Manager)

In 2023, the Healthcare Activos ESG Committee was led by the Head of Sustainability, who is also the company's Corporate General Manager, completed by representatives of the company's areas and with the permanent presence of senior management. The Committee meets on a quarterly basis.

The Committee is responsible for:

1. Establishing Environmental, Social and Governance metrics to be analysed.
2. Proposing an ESG strategy, presenting it to senior management, planning its implementation, and applying it.
3. Monitoring the Healthcare Activos ESG Action Plan.
4. Identifying key ESG metrics for monitoring and evaluation
5. Deciding which externally validated accreditations should make it possible to assess our ESG work.
6. Identifying, assessing and managing ESG risks.

The relevance of the tasks performed by the ESG committee is based on highlighting the sustainable development of the company, both socially and environmentally. For this reason, it is responsible for monitoring the ESG objectives and performance set out in this report.

ESG objectives 2023

Our entire team is committed to these objectives, which is reflected in the company's decision to link part of the 2023 reward (both in monetary and non-monetary terms) to the meeting of relevant targets, which are individually designed by region and the activities of each professional.

In general terms, we have identified the following sustainability objectives that are integrated into the Healthcare Activos strategy, combined with specific objectives in the environmental, social and governance areas that are detailed in the relevant section of this report.





ESG objectives 2023

- Participate in the GRESB assessment and report on the PRI in 2024, considering financial year 2023, with the objective of improving the score year after year.
- Define ESG content to be regularly reported to shareholders
- Annual renewal of the commitment to the Global Compact
- Obtain BREEAM certification for new developments
- Identify environmental, social and governance (ESG) risks in new acquisitions.
- Monitor key suppliers' compliance with company-specific ESG requirements
- Maintain external monitoring of the criteria applied to the investment process, within the European Social Framework.
- Publish an annual sustainability report in line with the PRI.
- Develop efforts to transform part of the company's financing into financing aligned with sustainability principles.
- Implementation of a social framework, reviewed by an external entity and present in our internal policies

We have been a member of the United Nations Global Compact since 2020.

5.2 Global commitments

ALIGNMENT WITH THE GLOBAL COMPACT

Our commitment to governance, human rights, labour standards, the environment and anti-corruption is based on the Ten Principles of the United Nations Global Compact. These principles provide an international framework for companies wishing to align their operations and strategies with universal values in key areas of corporate responsibility.

In line with these principles, Healthcare Activos is committed to adopting ethical and sustainable business practices and reports on our processes and policies that demonstrate our commitment to preventing any negative social and environmental impacts.

This membership has allowed Healthcare Activos:

- To increase its credibility by showing its commitment to the Ten Principles and the Sustainable Development Goals.
- To continuously improve by identifying gaps.
- To measure and demonstrate progress in environmental, social and governance performance to stakeholders.
- Benchmark its progress against other companies in the sector

Since 2021, we have published our annual Progress Report or Sustainability Report, which sets out our progress in this area, ESG objectives, and the guidelines of our ESG strategy, which are based on the Ten Principles of the Global Compact.





CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations General Assembly unanimously adopted the 2030 Agenda for Sustainable Development.

OBJETIVOS
DE DESARROLLO
SOSTENIBLE



This is an action plan to tackle climate change, protect the planet, and ensure people's well-being and prosperity. The plan consists of 17 Sustainable Development Goals (SDGs) and 169 concrete targets for 2030.

Since 2020, Healthcare Activos has identified the strategic SDGs to which we contribute through our actions and decisions. This enable us to direct our strategies in favour of people, preservation of the planet, and the reduction of inequalities.



Our commitment to the environment is reflected in our policies on energy efficiency, water conservation and recycling, so that our buildings contribute to the creation of more sustainable cities. We have incorporated the BREEAM certification in all our new developments and are moving forward with the adopting of this standard in the existing portfolio.



Our business management is governed by criteria of transparency, honesty and professionalism, promoting high ethical standards and compliance. We also actively participate in forums and partnerships related to sustainability, innovation and quality.



Social Our business strategy is focused on creating value for employees, shareholders, operators, suppliers and the community, as well as generating a positive impact on their health and well-being. We want to be present where there is the greatest need and with high quality care models.

GRESB

Global Real Estate Sustainability Benchmark (GRESB) is an organisation that assesses the performance of real estate assets worldwide.



For Healthcare Activos, it is very important to be assessed against industry benchmarks that measure the ESG performance of companies and their portfolios. We are therefore in the midst of reporting our first GRESB assessment, which will evaluate our performance in 2022.

For Healthcare Activos, it is very important to evaluate itself against sector benchmark indices that measure the performance of companies and their portfolios in ESG matters. For this reason, we are immersed in the report of our first GRESB evaluation evaluating our 2022 performance, in which we have obtained a star as part of our participation, achieving a score of 46 out of 100.

At Healthcare Activos we have reflected an important commitment in Social matters (scoring 13 out of 18), Governance (with 16 out of 20 points), and Environmental matters (with 17 points out of 62), managing to achieve a correct position in the Social and Governance aspect regarding to the average score of the participating companies in the Health sector.

Our goal is to continue improving performance in all three areas of sustainability.





ADHERENCE TO THE PRINCIPLES FOR RESPONSIBLE INVESTMENT

Since 2021, we have been a partner of the Principles for Responsible Investment (PRI), an initiative of the UN Global Compact and UNEP (United Nations Environment Programme) aimed at the different players of the investment market.



At Healthcare Activos, we have a Responsible Investment Policy. Based on this, we integrate environmental, social and governance (ESG) factors into investment decisions and day-to-day activities.

We are part of a global community that seeks to reward long-term responsible investment and benefit both the environment and society as a whole. We assess our performance in this area annually and promote good corporate governance, integrity and accountability.

MOODY'S

In 2023, Moody's granted Healthcare Activos a Sustainability Quality Score of 2 (SQS2) or "very good", being the first company in the real estate sector to receive this rating due to the combination of both social criteria, where we are considered "best practice", as well as environmental criteria, where our contribution is considered "significant".

The Moody's logo is displayed in a blue, serif font.

At Healthcare Activos we firmly believe that assets that operate successfully and offer high quality services to users are essential elements that should be considered in our investment process.

A clear consequence of this is this recognition from Moody's, which not only values the positive environmental aspects of our activity but also the social aspects.





We proactively influence the assets we invest in to boost real ESG improvements

- Improving sustainable asset performance
- Tracking and monitoring social and environmental issues
- Seeking to obtain new sustainable certifications, with a special focus on the environment and the reduction of CO₂ emissions



We play an active ESG role, creating a positive social impact

- Integrating ESG criteria into investment processes
- Improving risk management
- Focusing the strategy on the long term, also taking into account our commitment to expansion in Europe and the added complexity that this aspect entails
- Considering the social impact of investments



We are **committed to promoting** and disclosing our ESG information

- Actively participating in different forums of interest to the sector on sustainability and responsible investment
- Reporting ESG information annually
- Disseminating and informing about our ESG-related policies

Corporate Governance

6.1 Corporate Governance Model

Our corporate governance model plays a key role in ensuring the efficient and responsible management of the company, with the aim of meeting long-term strategic objectives and making a positive impact on society. At Healthcare Activos, we consider it essential to exceed legal and regulatory requirements, and therefore place great emphasis on having a strong governance structure in place to support sustainable growth.

We strive to recruit and retain the best team of professionals, who are committed and aligned with the company's values. To achieve this, we carry out a rigorous selection process and offer continuing training, which provides us with a highly skilled and motivated team.

As part of our commitment to sustainability, we seek to contribute to people's wellbeing and quality of life by creating stable, quality jobs. In this way, we not only boost the economic and social development of communities but also have a positive impact on people's lives by promoting stability and job security. For us, it is essential that the creation of economic value goes hand in hand with the human and social development of our society.

In addition, we work to promote an ethical and transparent culture, which is reflected in our communication policy and code of ethics available to all our stakeholders.





Accordingly, we have set the following objectives which are fully integrated into the organisation’s business strategy:

GOVERNANCE

GOOD HEALTH AND WELL-BEING

DIVERSITY, EQUALITY AND INCLUSION

Ensure transparency in the disclosure of information and good governance practices.

Increasing the well-being of our external stakeholders.

Ensure equal opportunities, inclusion and diversity.

.....
 Implement procedures for applying investment fundamentals.

.....
 Continue our commitment to employees to promote measures that favour the work-life balance policies.

.....
 Implement accessibility measures in our new developments, in order to provide safe and comfortable spaces for all users.

.....
 Implement measures based on employee satisfaction surveys.

In short, our goal is to establish a strong and responsible corporate governance model. This means having the best team of professionals, being a benchmark in corporate governance, and making a positive contribution to the well-being of society.

Healthcare Activos’ Corporate Governance is based on ethics, transparency, integrity, professionalism and commitment to create value for all stakeholders.

Jorge Guarner (Founder and Executive Chairman) and Albert Fernández (CEO) are both partners of Healthcare Activos and act as members of the Group’s governing bodies.

In addition to the corporate structure, which is based on Good Corporate Governance practices, the different areas establish a series of Corporate Policies and instruments to ensure that business ethics and sustainability are present in all areas of activity.

Some of our most relevant Corporate Policies are:

- **Code of Ethics.**
- **Code of Good Practice** for the Use of Social Media.
- **Data Protection** and Confidentiality System.
- **Information Security Systems.**
- **Sustainability Reporting** Procedures.
- **Anti-Money Laundering and Combating the Financing of Terrorism** Handbook Supplier identification policy.
- **Procedures for the monitoring and recording** of environmental, social and corporate governance processes and sanctions.
- **Criminal Compliance Manual.**
- **Information management procedures.**

Our internal procedures allow for professional, transparent and efficient decision-making.





Risk Management and Compliance

In 2022, in order to meet the requirements of key stakeholders and industry best practice, we started to develop an internal control model for the Group's key financial processes. As a result, internal decision making and standardised resource protocols have been adopted.

One of the elements of the Internal Control Model is the risk and control matrix (RCM). The matrix links non-financial risks at process level with the control(s) to mitigate them. **This Internal Control Model was reviewed during financial year 2023.**

Our employees are a fundamental component of our organisation. We have therefore paid particular attention to assessing and managing occupational risks. This exercise involves not only identifying risks, but also proposing appropriate preventive and emergency measures, in compliance with regulations related to occupational risk prevention.

During FY2022, Healthcare Activos reviewed its internal decision-making, contracting and financial processes, and made adjustments to their formalisation and implementation. These processes were reviewed by an external auditor who issued the ISAE 3402 Type I

Report in March 2023.

The internationally recognised ISAE 3402 Report ensures that reliable and effective controls are in place to address the risks of fraud, corruption and accounting errors. The external auditors contracted conduct the engagement in line with the International Standard on Assurance that provides a level of assurance (ISAE) 3402 "Reports that provide assurance on controls in a service organisation", issued by the International Auditing and Assurance Engagements Board.

In 2023, Healthcare Activos underwent the next external audit under this standard, in which the auditor reviewed the level of assurance regarding the description, design and operating effectiveness of the controls implemented, which was included in the **ISAE 3402 Type II Report, with a very positive score.**

Also in 2023, Healthcare Activos, as a liable party under the regulations for the prevention of money laundering and the financing of terrorism, underwent the **first full report by an external expert on the procedures and internal control bodies required by the applicable regulations, also with an excellent result.**

The internationally recognised ISAE 3402 Report ensures that reliable and effective controls are in place to address the risks of fraud, corruption and accounting errors.

6.2 Ethical Commitment

At Healthcare Activos, we have robust tools in place to address and prevent corruption, bribery and fraud by ensuring transparent, ethical and accountable behaviour in all our operations.

We consider it essential that all members of our team adopt practices based on transparency and honesty.

All our operational procedures are conducted in accordance with our mission, vision and corporate values, as well as the UN Global Compact Principles. These principles serve as a fundamental guide in our commitment to promote integrity and ethics in all our business activities.





Respect for Human Rights

At Healthcare Activos, we are committed to operating in accordance with the United Nations Universal Declaration of Human Rights and the Ten Principles of the Global Compact.

We ensure that all persons, both natural and legal, who have any kind of direct or indirect relationship with our group, are treated fairly and with dignity in all aspects of labour, economic, social and industrial relations.

We categorically reject child labour and forced labour in all our activities, and avoid any association with organisations that do not respect this principle.

As a sign of our commitment, Healthcare Activos aligns its strategy with respect for human rights, labour standards, the environment, and anti-corruption. These fundamental commitments guide our business conduct and reflect our core values of responsibility and ethics.

This commitment is strengthened through our internal policies and tools, including our Code of Ethics and an Ethics Mailbox accessible to all Healthcare Activos stakeholders.

We strive to ensure respect for human rights at all stages of our value chain. To achieve this, we implemented a rigorous High Ethical Standards in Recruitment assessment process for employees, managers and agents. We have a comprehensive customer onboarding policy that includes due diligence measures in accordance with our Anti-Money Laundering and Terrorist Financing Manual, as well as a detailed Supplier Identification Policy that includes a comprehensive sustainability questionnaire.

CODE OF ETHICS

The Healthcare Activos Code of Ethics represents our fundamental guide to promoting responsible and ethical business practices throughout our operations.

This document not only sets out the basic principles and standards for our relationships with key stakeholders, but also emphasises our commitment to integrity, transparency and respect in all our actions. This code is a clear manifestation of our commitment to act ethically and responsibly in all aspects of our business.

The Code sets out the following general principles that guide our actions:

Respect for Human Rights. We ensure that all our investments promote, protect and guarantee human rights and individual freedoms.

Aimed at Financial and Non-Financial Results. We manage our investments to ensure not only financial returns, but also to create long-term sustainable value and positive impact.

Honesty and Respect. We reward honest and upright behaviour to earn the long-term trust of our stakeholders.

Rigour and Professionalism. We encourage professional development and recognise people for their merit and creativity as a stimulus to drive productivity and progress.

Responsibility. We are committed to promoting the development and well-being of the communities in which we operate.

Through our Code of Ethics, we seek to ensure the professional, ethical and responsible behaviour of the Company and all employees, extending it to our partners and suppliers.



[Link to the code of ethics](#)





ETHICAL MAILBOX

Meeting the needs and expectations of our stakeholders is key to the sustainability of our business. In application of the zero tolerance policy towards illegal acts and the information culture that governs the activity of Healthcare Activos, we have an Ethics Mailbox open to employees and any third party related to the Group.

Any potential infringement of current law or internal operating policies can be reported through this channel, so that an investigation can be carried out and measures taken to resolve the incidents.

All of this has been included in the information management procedure adopted in 2023, which also includes the express prohibition of reprisals against the whistleblower and the possibility of anonymous whistleblowing.

The Healthcare Activos Group received no report or complaint through the Ethics Mailbox during the year 2023.

 [Link to the ethical mailbox](mailto:buzonetico@healthcareactivos.com)

COMMITMENT AGAINST CORRUPTION

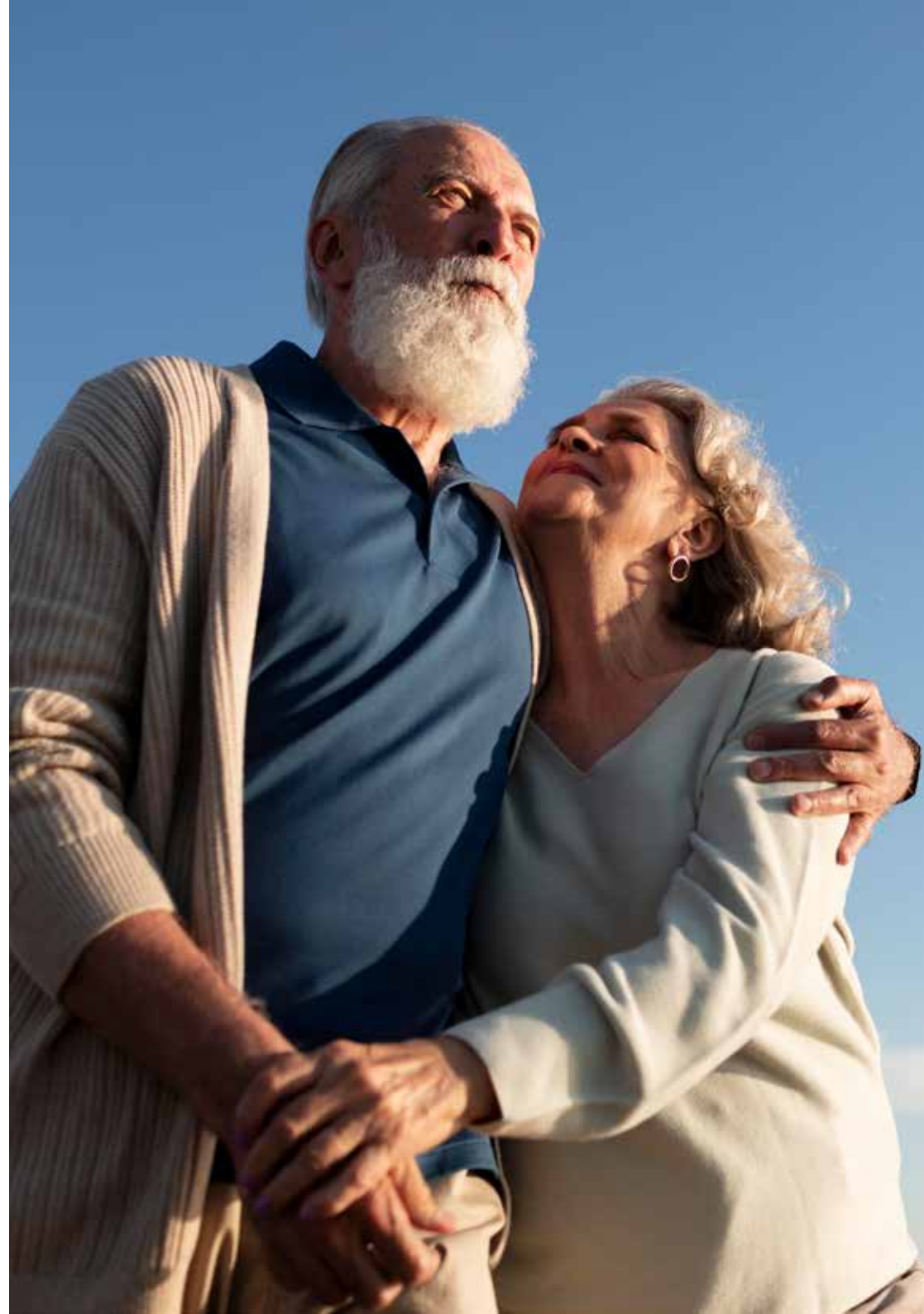
In order to strengthen our corporate governance model in the prevention of crime and the fight against corruption, in 2020 we approved the Anti-Money Laundering and Anti-Terrorist Financing Manual, which has since been regularly updated until 2023.

This handbook details the procedures, policies, controls and internal control bodies the Healthcare Activos has established to combat money laundering and terrorist financing.

Our anti-corruption measures include money laundering and terrorist financing risk analysis, due diligence procedures, suspicious transaction assessment and overseas subsidiary monitoring. In addition, we have established an internal procedure for reporting possible breaches.

Furthermore, as a sign of our commitment to transparency and ethics, we publish our Economic and Financial Information Report every year. This report, audited by an external entity, includes the Healthcare Activos annual accounts, profit and loss statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year reported.

To ensure compliance with our anti-corruption objectives at all levels of the company, we provide annual training to all employees on the prevention of money laundering and terrorist financing.



6.3 Our Team

We are aware that, in order to provide the best service to all users and customers, and to achieve the best results for our investors, it is essential to have a team of highly qualified professionals committed to our vision and values.

At Healthcare Activos, our team has extensive experience in all facets of the healthcare sector, including asset acquisition, management, construction and monitoring. This expertise ensures quality of service and adds significant value to our operations.

In addition, we are committed to working with total dedication to the company, in line with our principles of integrity, honesty and transparency. To ensure high ethical standards within our team, and as part of our commitment to achieving ISAE 3402 certification, we ensure that the ethical principles and behaviours of candidates are carefully assessed during the recruitment process for employees, managers and agents. This helps us to maintain an ethical and professional working environment at all times.

With a focus on quality and added value, the main pillars of the Healthcare Activos team are:



EXPERIENCE

Extensive experience in the healthcare and property sector.



SUCCESSFUL TRACK-RECORD

Both from an investor and operator point of view.



OPERATOR MINDSET

Throughout the process of analysis, investment and monitoring of the assets in the portfolio.



RELATIONS WITH INDUSTRY

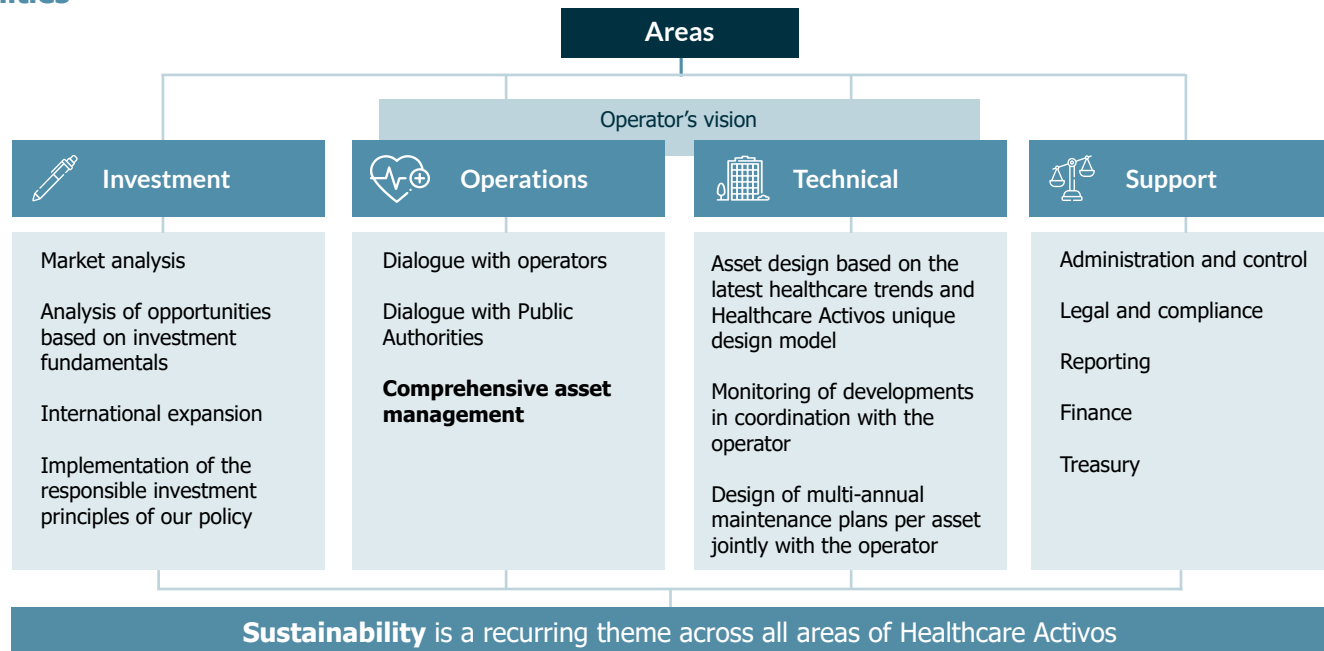
Amplia red de relaciones con la industria healthcare a nivel europeo.



LONG-TERM VISION.

Visión a largo plazo de las dinámicas y tendencias del sector.

Roles and responsibilities



Employees

Employees are a mainstay at Healthcare Activos

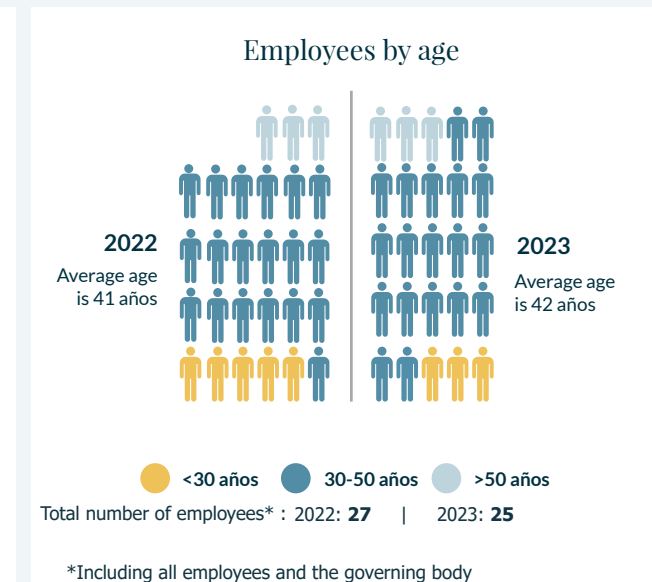
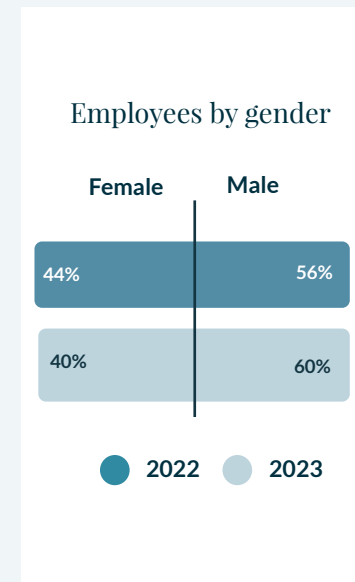
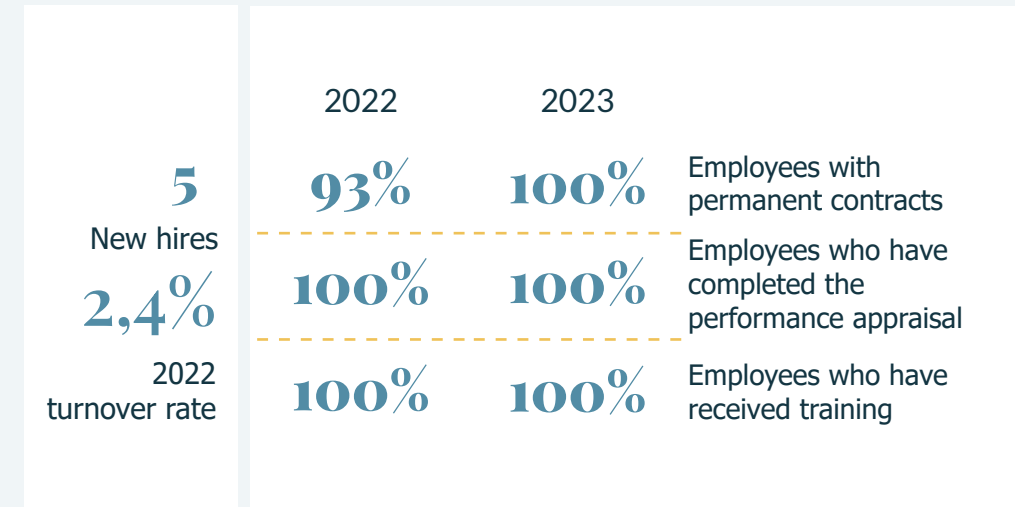
Our aim is to promote the creation of long-term social value through the fostering of fair, decent and quality work. At Healthcare Activos, we place great value on the well-being, safety and health of our employees.

We strive to maintain a positive working environment and a pleasant working climate, where our principles and core values are actively promoted.

Through our internal instruments and procedures, as well as through each of our actions, Healthcare Activos is committed to ensuring a working environment that fosters respect, fairness and personal and professional growth for all our employees:

- We promote **diversity, equality and inclusion**.
- We actively help employees continue their **professional development** within the Company through **training and performance appraisals**.
- We promote measures that encourage a **work-life balance**.
- We prioritise the **health, safety and well-being** of our employees.
- We encourage communication based on **respect and honesty**.
- We care for the **privacy and integrity** of all our employees.

Key Performance Indicators



Labour Standards

At Healthcare Activos, we are committed to respecting, defending and promoting the fundamental principles and rights of our employees.

In line with this commitment, we promote equal opportunities and categorically reject child and forced labour, as well as any form of discrimination based on race, physical disability, illness, religion, sexual orientation, political opinion, age, nationality or gender.

This commitment is communicated and shared with our team through the company's Code of Ethics and Best Practices.

Healthcare Activos is also committed to preventing sexual harassment and to responding to sexual and gender-based harassment, with a **specific protocol on the subject**. This protocol establishes a whistleblowing channel and a detailed investigation and response procedure for these behaviours, as well as a response protocol to protect victims of gender-based violence.

To ensure fair treatment, our employees' salaries are adjusted according to the job performed, always in accordance with the applicable agreements. In addition, we ensure that weekly working hours and overtime do not exceed the established limits, and that overtime, which is always voluntary, is paid in accordance with applicable law.

We respect the integrity and privacy of each of our employees, and we guarantee their right of access, rectification, objection, erasure, portability and restricted processing of their personal data. We have an Employee Privacy Policy that sets out all measures for the protection of employee-related information.



Labour Standards



Within the principles included in our Code of Ethics, at Healthcare Activos



We support **freedom of association** and recognise the right to collective bargaining



We refuse to **reject any situation of forced, coerced or involuntary labour.**



We **prohibit and reject corruption** in any form.



We **comply with applicable law** and with the Company's internal regulations.



We ensure **maximum transparency** in contracting processes, offering clear clauses including terms and conditions.

To ensure respect for labour standards not only within our workforce but **throughout our value chain, we extend our guidelines to all persons, both natural and legal, who have any kind of direct or indirect relationship with our Company.** We also avoid working with organisations that do not share or respect our core values of fair treatment, equality and respect for labour rights. This practice enables us to maintain an ethical and responsible supply chain in all our business operations.

We have personnel in charge of Asset Management and a Sustainability Officer to ensure compliance with these labour standards. We therefore ensure that all players in our supply chain are treated fairly and with dignity.

Work-life balance

At Healthcare Activos, we are committed to promoting the well-being of our employees by encouraging activities both inside and outside the company that help increase their job satisfaction.

To achieve this, we strive to ensure a work-life balance for our employees by offering options such as flexible starting and finishing times, the possibility to combine on-site and remote work, as well as various social benefits.

Our employee satisfaction survey shows that the majority of employees are satisfied with the working environment in the company. Good interprofessional and social relations between employees are highlighted, showing a high degree of camaraderie where they provide mutual help and support.

In addition, most employees agree that they have sufficient flexibility in their job to meet their personal needs, which contributes to their overall satisfaction and well-being. At Healthcare Activos, we work to promote the well-being of our employees and create a good working environment





Professional Development

At Healthcare Activos, we actively promote the professional development of our employees through the development of an annual training plan, which is agreed on and adapted to the individual needs of each employee.

Our employee satisfaction survey has shown that the majority of employees feel that their jobs have career growth opportunities and that there are adequate channels to meet their training needs through the company's training plan.

In 2023, Healthcare Activos offered ESG (environmental, social and governance) training to all its employees. During this training, broad topics such as **Human Rights, the Global Compact Principles, and the Sustainable Development Goals** were addressed, reinforcing our commitment to corporate responsibility and sustainability.

In addition to regular performance appraisals, at Healthcare Activos we care about the well-being of our employees. To this end, we offer a variety of programmes and activities aimed at promoting physical and mental health, as well as a work-life balance.

We implement wellness programmes that include physical exercise sessions, yoga or meditation classes, healthy eating workshops, and stress management talks. These activities not only contribute to improving the health and well-being of our employees, but also foster a positive and collaborative work environment.

Performance appraisals are useful to:

ASSESS PERFORMANCE AND POTENTIAL

IDENTIFY STRENGTHS AND AREAS OF IMPROVEMENT

MEASURE THE QUALITY OF WORK

EVALUATE THE RESULTS

PLAN FOR THE NEXT YEAR

In addition, we provide additional benefits such as birthday days off, flexible working hours, and remote work options to give our employees the flexibility to accommodate their individual needs and family responsibilities.

In short, at Healthcare Activos we strive to **create a working environment that promotes the physical, mental and emotional well-being of our employees**, recognising that their health and happiness are fundamental to the success of the company.

We conduct annual performance appraisals on our employees for continuous improvement and as part of our talent management. In 2023, 100% of our team carried out such an appraisal.



Internal Communication

Maintaining fluid and effective communication is essential to our management at Healthcare Activos. We recognise that open and transparent dialogue is fundamental to improving competitiveness and engagement in our organisation.

For this reason, in addition to annual appraisals, we have various communication channels to establish a two-way dialogue with our employees and to understand their real needs and expectations. This allows us to encourage participation and involve them in decision making. To ensure privacy, all our procedures include a Non-Disclosure Agreement. This year, we have equipped ourselves with a specific tool for HR management, so that planning a work-life balance is easier and conducting queries and surveys is simpler and even more secure.

In order to facilitate corporate communication and improve the dissemination of information, we have continued to develop our corporate intranet with a particular focus on improving internal processes, but also to enable rapid access to Human Resources management tools.

The results of the annual employee satisfaction questionnaire have led us to implement improvements regarding free time and holiday management, the incorporation of new furnishings to increase comfort and health at work, as well as an internal analysis of processes to further improve coordination at a time of expansion in Europe and, therefore, with the incorporation of new professionals and roles. Our strengths continue to be the working environment and satisfaction with the purpose of our activity. We continue to work on improving digital tools to support the various areas in their different fields of action.





Health and Safety

At Healthcare Activos, we are committed to protecting the well-being of all our employees. It is essential that each employee is able to perform their tasks in a safe, healthy environment.

In line with this commitment, we implement occupational risk management and prevention strategies to ensure the safety and well-being of our team. An example of this is our work-life balance policies, which contribute to the overall wellbeing of our employees.

In addition, all Healthcare Activos employees receive occupational risk prevention (ORP) training on joining the company, as well as on a regular basis. This training ensures that everyone is equipped with the necessary knowledge to identify and address occupational hazards effectively, thus promoting a safe and healthy working environment for all.

Finally, we received the interest from professionals regarding access to private health insurance at beneficial conditions, which we have been working on since receiving this feedback.



Social Commitment

At Healthcare Activos, we do not distinguish between health and social care; we place the person at the centre of everything, as the focal point around which our services must revolve. Consistent with this philosophy, our motto is: “our best investment are people”.

All our initiatives and activities are designed with people in all their facets in mind: as users of services, as professionals and investors, as citizens and, ultimately, as inhabitants of a planet that we have a responsibility to protect.

In 2023, we set ourselves a series of goals that are fully integrated into our business strategy and that focus on increasing our positive social impact:

ENSURE A HIGH-QUALITY LIVING ENVIRONMENT

ENCOURAGING AND CONTRIBUTING TO THE GROWTH OF LOCAL COMMUNITIES, WHEREVER WE DEPLOY OUR INFRASTRUCTURES

MONITOR THE IMPACT ON THE ENVIRONMENTS WHERE WE HAVE ASSETS

CREATING A PROGRAMME TO ENGAGE AND IMPROVE THE SATISFACTION OF THE OPERATORS OF OUR ASSETS, WITH SPECIFIC ESG OBJECTIVES

In the company's Sustainability strategy, the social approach plays a fundamental role, as it focuses on the social impact of its activities, seeking to improve the quality of life and create an equitable and inclusive environment. This involves promoting fair labor practices, respecting human rights, promoting diversity and inclusion, as well as investing in community development.

The company aspires to generate a positive and lasting impact on society, beyond meeting legal and ethical standards.

The company's report presents its social initiatives and achievements, reflecting its commitment to the well-being of employees, local communities and other stakeholders. By being transparent in their social policies, they seek to strengthen the trust of interest groups and demonstrate their commitment to a more sustainable and fair future.

To prepare the evaluation report on related social risks and opportunities, a work methodology is proposed based on qualitative analysis, according to the following phases:

Firstly, the most relevant possible risks are studied, considering the physical and transition impacts related to Healthcare assets, in order to evaluate how they affect socially. The report determines the level of risk to which each environmental impact is exposed, according to the severity and probability of each one, and is assessed using a three-level scale (high, medium and low).

The interest groups considered in this analysis are:

- Users of Active Healthcare residences.
- Healthcare Activos' own employees.
- External workers who provide service to Healthcare Activos residences.

The time horizons considered are:

- Short term: 0-5 años
- Medium term: 5-10 años
- Long term: +10 años

In addition, the detectability of each risk is estimated and indicators are established to measure them. Actionability is also measured, that is, the organization's ability to act on the detected causes of the risks.

Secondly, the opportunities to mitigate the effects of the impacts of climate change are studied, recommending possible measures to act on the risks that will affect the assets.

Subsequently, the social measures that are being carried out in the Healthcare assets to mitigate the risks are evaluated.

Finally, indicators are recommended that should be measured over time to better understand the impacts over time and be able to manage them.

Early identification of risks is essential to prevent or mitigate negative impacts that may arise in the future. Based on the social risks and opportunities arising from climate change, a list of indicators has been created in order to measure the risk or success of Healthcare Activos' activities. The indicators have been grouped into 3 categories: basic, local and quality or well-being.

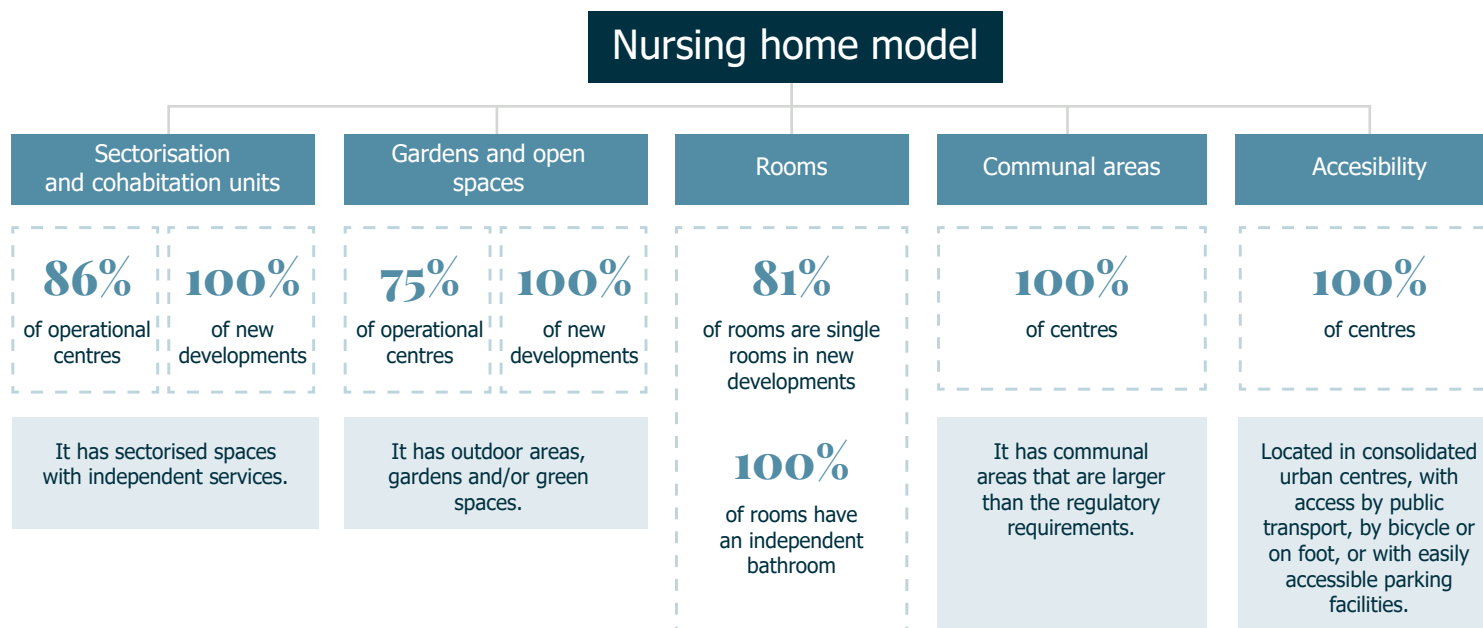
7.1 Centre model

In order to address the needs of all our stakeholders and ensure the creation of shared value, with a focus on maintaining a high level of satisfaction and well-being, we identify the various groups that impact our daily operations.

We have various strategies in place to manage constant two-way communications with each of our stakeholders.

5,745 places in operating nursing homes
 1,504 places in nursing home under development
 259 beds in hospital

STAKEHOLDERS



7.2 Users, Families and Personnel at the Centres

At Healthcare Activos, we adopt a user-centric perspective in all our operations. We firmly believe that, by prioritising user satisfaction and well-being, we not only fulfil our social responsibility but also have a positive impact on the wider community.

Our commitment to providing a quality service is reflected in every aspect of our operations, from the selection of strategic locations to the recruitment of highly qualified personnel and the use of innovative technologies in health and social care. Ultimately, at Healthcare Activos, we seek not only to meet society's current needs but also to anticipate and adapt to its future needs.

Ensuring Health and Well-Being

Our ultimate aim and *raison d'être* is to care for people.

In our vocation to guarantee the best quality care, it is essential to design a Residential Centre that facilitates the meeting of this goal.





Users close to its community

At Healthcare Activos, we consider it of the utmost importance to protect both the physical and mental well-being of our users. Therefore, our centre-based approach extends not only to the people in our care but also to their families and close friends.

As part of our strategies to promote emotional well-being, we facilitate the access and integration of our users into community life and create spaces for social interaction and meetings.

We recognise that social support and community connection are fundamental to the overall well-being of those we care for, and we are committed to providing an environment in which meaningful relationships can develop and where people can feel part of a welcoming and supportive community.

We Take Care of the Personnel in the Centres

At Healthcare Activos, we are aware of the vital role that employees play in the quality of the entire care process.

To ensure the health and safety of our users, we have designed our buildings with vertical (laundry, food, waste, etc.) and horizontal (rooms and spaces with related

uses) communications located adjacent to each other. This design aims to avoid the unnecessary movement of personnel, reduce the risk of accidents, and facilitate faster, more agile attention to users. At Healthcare Activos, we are committed to providing a safe and efficient environment for the care and well-being of all our users.

7.3 Operators

At Healthcare Activos, we work closely with leading healthcare operators in Europe, with whom we share values and a strong commitment to sustainable development.

Over time, we have cultivated strong and lasting relationships that enable us to build positive synergies and work together to achieve our common goals. These collaborations give us the opportunity to leverage the knowledge and expertise of our partners and to drive innovation and progress in health and social care.

At Healthcare Activos, we believe in the importance of working in partnership with others in the sector to create a positive and lasting impact on the health and well-being of the communities we serve.

Some facts about our operators:

+95%

Have an environmental certification (ISO 14001)

+95%

Have a certified quality management system (ISO 9001)

+75%

Operators with certified energy management system (ISO 5001)

Operator Communications and Satisfaction

Operators are a particularly relevant stakeholder group at Healthcare Activos.

We have various strategies and initiatives in place to maintain their satisfaction and meet their needs. We therefore prioritise:

- Optimal processing of databases
- The resolution of incidents
- Collaborations to prevent money laundering

At Healthcare Activos, we have a strong commitment to continuous, honest, clear and transparent communication with our operators. We are committed to accompanying them at all times to facilitate their work, particularly through our Operations Area, where we enhance the added value of our management experience.





To further strengthen our link and engagement with operators, we have established the Healthcare Activos Operations and Sustainability Committee. Through this committee, we facilitate the coordination and global vision of our relations with each operator, providing personalised responses to their individual needs.

During 2023, in addition to maintaining daily contact through the most immediate means, such as telephone and email, we have resumed scheduled in-person meetings. Sustainability is high on the agenda at these meetings, demonstrating our commitment to this important area.

Aware of the importance and our responsibility for operator activities, in 2023 we have incorporated green clauses into lease agreements.

Our long term objectives are:

EUROPEAN ENERGY
EFFICIENCY CERTIFICATION
FOR **95%** OF OUR ASSETS
BY 2035

USE OF RENEWABLE ENERGY
SOURCES IN **71%** OF OUR
BUILDINGS BY 2035

95% DATA COVERAGE BY
2025

In 2023, we strengthen our relationship with operators, with the aim of sharing information on the various aspects of ESG and maintaining a flowing relationship whereby we have access to information with which to work for the common good and the benefit of society.

7.4 Suppliers

At Healthcare Activos, we are committed to a quality and long-term relationship with our suppliers.

We establish partnerships with companies of recognised prestige that guarantee high standards of service quality.

We extend our commitment to sustainability along the entire value chain. For this reason, Healthcare Activos incorporates suppliers into its ESG Action Plan.

To this end, we have met our 2023 supplier targets:

Promoting the dissemination of our Sustainability Strategy and the actions resulting from it.

Reinforcing supplier commitment to our Code of Ethics.

Monitoring supplier sustainability performance.

Defining and monitoring health and safety indicators during the development of new constructions.

88%

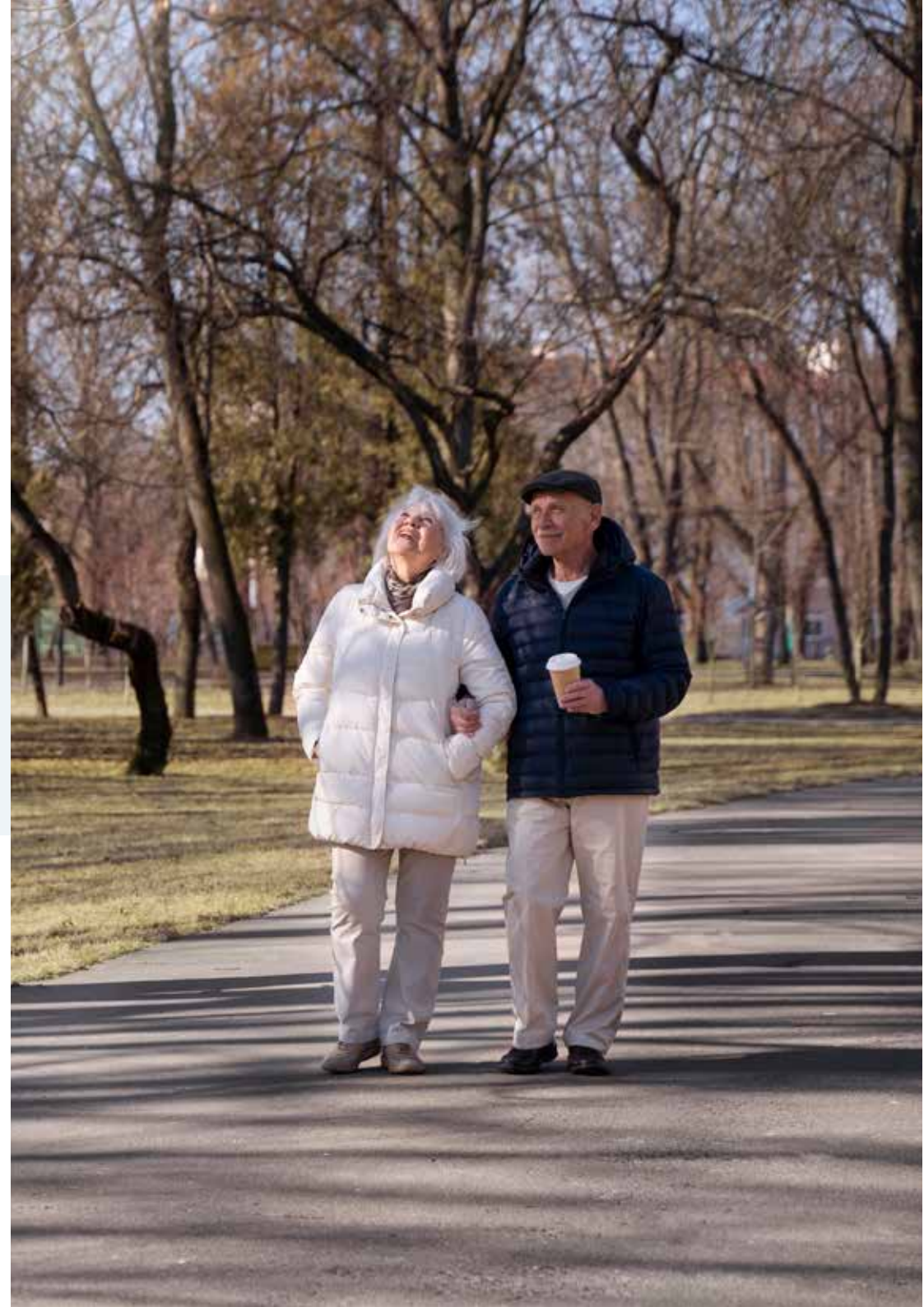
of relevant suppliers have an **ISO 9001** certified quality system.

88%

of relevant suppliers have an **ISO 14001** certified environmental management system.

100%

of construction suppliers have an **ISO 45001** certified occupational health and safety management system.





7.5 Local Community

In our role as a provider of basic social and healthcare infrastructure, complementing public investment, we are aware of our responsibility for the impact of our activities on the environment.

We strive to make our infrastructures respectful of the environment and society as a whole, so that our investments have a positive impact on the environment.

Partnerships

At Healthcare Activos, we are firmly committed to the development of the sector and maintain flowing collaborative relationships with the different Public Authorities. Our aim is to facilitate the exchange of information and experiences that enhance the debate and reflection on new models of care in the field of health and well-being.

In addition, we have established collaboration agreements with Universidad Francisco de Vitoria and Escuela de Empresa to offer internship opportunities to students, with the possibility of subsequently joining our workforce on a permanent basis.

We also continue to collaborate with the Intress-CEE Foundation to contract auxiliary cleaning services. This state-wide organisation deals in promoting the integration of people with disabilities and those at risk of social exclusion into the labour market, thus reaffirming our commitment to inclusion and corporate social responsibility.



Healthcare sector experiences

At Healthcare Activos, we participate in different forums, publications and interviews in which we share the Company's vision of the healthcare sector, our experience and business model.

In 2023, we would like to highlight the great impact of the following events and activities in which we have actively participated, with the aim of improving the health and social care sector and raising awareness of the necessary response required by the most fragile people in our society in terms of health care:

- Our Executive Chairman, Jorge Guarner, participated as a speaker at the 2023 Annual Meeting of the International Federation of Sovereign Wealth Funds Worldwide (IFSWG) held in Madrid in September. He showed our deep concern about the necessary response to the increasing demand for health care needs in an increasingly ageing Europe with a smaller active population.
- In 2023, our CEO, Albert Fernández, participated in the prestigious annual HBI forum, raising awareness of everyone's responsibility in relation to the creation of the critical healthcare and social infrastructures required in the coming years, with a model based on quality care. He also took part in media interviews to raise awareness of the need to rebuild growth in the healthcare sector.
- Similarly, our Corporate and ESG General Manager, Toni Serra, took part in an IESE meeting in Madrid with ESG policy professionals from around the world, including LATAM, EMEA and Europe.



Environmental commitment

At Healthcare Activos, we are committed to building a strong industry that creates long-term value for society and the environment.

With a long-term vision and fully aware of our role as a driver of change towards more environmentally sustainable infrastructures, we have established a robust Environmental Policy that guides our actions and projects for the protection of the environment.

All our initiatives and practices are closely aligned with the 2030 Agenda and the Sustainable Development Goals set by the United Nations.

We are committed to implementing specific measures that contribute towards mitigating the impact on ecosystems and addressing the effects of climate change resulting from our activities.

At Healthcare Activos, we take responsibility for preserving the environment for future generations, and actively work to promote sustainability throughout our operations.

In 2023, we have made the following environmental commitments, which are fully integrated into the organisation's business strategy:

- Minimise the use of resources and protect biodiversity
- Promote responsible consumption
- Promote the implementation of water saving measures
- Systematise consumption measurement
- Systematise the measurement of the Company's carbon footprint
- Improve the coverage of energy consumption data
- Increase the number of agreements with green clauses with the operators that manage the social and healthcare activities carried out in our infrastructures



We consider it essential to extend these values to all stakeholders to ensure that our assets and activities meet the highest environmental standards and do not compromise future generations.

We therefore share our performance and commitments through corporate and external media.

Thanks to our environmental efforts, we achieved the following in 2023:

- **18** of our operating assets have an energy rating of between **A and B**, which is a substantial improvement over the previous year with the improvement in the type of certification
- **100%** of our acquisitions in 2023 were subject to **Environmental Due Diligence**.
- **100%** of our new assets under development include **renewable energy systems**.
- **80%** of the area under management was evaluated and monitored in terms of carbon footprint, waste generation and water consumption.





Detailed analysis of the ESG aspects of our acquisitions led us to make significant ESG investments in the new assets included in our portfolio.

Our aim is to continue to contribute to the conservation of biodiversity, the sustainable management of natural resources, and contribute to the reduction of greenhouse gas emissions.

At Healthcare Activos, we emphasise our great concern for the monitoring and tracking of consumption, as well as the implementation of green clauses in our lease agreements. We also actively promote responsible consumption of both energy and water in all our facilities.

As part of our commitment to sustainability, we equip our new sites under development with renewable energy systems and encourage their installation at existing sites. These measures allow us to reduce our environmental footprint and move towards a more sustainable and environment-friendly model.

At Healthcare Activos, we strive to integrate responsible practices throughout our operations to contribute to a greener and more sustainable future.

At Healthcare Activos, we guarantee the capacity of our centres for the separation and treatment of waste.

In terms of waste management, we implement systems for the separation and proper treatment of waste at all our assets, with special attention to the management of hazardous waste.

In line with our commitment to the well-being of our users, we prioritise the installation, maintenance and evaluation of air treatment systems in all our facilities. We also incorporate elements such as humidifiers and disinfection systems to improve the quality of the air in the spaces we manage.

The fiscal year 2023 data collection process reflects the company's commitment to transparency and responsible management in its sector.

In order to generate a positive impact on both social and environmental aspects, we promote sustainable mobility and accessibility. We locate our developments in areas that are easily accessible by public transport and encourage the limitation of business travel through the use of video conferencing wherever feasible, thus contributing to a work-life balance and the reduction of emissions.

At Healthcare Activos, we are committed to adopting measures that not only benefit our users and employees but also the environment and society as a whole.

In a pioneering effort to assess and disclose its environmental impact, Healthcare Activos has carried out a comprehensive study of four aspects: energy, greenhouse gases (GHG), water and waste. This analysis was performed on 45 properties in Spain, Portugal and Belgium, representing 296.219 m² excluding car parks. For energy, water and GHG indicators, KPIs have been disclosed for two offices located in Madrid and Barcelona, which are under the direct control of the company.

Notably, this year marks the first time that Healthcare has published this data, which represents a significant initial effort to collect and organise the necessary information, setting a precedent for future comparisons from the next financial year onwards. This step reflects the company's commitment to transparency and responsible management in its sector.





8.1 Energy use

In the current context of environmental responsibility, addressing energy efficiency has become an imperative for all sectors. This section examines the company's current energy consumption and highlights the importance of reducing this consumption as a key strategy for reducing the overall greenhouse gases (GHG) emissions.

Efficient management of energy consumption is a key priority for Healthcare in its environmental approach to its asset portfolio. The company is fully committed to optimising environmental management and promoting the efficient use of energy in all its operations, which is reflected in the Energy Intensity Indicator. The KPIs have given Healthcare Activos a clear view of electricity consumption, allowing it to identify areas for improvement and efficiency.

Monitoring the electricity consumption of offices in Madrid and Barcelona can be used as an essential tool to measure operational efficiency. The total consumption in these offices amounts to 22,543.33 kWh, which is equivalent to around 834.94 kWh per employee.

8.1 Energy use

Looking at the wider portfolio of assets, which includes 45 properties, it is worth noting that six of these properties are already fully electrified, meaning that they do not use natural gas, fuel oil or propane. Total energy consumption reached 25,032,543.37 kWh, equivalent to 84,5 kWh per square metre. This underlines the significant impact of the asset portfolio on energy efficiency compared to the offices.

Office electricity consumption

22.543 kWh

TOTAL
CONSUMPTION

835kWh

CONSUMPTION
PER EMPLOYEE

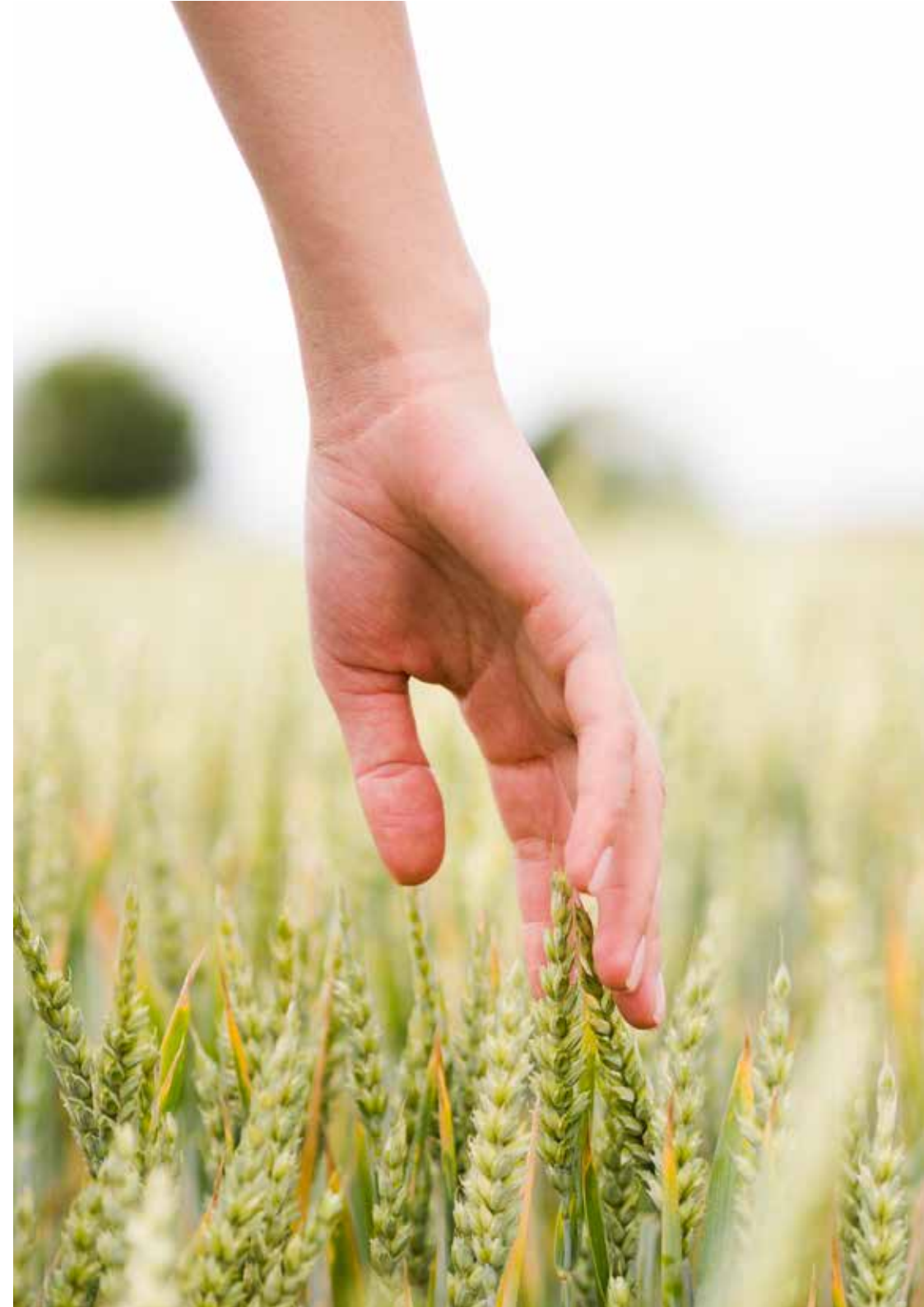
Asset electricity consumption

25.032.543 kWh

TOTAL CONSUMPTION

84,5 kWh

CONSUMPTION
PER M²



8.1 Energy use

In terms of natural gas consumption for the 45 Healthcare assets, this fossil fuel generated a total consumption of 20,491,378.87 kWh, equivalent to 69 kWh/m², while fuel oil generated a total of 1,345,694.18 kWh with 4.04 kWh per m². In addition, only one asset used propane, with a total consumption of 274,648.53 kWh. In addition, the two Healthcare offices do not use natural gas or any other fossil fuel.

Asset natural gas consumption

20.491.378kWh

TOTAL CONSUMPTION

69 kWh

CONSUMPTION PER M²

Asset fuel oil consumption

123,458 liters

TOTAL CONSUMPTION

0,42 liters

CONSUMPTION PER M²

Asset propane consumption

19.659kg

TOTAL CONSUMPTION

0,06 kg

CONSUMPTION PER M²

Asset biomass consumption

1.022.228kWh

TOTAL CONSUMPTION

3,45 kg

CONSUMPTION PER M²



Healthcare's purpose is to improve consumption coverage each year in order to chart paths that guide the company towards decarbonization.

8.2 Carbon Footprint

Carbon Footprint Analysis

The real estate sector plays a crucial role in the climate change landscape, contributing up to 40% of total GHG emissions. Recognising its significant influence on this aspect and its awareness of its impact on the environment, Healthcare Activos remains conscious and responsible within this sector. As a result, the company is implementing a comprehensive value plan that includes specific actions to assess and reduce its GHG emissions as part of its decarbonisation strategy and commitment to sustainability.

In order to maintain full transparency and strengthen its decarbonisation strategy, Healthcare Activos calculates its GHG emissions annually according to ISO 14064 standards, ensuring the accuracy of the data and calculations. The company has evaluated its portfolio during this period based on carbon footprint calculation data.

The objective is to determine the current GHG emissions intensity of its assets in relation to the Paris Agreement targets. This assessment provides an estimate of the time needed to comply with future requirements. The results are presented at both portfolio and asset level, incorporating more and more data to obtain more accurate results and considering more stringent compliance scenarios.

Healthcare's Scope 3 covers indirect emissions along the company's value chain and represents the majority of its total emissions. This ranges from the impact of business travel and employee travel, office waste management, use of office resources, power losses during distribution, and, to a large extent, all energy consumption of the 45 assets included in the 2023 carbon footprint.



8.3 Greenhouse gas (GHG) emissions

Healthcare calculates the greenhouse gas emissions of its operations according to the criteria set out in ISO 14064. This standard defines six scopes with five ranges applicable to Healthcare and its assets.

- **Scope 1.** Direct GHG emissions are included, i.e. only the Madrid and Barcelona offices, as Healthcare has direct control over them. In calendar year 2023, the Healthcare offices did not emit any Scope 1 greenhouse gases (GHG). This is because they did not use natural gas or fuel oil as an energy source and have a certificate confirming that there are no refrigerant gas leaks from the installations.
- **Scope 2.** This includes the GHG emissions associated with the electricity that Healthcare purchases and uses from the grid and uses in its offices in Madrid and Barcelona. A market-based methodology was used, which takes into account the emission factor of the annually updated specific supplier emission factor provided by the Comisión Nacional de los Mercados y la Competencia (CNMC) to calculate the electricity supply for the Madrid and Barcelona offices.





●**Scope 3.** Indirect GHG emissions resulting from business activities but that are outside Healthcare’s control are included. Emission factors provided by the CNMC for assets in Spain, natural gas and the Portuguese Environment Agency (APA) for those in Portugal, and the emission factor given by the CRREM 2023 tool for those in Belgium have been used to calculate emissions from

electricity. DEFRA 2023 data were used to calculate emissions from transport, grid losses and distribution, water consumption, and office waste. The DEFRA 2023 emission factor was also used to calculate emissions from pellet biomass. This includes the following indirect emissions associated with asset-related activities and the value chain of the Healthcare Activos offices:

Category 3 - transport emissions

- Employee travel
- Business travel
- Overnight hotel stays on business trips

Category 4 - use of products by the organisation

- Water consumption in the offices
- Waste in the offices
- Grid losses and distribution

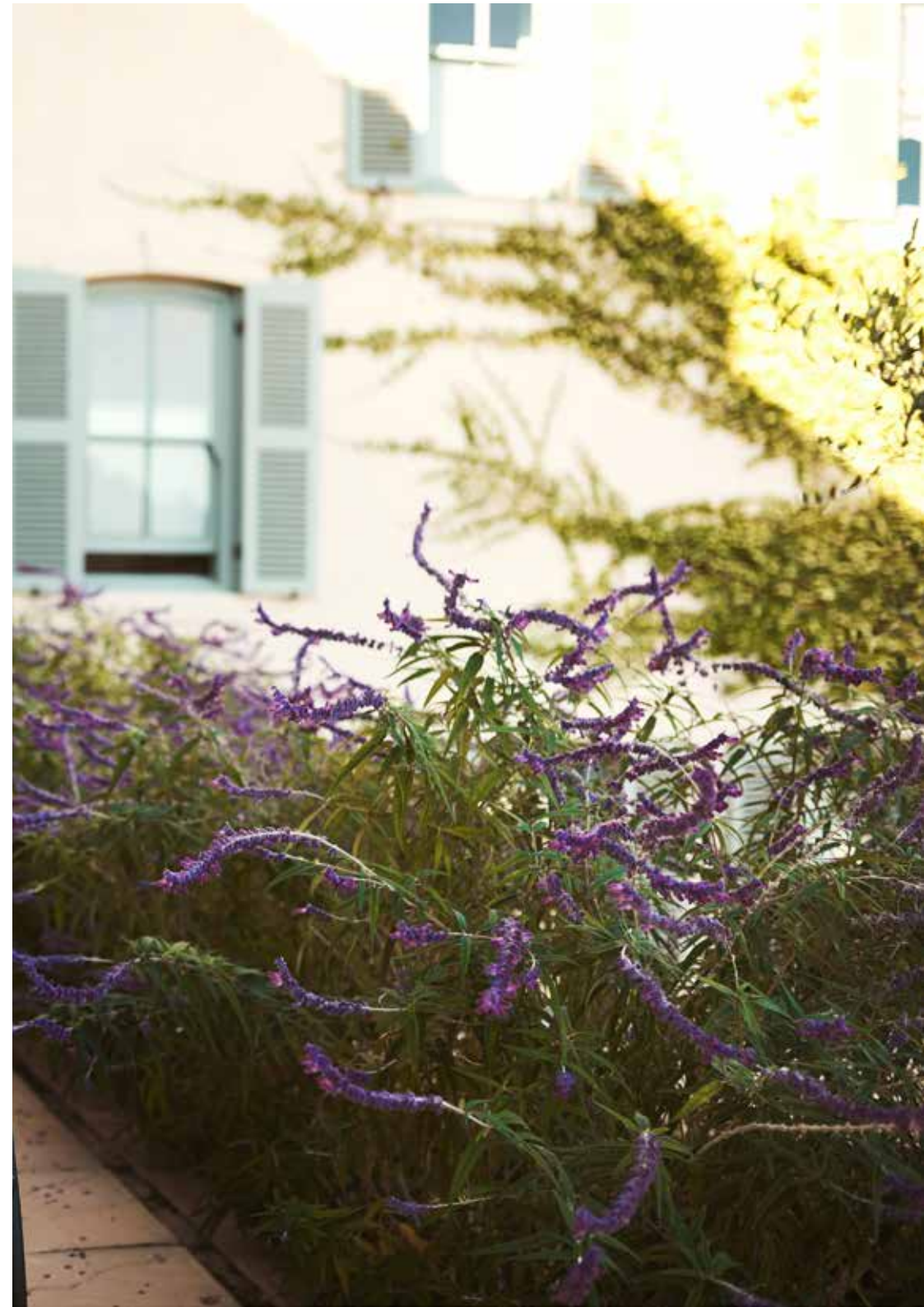
Category 5 - Use of the organisation’s products (use of Healthcare’s assets by tenants):

- | | |
|-------------|-------------|
| NATURAL GAS | BIOMASS |
| FUEL OIL | ELECTRICITY |
| PROPANE | WATER |

Healthcare actively encourages the contribution and care of the environment through raising awareness about the importance of the cooperation of its operators.

Due to the activities carried out by Healthcare Activos and the characteristics of its portfolio, the majority of the emissions fall under scope 3, representing 99.93% of the emissions. In the context of category 5, which are emissions generated by the use of the organisation's products, consumption was recorded based on operator readings due to the lack of information from tenants. This process presented challenges in measuring indirect emissions, due to limited monitoring capacity. In the coming years, a more accurate integration of consumption into the calculation of the carbon footprint is planned.

Category 3, which is emissions from transport, accounted for 0.8% of total emissions, generating 2.22 TnCO₂e/employee and 59.93 TnCO₂e in total. Category 4, the use of products by the organisation, had the lowest amount of emissions within scope 3 with only 0.65 TnCO₂e and an indicator of 0.02 TnCO₂e/employee. In addition, category 5 with emissions from the use of assets by tenants had the highest emissions with a total of 7,433.01 TnCO₂e and an indicator of 22.34 kgCO₂e/m². The following table breaks down the total consumption and KPIs of the categories within scope 3 as applied to Healthcare.





Category 3	Category 4	Category 5
59,93tnCO₂e	0,65tnCO₂e	7433,01tnCO₂e
TOTAL	TOTAL	TOTAL
2,22tnCO₂e	0,02tnCO₂e	25,09tnCO₂e
PER EMPLOYEE	PER EMPLOYEE	PER M ²

As mentioned above, this is the first year of Scope 3 data collection, which precludes a comparison with previous years. However, Healthcare plans to regularly monitor its carbon footprint and improve access to consumption data to facilitate comparisons in future years.

8.4 Water management

Healthcare water management varies according to locations. In Madrid, consumption is not tracked as water is shared. Furthermore, in the Barcelona offices, water consumption was monitored by reading the bills, resulting a total of 124 m³, representing an average consumption of 4.59 m³ per employee.

In relation to the 45 assets within the Healthcare portfolio, 362,770.47 m³ of water was recorded. All facilities reported their consumption except Teià which had no water supply, Clínica Francisco de Borja which had no meter, and Groenvelt due to a lack of data, reported their consumption.

Office water consumption

124 M³

TOTAL CONSUMPTION

4,59 M³

CONSUMPTION
PER EMPLOYEE

Asset water consumption

362.770 M³

TOTAL CONSUMPTION

1,22 M³

CONSUMPTION POR M²





8.5 Waste management

The offices directly controlled by Healthcare Activos generated 502 kg of paper and mixed waste, equivalent to 18.6 kg per employee, using a closed-loop recycling system for paper and landfill for the rest. This closed-loop approach allows paper to be reused, reducing the amount of waste generated and promoting sustainable practices.

Waste generation

502KG
TOTAL
GENERATION

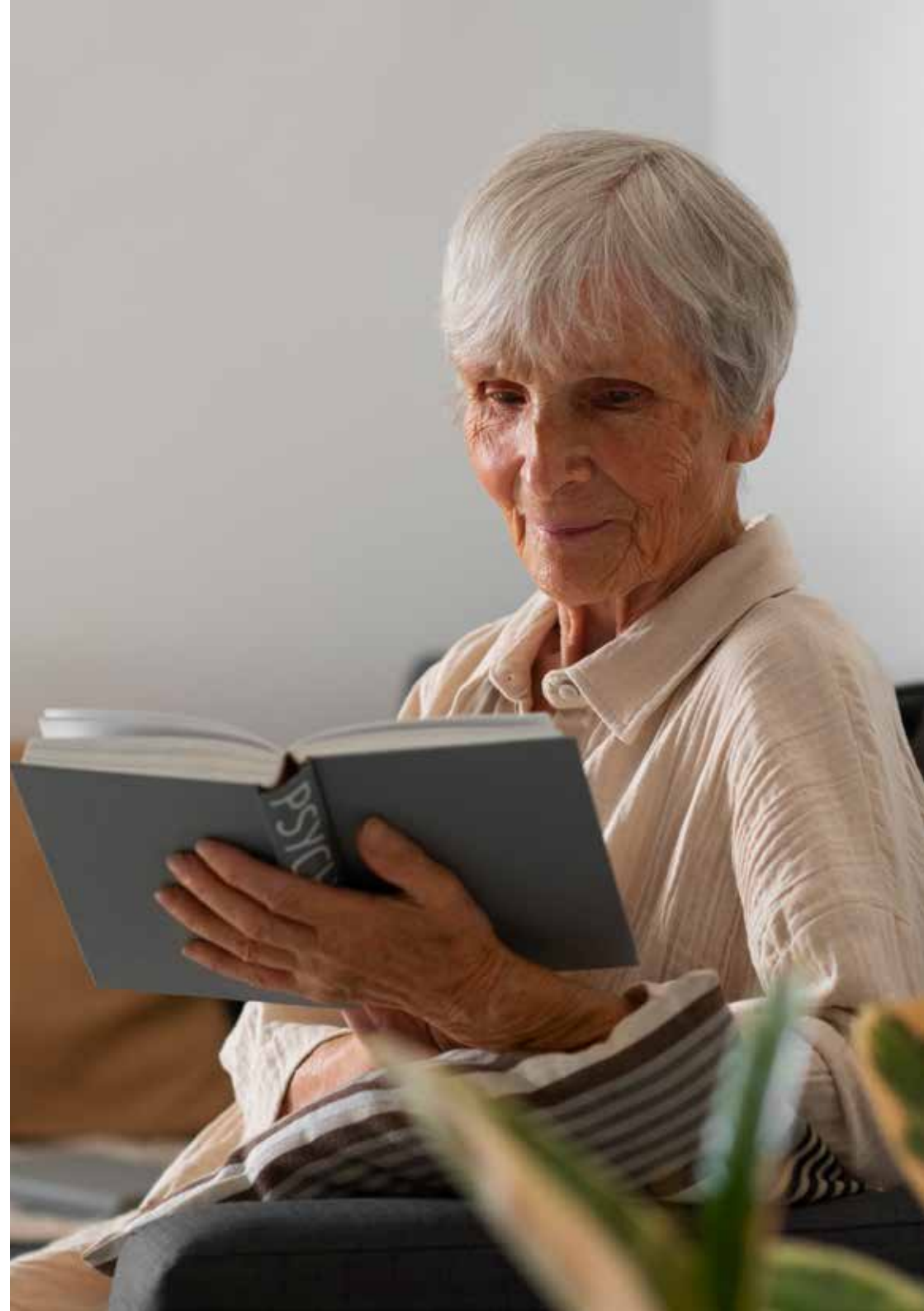
18,6KG
GENERATION
PER EMPLOYEE

About the Report

This report details the environmental, social and governance (ESG) performance of Healthcare Activos during 2023, covering the period from 1 January to 31 December. This report is our third sustainability report and focuses on assessing the company's achievement of targets and continuous improvement.

In preparing this report, we have followed the guidelines of the Global Compact and have supported and developed its Ten Principles within our sphere of influence. We have also taken into consideration the Global Reporting Initiative (GRI) Standards to ensure consistency and transparency in reporting.

As a partner of the PRI (Principles for Responsible Investment), we have also followed the criteria set out in these principles in preparing this report. This demonstrates our commitment to corporate responsibility and the integration of ESG considerations into our business practices and decisions.



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