

Environment, Social and Governance Policy

Introduction

This policy outlines Assura's approach to social impact, sustainability and governance, specifically how we aim to address and tackle various topics through our day-to-day operations and in how we manage and invest in our property portfolio.

Assura is a real estate investment trust offering a complete property solution for our customers. We design, build, invest in and manage GP surgery, primary care and community healthcare buildings so the NHS, HSE and other health providers have the places and spaces needed to deliver more services, tests and treatments in the community. We are fully aware of the wide range of stakeholders that our buildings and operations impact and are committed to ensuring that we maximise our contribution to society and minimise our impact on the environment.

This policy is reviewed annually by the ESG Committee (who recommend that the Board of Directors approve the policy) and is made available to the public.

Operation and ownership

Overall responsibility for the social impact and sustainability strategies is with the CEO, Jonathan Murphy, supported by the Social Impact Lead and Sustainability Lead and through the Social Impact and Sustainability Steering Group.

Oversight is provided by the ESG Committee, with the terms of reference available here: [LINK](#)

Strategy structure

Our overarching ambitions are:

- To be the number 1 listed property business for long-term social impact
- Net zero across our portfolio by 2040

This is supported by our interim strategy, SixBySix, which includes six pledges to achieve by 2026, and annual priorities and actions against each of these pledges.

Regulation, disclosures and reporting

We are committed to:

- Complying with applicable environmental legislation and other requirements relevant to our organisation, including staying up to date with emerging expectations of future changes;
- Maintaining certification against the ISO 14001:2015 management standard and carrying our regular internal and external audits to ensure good performance and identify opportunities for improvement;
- Identifying, addressing and managing the environmental and climate-related risks of the work we carry out, through both our regular risk management procedures and in reporting under the Task-Force for Climate-Related Financial Disclosures ("TCFD"); and
- Publishing a specific sustainability and social impact report on an annual basis, setting out our progress and including relevant disclosures against our annual targets and metrics.

Existing portfolio

We are committed to reducing the environmental impacts of our owned and leased premises, targeting net zero carbon performance across our operations by 2040. This includes putting in place reasonable controls to prevent pollution, improving resource efficiency, reducing waste and reducing our carbon footprint.

For our existing portfolio we are aiming for:

- Net zero carbon in operation across our portfolio by 2040;
- 100% of our portfolio at EPC B by 2026;
- Where we procure energy on behalf of our tenants, only purchasing 100% renewable energy tariffs;
- Including as standard in our leases relevant green lease clauses; and
- Engaging and working with our tenants to encourage a reduction in the energy consumed in our buildings.

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For acquisitions completed:

- We will complete a net zero carbon audit as part of the due diligence process to understand how energy is consumed in the building and improvement works required;
- If a building is below an EPC B, reflecting the cost of improvements in our pricing decision; and
- Consider, as part of the investment committee decision, whether purchasing the building is in line with our Social Impact and Sustainability strategy.

To achieve our targets, we commit to developing and maintaining a net zero carbon pathway, which will be published on our website and updated to reflect best practice as we develop our approach and advancements in technology become available. The pathway will include energy reduction targets (on an intensity basis) set relative to the latest science-based approach for limiting global warming to 1.5°C.

Developments

We are aware of the requirement for our development and asset enhancement activities to minimise their impact on the environment and have a positive impact on the communities they serve.

For our in-house developments, we are committed to:

- Designing all newly initiated projects in line with our Net Zero Carbon Design Guide and minimising the need to offset where commercially viable;
- Aiming to be only developing net zero carbon buildings by 2026;
- Developing a bespoke social impact plan to ensure a positive impact on the local community;
- Targeting a BREEAM rating of Excellent, with a minimum of Very Good; and
- Targeting an EPC rating of A, with a minimum of B.

Through the design process, this includes:

- Procuring materials from the BRE Green Guide to specification;
 - Only procuring legal and sustainable timber;
 - Designing with climate resilience in mind – in particular for flooding risk (designing to 1 in 1000 year events as standard);
 - Completing a whole life carbon assessment for buildings we designate as being net zero carbon;
 - Designing for the future through inclusion of all-electric energy solutions, building management systems and sub-metering to reduce energy consumption, incorporating on-site electricity generation technology as standard and, where we are responsible, only sourcing renewably generated electricity;
 - Prioritising the selection of brownfield sites or repurposing of existing buildings over development on greenfield sites;
 - Working with our customer (GPs, the NHS, the HSE and independent health care providers) and local stakeholders to ensure an appropriate public transportation plan is in place;
 - Commissioning an ecological assessment of each site to create a plan to minimise development impact on biodiversity and habitat – targeting a biodiversity net gain in line with local policy;
 - Ensuring the building is designed for efficient water usage on site, including how domestic hot water is heated, managing surface water on site and drainage (including appropriate use of sustainable drainage systems);
 - Requiring our contractors to minimise waste sent to landfill, avoid ground and air pollution through the build process and apply stringent building safety controls for the benefit of both contractors on site and the local community; and
 - Undertaking an air quality assessment on all schemes and excluding any use of VOC's (Volatile Organic Compounds).
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Human rights

We operate our business in a way that respects the rights and dignity of all people.

We are committed to:

- Treating everyone who works for Assura fairly, without discrimination and facilitating a work environment that respects their rights and dignity;
 - Respecting core labour standards, including freedom of association and collective bargaining;
 - Supporting the elimination of all forms of forced or compulsory labour, abolition of child labour and discrimination in respect of employment and occupation throughout our supply chain; and
 - Maintaining accreditation as a Living Wage Employer.
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These core commitments are supported by the following policies:

- Assura's Code of Conduct
 - Fair employment practices
 - Diversity and inclusion
 - Equal opportunities policy
 - Modern Slavery Policy and Annual Statement
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Supply chain

We want to work with suppliers that share our commitment to adding value to the communities that we work in. We engage with our partners, subcontractors and suppliers for the long-term benefit of all stakeholders – aiming to collaborate to share best practice and expertise, promoting our social impact and sustainability targets.

We expect our suppliers to:

- Meet our commitments in respect of human rights, including compliance with our Modern Slavery Policy;
 - Have appropriate controls and policies in place to prevent bribery and tax evasion;
 - Uphold high standards of health safety across their operations;
 - Support our net zero carbon ambitions;
 - Support our social impact aspirations including Assura Community Fund activities;
 - Be responsible employers who promote our social impact targets (in particular in respect of creating opportunity and developing a sustainable workforce); and
 - Limit any negative impact (both socially and environmentally) on the communities in which we operate.
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People & culture

We Build for Health and our people are our foundation, therefore the wellbeing and development of our team members is imperative.

We actively promote a culture of collaboration & inclusivity with a strong focus on wellbeing.

From a governance perspective we have a wide range of benefits and policies aimed at meeting our ambitions and creating a workplace that supports our culture. These include the following:

- Our Company Values: Innovation, Expertise, Being Genuine, Collaboration & Passion
- Assura's Code of Conduct
- Fair employment practices
- Regulatory compliance
- Sustainability and health and safety
- Diversity and inclusion
- Equal opportunities policy
- Volunteering policy

To support our goals, we have developed training for employees covering environmental impact and Assura's approach to sustainability and net zero, with bespoke modules for different teams within the organisation.

We've also invested in various management training with a new Leadership Development Programme to be launched which will include key modules around improving diversity in the business. In addition, we're partnering with schools & charities to promote career opportunities within the property sector.

We have retained a hybrid working policy to support the overall wellbeing of our employees and are consulting with them to design our new sustainable office space, which will have a focus on wellbeing and collaboration.

Health & safety

Assura is committed to ensuring the health and safety of all people who work directly or indirectly on behalf of the Company, and observing appropriate standards to ensure the safety of those who may come into contact with our operations. We invest appropriate resources into health and safety management, and oversight being provided at both Executive Management and Board level.

In particular, we:

- Have in place appropriate procedures to ensure the health and safety of employees, contractors and visitors whilst at Assura's head office or working under Assura's instruction;
 - Will enforce appropriate standards amongst supply chain contractors either for on-site developments or completing jobs on our existing portfolio, covering both the workers on site and the local community that may come into contact with the operations;
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- Ensure compliance with statutory obligations in respect of our property portfolio;
 - For on-site developments, ensure that the regular site progress meetings include appropriate health and safety performance reporting; and
 - Monitor overall performance through regular internal reporting.
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Governance

The Annual Report each year includes a Corporate Governance Report, stating compliance with the most recent UK Corporate Governance Code (currently 2018) as well as a description of the latest governance matters deemed relevant each year.

Amongst other matters, we are committed to:

- Having in place an appropriate governance and risk framework, in line with the UK Corporate Governance Code;
- Making each relevant Board decision only after relevant stakeholder interests have been considered and, in line with the fiduciary duties of Directors, appropriately disclosing any potential conflicts of interest;
- Ensuring an appropriate mix of Board members with relevant skills to create an effective, well-balanced structure;
- Regularly consulting with and having due reference to the views of all relevant stakeholders in decision-making;
- Engaging with stakeholders as appropriate, including through the employee representation group, customer satisfaction surveys, an investor relations program and other specific matters as relevant;
- Completing regular reviews of Board effectiveness;
- Ensuring that the Group is free from all discrimination and equitable to all employees;
- Monitoring and designing appropriate controls in respect of the principal risks faced by the Group, including in respect of cyber security risk;
- Checking employee understanding of policies through highlighting, each month, one policy with a short test of understanding;
- Complying with relevant data protection and privacy rules for all data held by the Group; and
- Not making any political contributions;

We have separate policies available on our website in respect of:

- Bribery and Corruption
- Modern Slavery Policy and Annual Statement
- Prevention of tax evasion policy
- Directors remuneration policy
- Whistleblowing policy

Approval

Approved by the Board

March 2023

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