

ENVIRONMENTAL POLICY

Scope of application
Aedifica Group

Valid from
11 October 2022

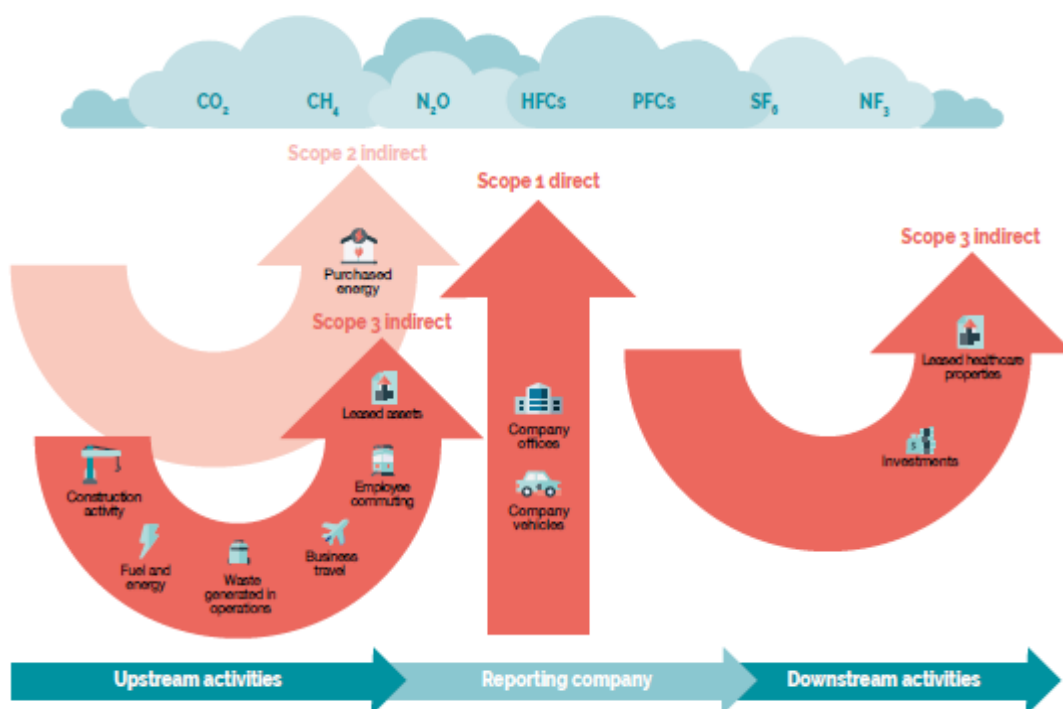
last update
11 October 2022

Version 2.0

Our pathway to carbon neutrality

Aedifica is committed to achieving net zero emissions across its portfolio by 2050 to meet the goals of the Paris Agreement, helping to minimise our impact on climate change. In 2021, we developed a net zero carbon pathway that outlines how we will deliver our promise to reduce the environmental footprint of our portfolio and that of our tenants. To achieve carbon neutrality, Aedifica will implement this net zero carbon pathway (as described hereafter) in the coming years.

Reducing the impact of global warming will largely depend on further eliminating greenhouse gas emissions as a result of energy consumption.



Net zero greenhouse gas (GHG) emissions do not only refer to direct emissions (scope 1), but also to indirect emissions (scopes 2 and 3).

Scope 1 emissions are direct emissions from company-owned and controlled resources. In other words, GHG emissions that are released into the atmosphere as a direct result of the activities of the company, i.e., caused by the company offices and company vehicles of Aedifica.

Scope 2 emissions are indirect emissions from the generation of purchased energy, from a utility provider. In other words, GHG emissions released into the atmosphere, from the consumption of purchased electricity, steam, heat and cooling, i.e., electricity and district heating consumed in the company offices of Aedifica.

Scope 3 emissions are all indirect emissions, not included in scope 2, that occur in the value chain of the company, including both upstream and downstream emissions. In other words, GHG emissions that are linked to the company's operations. The scope 3 downstream emissions are the indirect emissions resulting from our operators that manage the buildings on a daily basis. The scope 3 upstream emissions relate to the design, building and maintaining (NN) in line with evolving regulations and current building techniques.

The scope 1 and 2 carbon emissions of our business activities are very limited (in 2021 GHG emissions associated with our own organization contributed only approx. 1% to our carbon footprint, whereas the remaining 99% was attributable to our value chain). Aedifica's biggest challenge is therefore (to

help) to reduce the downstream carbon emissions, which are mainly caused by the energy consumption of operators and residents. However, Aedifica is not directly involved in the operations of its care homes (generating scope 3 downstream emissions). As the operators are responsible for the daily management and maintenance of the buildings (including the technical equipment) and the way they purchase electricity, Aedifica has only limited impact on the direct environmental performance of its buildings. Nevertheless, as a leading healthcare real estate investor, Aedifica takes responsibility and actively shares its knowledge with its operators on how to develop, maintain and operate our assets in an efficient, safe and sustainable manner.

To obtain our goal of reducing emissions linked to our operations, we have developed a robust and comprehensive approach and cross-company cooperation, as outlined in our pathway to carbon neutrality. We will use the Carbon Risk Real Estate Monitor (CRREM) tool to monitor our portfolio's progress against the energy and carbon intensity targets for each country. This CRREM tool offers us the possibility to monitor our progress regarding the portfolio's carbon reduction against reduction targets in line with the Paris Agreement. By adding new and more sustainable properties through our acquisition and development activities, making green investments in our existing portfolio, and working with our operators, we will continuously be reducing our environmental footprint.

Minimising climate change impact on portfolio: building assessments for futureproof assets

Climate change may lead to warmer summers across the European continent, which may require modifications to buildings to keep indoor temperatures comfortable for building occupants. This is particularly critical in the elderly care sector, as this vulnerable group is less able to regulate body temperatures. This rise in temperatures may lead to a complete rethinking of the way buildings are designed, with more attention paid to active and passive cooling of buildings. In addition, climate change may lead to rising sea levels and extreme weather conditions that could damage buildings.

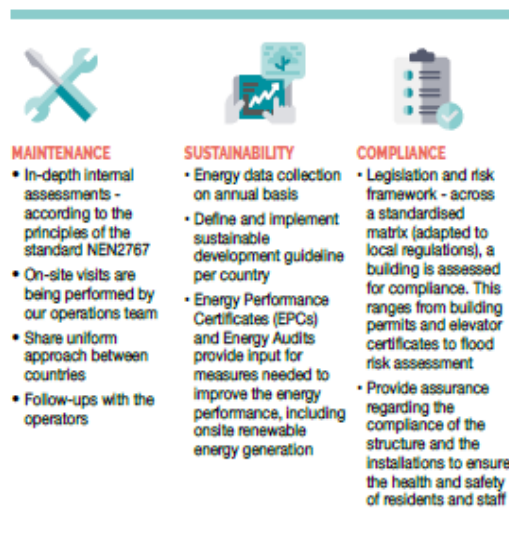
To better understand the impact of climate change on our organization and our operators and to mitigate these risks we have developed a Building Assessment framework that provides our technical property management team with a structure to monitor the quality of each building. Although Aedifica is not directly involved in the operation of our care homes, we have an impact on how infrastructure is designed, built and maintained in accordance with evolving regulations and current construction techniques. The Building Assessment framework is based on three essential pillars.

1. Identifying if sufficient resources are allocated to **maintenance**
2. Assessing and benchmarking **sustainability** performance
3. Monitoring **compliance** with all applicable regulations

Under triple net lease agreements, these aspects are normally addressed by the operator, but as a owner Aedifica continues to monitor the quality and implementation of these issues. Additionally, the green lease annex that we have developed to complete our lease agreements, provides that we will regularly discuss with our tenants in a constructive manner how the objectives contained in this environmental policy can be further realized within the framework of the lease agreement.

The sustainability pillar of the building assessment framework provides local Aedifica teams with a roadmap for minimising the environmental impact of their respective portfolio. Such sustainable development framework defines technical requirements regarding energy efficiency, environmental aspects (e.g. measures to reduce water consumption and improve biodiversity), as well

BUILDING ASSESSMENT FRAMEWORK



as health criteria (e.g. ventilation flow rates for air quality) and quality of life criteria for residents (e.g. accessibility) for future development projects.

Reporting – interaction with the sustainability report

Aedifica will yearly provide an update in its sustainability report about the progress it has made in pursuing the objectives described in this environmental policy. The yearly sustainability report will thereby serve as a framework for setting and reviewing concrete environmental objectives and targets in execution of this environmental policy.