

A young woman with long brown hair is hugging an elderly man from behind. The man is wearing a light-colored cap and glasses. They are outdoors, with a blurred green background. The woman is smiling and has her eyes closed. The man is looking down.

Sustainability Report

2021

h | healthcare
activos

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Chairman's Letter

**“Let’s not
forget that for
Healthcare Activos
the best investment
is people.”**

During the year 2021, of which we take stock in this Report, we have witnessed the desired control of the pandemic which despite successive waves and thanks to mass vaccination, has given way to a scenario of economic and social recovery.

The extraordinary events of the past two years have highlighted the importance of a robust and resilient healthcare sector, which guarantees the best possible care for the citizen at all times.

However, they have also led us to reflect on changes in the model which, although they have been under discussion for some time, are now essential: social and healthcare integration, public-private collaboration, person-centred care and, which shows a commitment to sustainability.

Thus, Healthcare Activos' strategy in this area is of particular relevance as well as our commitment to the principles of the Global Compact and the Sustainable Development Goals to build a stronger social, environmental and economic future.

Internally, Healthcare Activos closed 2021 with a major shareholder change, bringing in top-tier global institutional investors to support future long-term growth, including expanding into key European markets such as Portugal, Germany and Italy.

We therefore face the future with optimism and the security of a successful business model based on providing long-term value for all our stakeholders.



We are Healthcare Activos

2016

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

2017

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

2018

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

2019

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

2020

Healthcare Activos consolidates its position as the leading investment platform in Spain and begins its internationalisation process with its entry into the Portuguese market

2021

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

Healthcare Activos aims to improve care for people. That is why we focus on long-term ESG impact by developing and modernising critical healthcare infrastructures across geographies.

Healthcare Activos (from now on the "Company") is an investment platform specialising in real estate assets in the healthcare and long-term care sector; we are recognised leaders in the development of healthcare infrastructure and real estate from the largest European groups in the sector.

The healthcare sector not only generates well-being but it is a significant wealth generator, creating high quality, stable and non-relocatable jobs. **At Healthcare Activos we prioritise the generation of shared value, committed to building a solid, socially and environmentally responsible sector that creates long-term value for the community.**

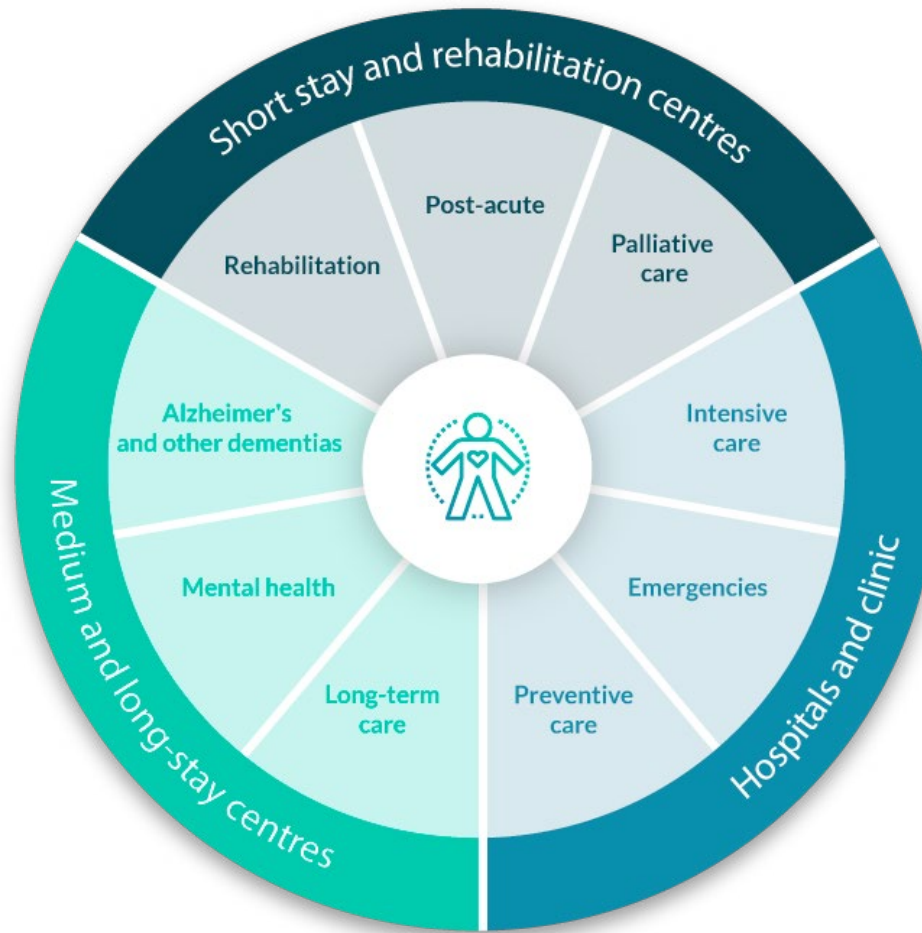
We work to ensure that our activity has a positive economic and social impact. For this reason, at Healthcare Activos we align ourselves with global initiatives such as the United Nations Global Compact and the Principles for Responsible Investment (UNPRI).

Our value proposition

Healthcare Activos invests in the whole spectrum of healthcare real estate assets, always prioritising the patient and its needs.

With Jorge Guarner as Founder and Executive Chairman and Albert Fernández as CEO, Healthcare Activos was born in 2016 with the vocation of being a long-term partner of reference for leading European healthcare operators and a strong commitment to generate a long-term positive impact for all our stakeholders.

At Healthcare Activos, we invest in healthcare real estate assets, including hospitals, clinics, and nursing homes, with a focus on operating assets, both established or in ramp-up phase and the development and construction of new buildings.



Philosophy

We believe that few investments are as positive for people, society and the planet simultaneously and that **quality in the health care sector is a driver of long-term economic development and social cohesion.**

Vision

To be a long-term partner of reference for leading healthcare operators in Europe, with the aim of supporting their growth plans and providing the necessary infrastructure for them to offer their services.

Business Model

Our business model is based on four fundamental pillars:

-  Operator mindset
-  Conservative and secure investment profile
-  Sustainability and value creation for all stakeholders
-  Long-term vision

Our portfolio as of December 2021

Selected assets

+€630M

Asset valuation

1,9 X

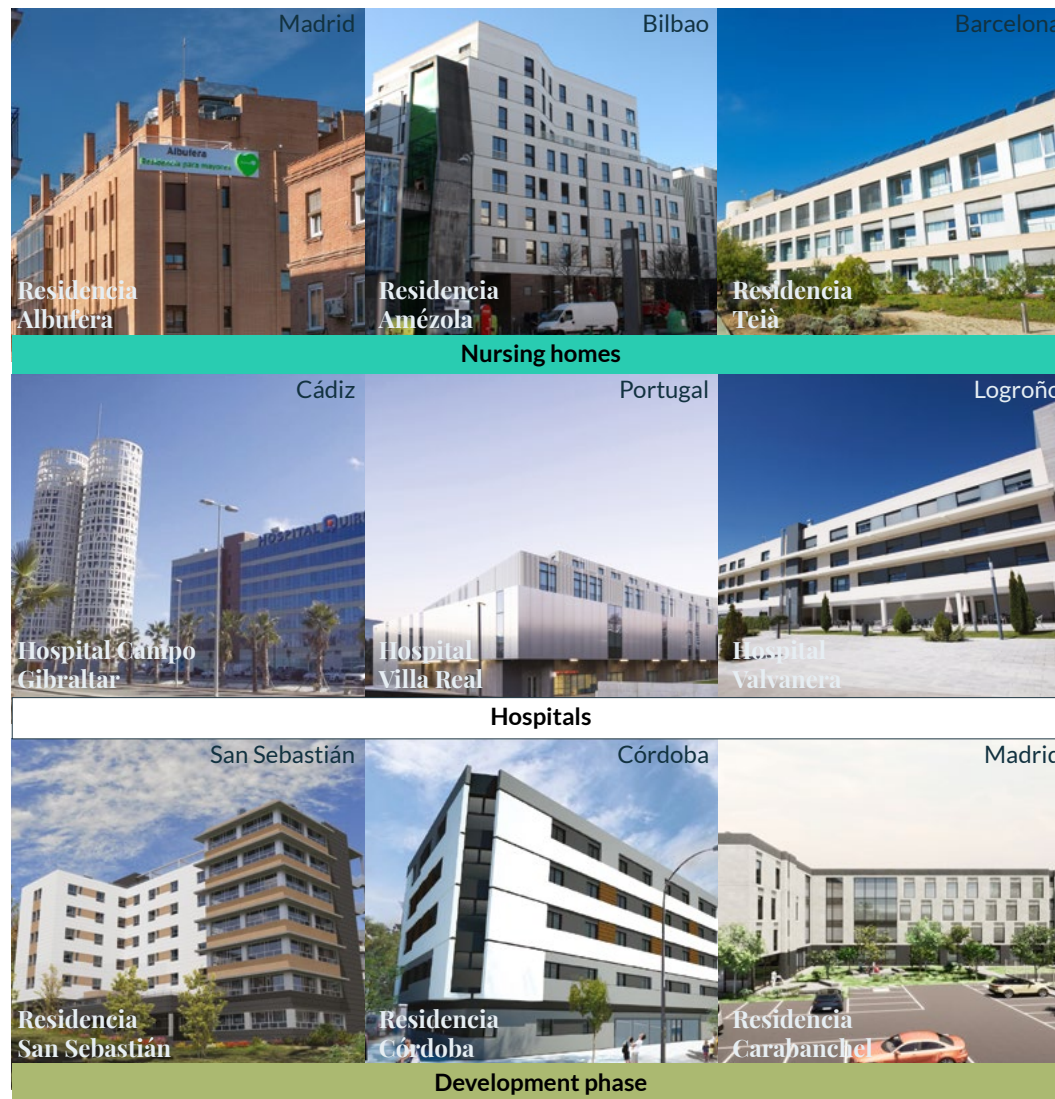
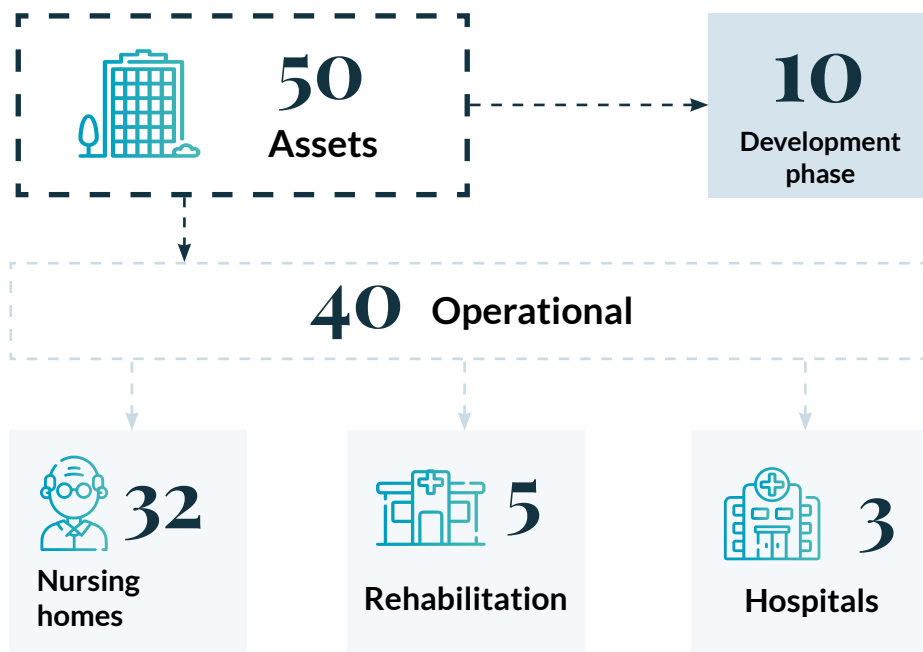
Average
rent-cover ratio

19 years old

WALUT portfolio

347.000sqm

Gross buildable area

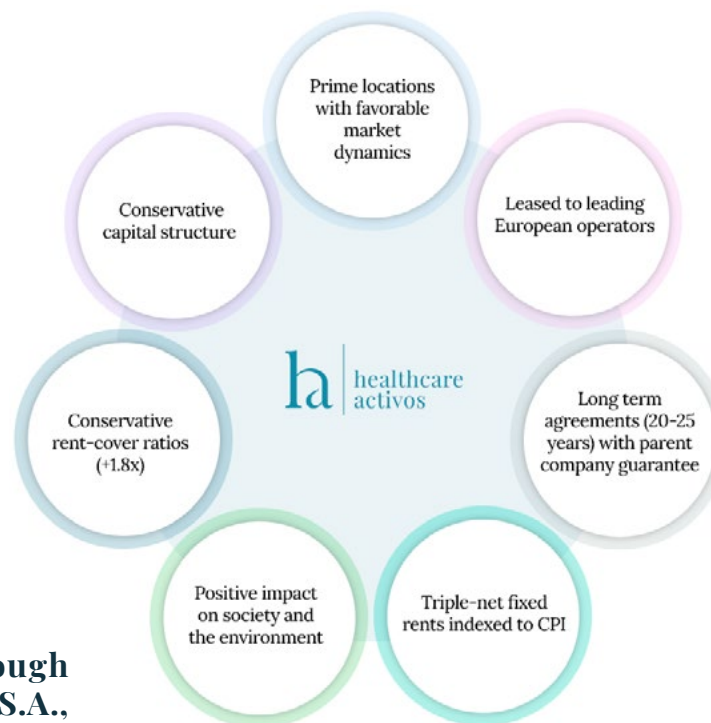


Investment management

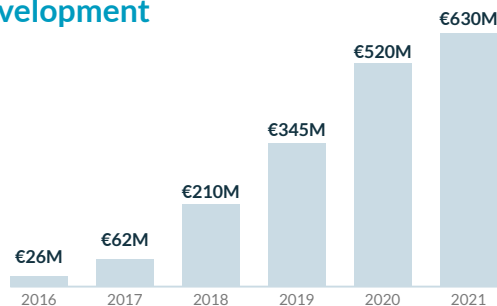
Healthcare Activos operates through Healthcare Activos Yield SOCIMI, S.A., a vehicle in which all investments are consolidated, and which has been listed on Euronext Access in Paris since 2020.

At the end of 2021, we carried out a capital increase in Healthcare Activos whereby a consortium of leading global institutional investors made financial commitments to support the platform in its future growth.

One of the objectives of the agreement is to have partners to support the European expansion in key markets such as Germany, Italy and Portugal. In this regard, Healthcare Activos has designed a strategic plan to double its assets under management in the coming years with a long term commitment to develop the sector.



Portfolio value development



Albert Fernández | CEO

“Our investment fundamentals include a Socially Responsible Investment approach that prioritises long-term social impact.”

Our investment solutions

Greenfield

Development of new assets in partnership with operators under long-term leases.

WholeCo

Acquisition of real estate and operating business (OpCo+PropCo) and simultaneous sale of the operating business to an operator under a long-term lease agreement.

PropCo

Acquisition of operating assets owned by third parties and long term leased to Tier 1 operators.

Brownfield

Development of existing assets requiring significant renovations in partnership with operators.

Support for M&A transactions

Partnership with operators in M&A transactions: spin-off of PropCo and OpCo with new long-term lease agreements.

Sale and lease back

Acquisition of assets owned by operators with new long-term lease agreements.



Sustainability Strategy

3

ESG Action Plan

As a result of our long experience as managers, our DNA is first and foremost about commitment to building a solid, socially and environmentally responsible sector that generates value for the community.

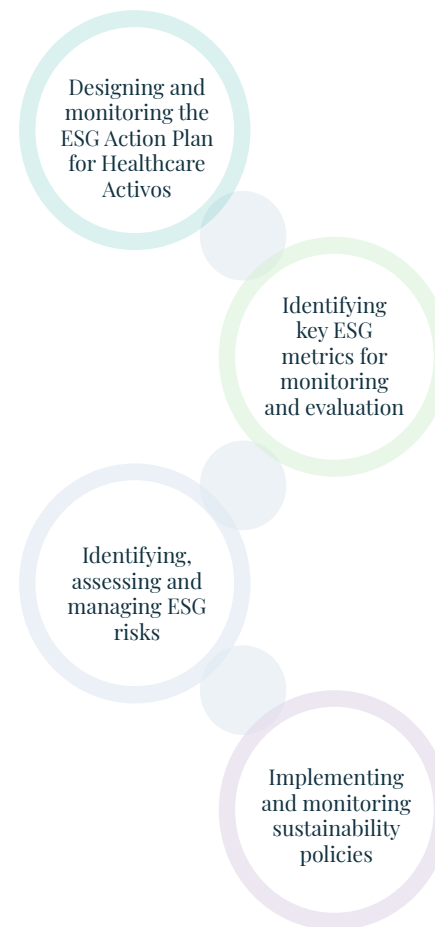
At Healthcare Activos we apply internal environmental, social and governance (ESG) policies. We have an ESG Action Plan to forge long-term partnerships with operators and suppliers who share our values.

ESG Committee

As a logical evolution in our commitment to sustainability, in 2020 we created the ESG Committee of Healthcare Activos in order to promote the social, environmental and governance aspects of the Company, monitoring closely the evolution and fulfilment of the objectives set, trends, evaluations and sustainability reports.

The ESG Committee is made up of a multidisciplinary team led by the Head of Sustainability, with representatives from all areas of the company and with the permanent presence of senior management. The Committee meets on a quarterly basis.

The ESG Committee is responsible for:





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

The members of the Committee are as follows:

- Jorge Guarner (Executive Chairman)
- Albert Fernández (CEO)
- Susana Sebastián (Asset Management Director and Head of Sustainability)
- Olga Alonso (COO)
- Miki Domenech (Investment Director)
- Gonzalo de Troya (Investment Director)
- Román Gallofré (Projects and Maintenance Director)



Susana Sebastián
Asset Management Director
and Head of Sustainability

“The objective of the ESG Committee is to design, implement, monitor and communicate the Company’s Sustainability Strategy”.

ESG objectives


The ESG objectives set by the Company for the year 2022 are highlighted throughout this report.



The entire Healthcare Activos team is aligned with these objectives and proof of this is the Company’s decision to link part of its remuneration in 2022 (both financial and non-financial) to the achievement of these objectives, which have been individually tailored according to their area of expertise.

Alignment to the Global Compact

Since June 2020 we have joined the United Nations Global Compact, publishing our first Progress Report in 2021.

 [Report available at: www.healthcareactivos.com](http://www.healthcareactivos.com)

As evidence of our responsibility, we are committed to sharing our progress in this area annually through the Progress Report and the Sustainability Report, emphasising the impact of our actions on the different stakeholders.



Our ESG strategy is based on the four pillars of the Ten Principles of the Global Compact, applying them into our corporate culture, strategy and business model, as well as in our actions, policies and monitoring tools.

Contribution to UN Sustainable Development Goals (SDGs)

Private leadership is essential for the achievement of the United Nations Sustainable Development Goals (SDGs). For this reason, at Healthcare Activos we consider them to be the cornerstone for the development of our general business policy and, in particular, of our social, environmental and governance actions.

Since 2020, Healthcare Activos has identified the strategic SDGs to which we contribute with our actions and decisions:



Environmental

Our environmental commitment is reflected through energy efficiency, water saving and recycling policies so that our buildings contribute to creating more sustainable cities.



Social

Our business strategy is focused around creating value for employees, shareholders, operators, suppliers and the community and around generating a positive impact on their health and well-being.



Governance

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 alliances related to sustainability, innovation and quality.



GRESB



At Healthcare Activos we are aware of our role as a driver of change towards more socially and environmentally sustainable infrastructures.

To this end, we are committed to subjecting our sustainability performance in 2022 to evaluation by the to Global Real Estate Sustainability Benchmark (GRESB), which assesses the environmental, social and governance performance of assets worldwide.

Socially responsible investments

The incorporation of ESG criteria in investment decision-making means a better approach to risks and a better guarantee of the long-term sustainability of the business model for all stakeholders, but especially for shareholders and financial institutions.

At Healthcare Activos we are aligned with the Principles for Responsible Investment (PRI) through our Responsible Investment Policy, **providing a baseline for investment decisions based on environmental, social and governance factors.**

Adherence to the Principles for Responsible Investment

Principles of Responsible Investment

In 2021, we completed the process of becoming a signatory to the Principles for Responsible Investment (PRI), an initiative of the UN Global Compact and UNEP (United Nations Environment Programme) aimed at the various players in the investment market.

In this way, we are part of a global community of more than 3,000 companies and institutions working towards an economically efficient and sustainable global financial system in the long term.

With this adherence, Healthcare Activos reiterates its commitment to integrate ESG criteria in all investment and asset management policies. We are also committed to assessing our performance in this area on an annual basis.



Investment team





Corporate Governance Model

At Healthcare Activos we have a solid governance structure that is committed to sustainable growth.

We base our Corporate Governance on ethics, transparency, integrity, professionalism and a commitment to create value for all stakeholders.

Jorge Guarner (Founder and Executive Chairman) and Albert Fernández (CEO) are partners of Healthcare Activos and act as joint administrators of the Company.



Jorge Guarner
Founder and Executive
Chairman

Previously, Jorge Guarner was CEO at SARQuavitae (now renamed DomusVi), the Iberian leader in the elderly care sector for 12 years. For 8

years, he was also the president of the elderly care industry association in Spain (AESTE).

He was also founder and CEO of RESA for 6 years, the first Iberian platform for real estate investments in student housing.

Education: MBA from IESE and degree in Industrial Engineering from the Polytechnic University of Catalonia (UPC).



Albert Fernández
CEO

Albert Fernández has been CEO at Healthcare Activos since his incorporation in 2019, although he has been linked to the firm as an investor and advisor since its foundation.

In Spain he has more than 20 years of experience as an investment banker in the healthcare sector at PJT Partners / Blackstone, Rothschild and JP Morgan. Prior to joining Healthcare Activos, he was the European head of healthcare sector at PJT Partners in London.

Education: MBA from the Darden School of Business (University of Virginia) and a degree in Industrial Engineering from the Polytechnic University of Catalonia (UPC).

Ethical commitment



Legal and compliance team

At Healthcare Activos we have a Corporate Governance System with internal procedures that allow for professional, transparent and efficient decision-making.

In this way, we guarantee our commitment to good governance practices, business ethics and sustainability in all areas of activity, as well as continuous improvement.

Based on the corporate structure, the sector and the nature of our operations, Healthcare Activos has the following tools:

- Code of conduct
- Code of Good Practice for the Use of Social Networks
- Procedure for Monitoring and Follow-up of Sanctions and Fines
- Data Protection and Confidentiality System
- Information Security Systems
- Sustainability Reporting Procedures
- Money Laundering Prevention System
- KYC (Know Your Client) procedure

At Healthcare Activos we reject any type of corruption, including bribery and fraud. For this reason, we prioritise transparency, ethics and respect for human and labour rights in all our areas of activity and as essential pillars of our business model.

Code of Ethics

In our Code of Ethics, we set out the principles, commitments and practices to ensure the professional, ethical and responsible behaviour of the Company and all employees, extending it to our partners and suppliers.

Among the practices reflected in the Code, the following stand out:

- Prohibition on giving or receiving gifts.
- Prohibition of obtaining undue tax advantages.
- Prohibition to act on behalf of the Company in case of conflict of interest.
- Prohibition of unfair market practices.
- Prohibition of insider trading.

During the financial year 2021, there were no reports, complaints or claims from stakeholders.

Ethical Mailbox

In order to guarantee ethical behaviour and avoid conflict of interest, Healthcare Activos has an Ethics Mailbox accessible to all employees and third parties that allows the reporting of irregularities and bad practices.



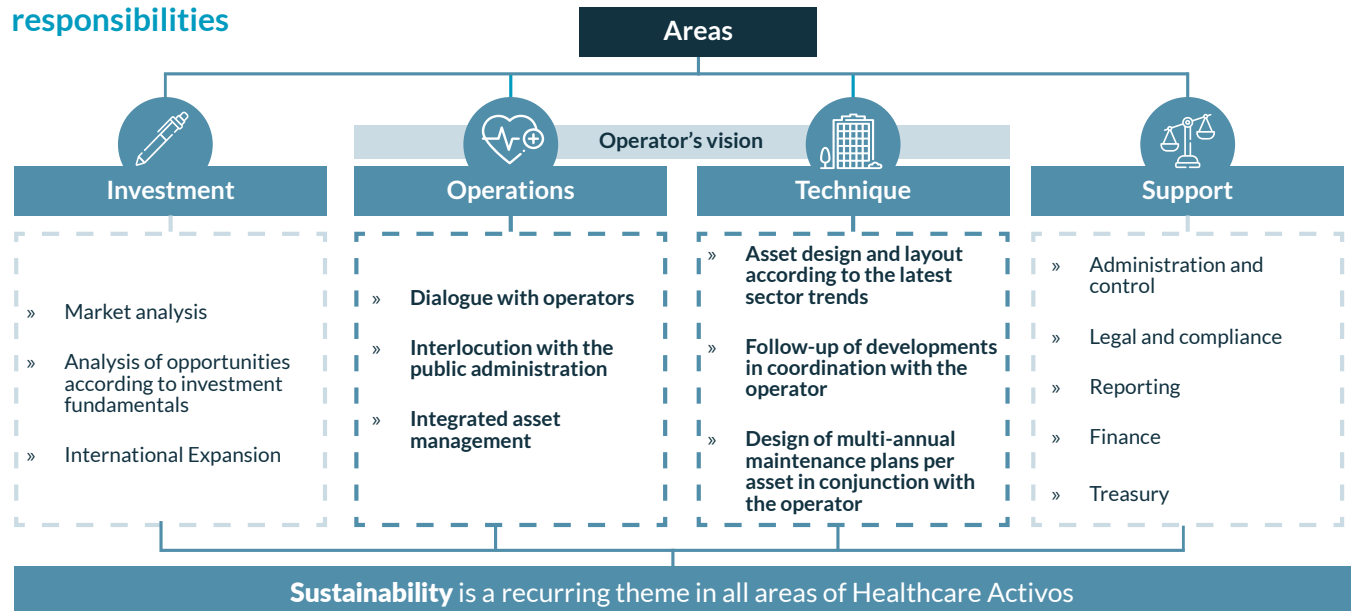
Available at: www.healthcareactivos.com



buzonetico@healthcareactivos.com



**Roles and
responsibilities**



Our Team

In the Healthcare Activos team, we work with utmost dedication to the Company, acting with integrity, honesty and transparency.

The team is made up of professionals with a recognised track record and experience in the sector that guarantees high added value. The team is responsible for the management of the Company with operational, technical, economic-financial, compliance and sustainability responsibilities.

Maintaining a high-quality working environment is a key pillar for Healthcare Activos.

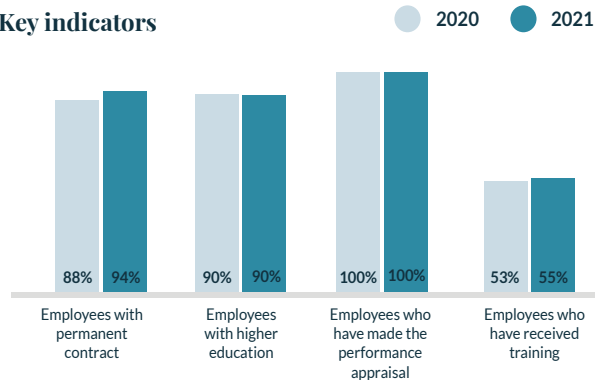
Employees

Employees are a fundamental pillar for us. At Healthcare Activos we are committed to creating social value through fair, dignified and quality work.

Actions to achieve this goal:

- We promote diversity, equality and inclusion
- We actively help employees to continue their professional development within the Company through training and performance appraisals
- We promote measures that favour the reconciliation of work and family life
- We promote measures to protect the health, safety and welfare of our employees

Key indicators



*The turnover rate has decreased from 13% in 2020 to 11% in 2021.

Commitment to employees

At Healthcare Activos we reject child and forced labour, as well as any kind of discrimination based on race, physical disability, illness, religion, sexual orientation, political opinion, age, nationality, or gender. We therefore avoid collaborating with organisations that do not respect our values.

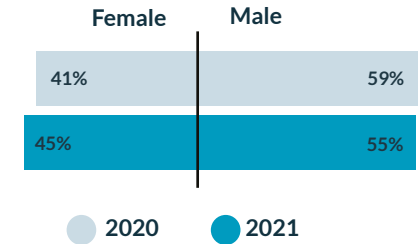


Administration and control team

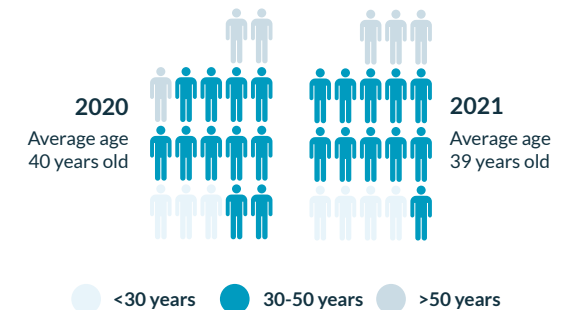
Within the principles reflected in our **Code of Ethics**, at Healthcare Activos we are committed to:

- Promoting equality and diversity
- Supporting freedom of association and recognising the right to collective bargaining
- Ensuring maximum transparency in recruitment processes, providing clear clauses including terms and conditions
- Avoid and prevent corruption in all its forms

Employees by gender



Employees by age



Conciliation

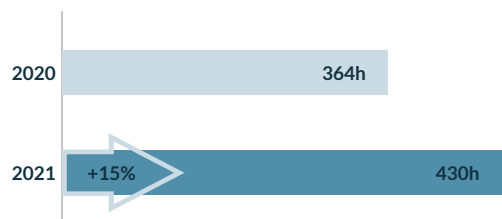
In order to contribute to the well-being of our employees, at Healthcare Activos we encourage the development of activities inside and outside the Company that contribute to increasing employee satisfaction.

We therefore carry out actions to improve work-life balance of our employees, including:

- Flexible entry and exit times
- Combination of face-to-face and remote work
- Social benefits

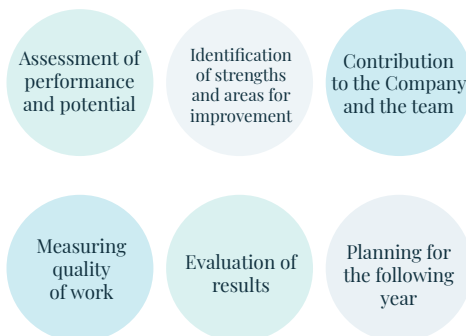
Professional development

We promote the professional growth of our employees, designing an annual training plan, agreed and adapted to their needs, and carrying out regular performance evaluations.



h: Total hours of training received

We hold annual face-to-face sessions between each employee and his or her immediate superior to carry out a performance evaluation that measures and helps professional development, as well as the achievement of the objectives set. In this session, the milestones and objectives for the following year are set.



At the Company, we are committed to the performance evaluation of our employees in favour of continuous improvement and within the framework of talent management. In 2021, 100% of our team undertook such an evaluation.

Internal communication

Maintaining fluid and effective communication is vital to our management. **At Healthcare Activos we strive to maintain an open and transparent dialogue, aware that this is a key element for improving competitiveness and commitment.**

Our approach to work in this regard is to generate two-way dialogue with employees to understand their real needs and expectations, encouraging participation and involving them in decision-making.

To facilitate corporate communication and make information dissemination more effective, a corporate intranet will be designed and implemented by 2022, allowing the team to access key up-to-date documentation at the click of a button.

Furthermore, to understand the interests of the team, their needs and assessments, in 2022 we will implement an employee satisfaction questionnaire, through which they will be able to express their opinions anonymously. The data will be collected online and processed through a specialised platform, owned by an external company, guaranteeing confidentiality. The results of this questionnaire will allow us to take actions to improve the working environment and the commitment of the team.

Health and safety

At Healthcare Activos we ensure the integrity of all our employees. **For this reason, 100% of Healthcare Activos employees receive training in occupational risk prevention (ORP) on joining the company and on a regular basis.**

Thanks to our efforts in this area, we have achieved outstanding indicators in 2021 in terms of the health and safety of our employees:





Social Engagement

2.938

Beds in operating
nursing homes

1.422

Beds in development
nursing homes

223

Hospital beds

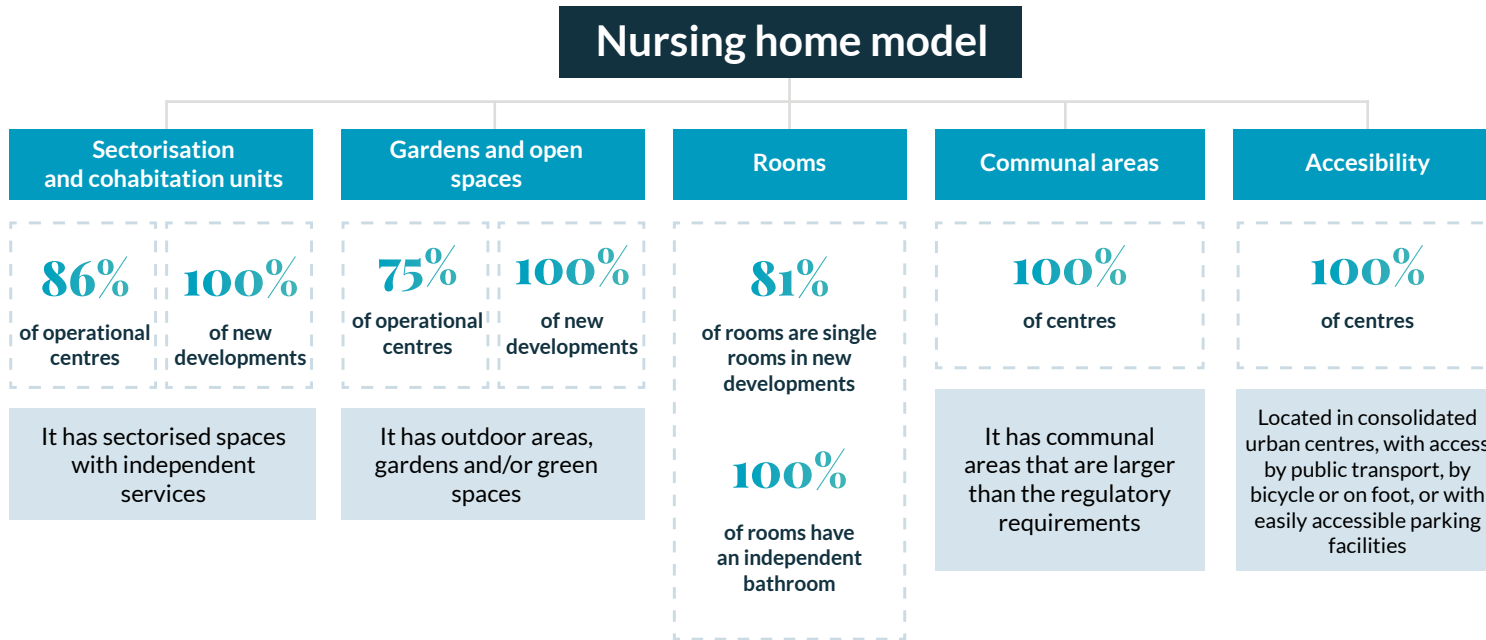
At Healthcare Activos we have a unique and joint vision of the sector, which does not distinguish between healthcare and social services, but the patient at the middle, as the axis around which services must pivot.

At Healthcare Activos we have a principle: “people are our best investment”.

We care about people in all their dimensions: as users of services, as professionals and investors, as citizens and, ultimately, as inhabitants of a planet that we have an obligation to protect.

We are aware of the importance of generating value, both financial and non-financial, for all our stakeholders. We have therefore identified the groups that influence the day-to-day operations of the Company and established various strategies to manage constant two-way communication with each of them. In doing so, we seek to reinforce common values and maintain a high level of satisfaction and well-being.

Internal	External
<ul style="list-style-type: none"> ✓ Operators ✓ Employees, shareholders and financial institutions ✓ Investors and financial institutions 	<ul style="list-style-type: none"> ✓ Users, families and staff of the centres ✓ Providers ✓ Community ✓ Environment



Román Gallofre
Projects and
Maintenance Director

“We collaborate with first class operators to guarantee the best care, provided in environments designed so that the person is always at the centre of attention.”

Users, families and staff of the centres

The Healthcare Activos’ extensive experience in service management, our operator mindset, means that we are convinced that achieving the best for the user brings with it the best results for the community and for investors. That is why we offer a high-quality response to society’s growing needs.

Ensuring health and well-being

Our ultimate goal and *raison d’être* is to care for people.

In this pursuit to guarantee the best quality care, it is essential to design a residential centre that facilitates the achievement of this objective.

The value of family and friends

Family and social relationships have a great positive influence on the emotional well-being of the people we care for.

For this reason, our model of centre is designed for them, facilitating access and integration into community life and creating spaces for them to meet.

We take care of employees in our centres

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

We prioritise an intelligent design of buildings through vertical communications (laundry, food, waste, etc.) and horizontal communications (rooms and spaces with related uses) that are located contiguously. In this way, unnecessary staff movements are avoided, allocating all available time towards providing direct attention.

Operators

We collaborate with the most relevant operators in the healthcare sector in Europe, with whom we share values and a commitment to sustainable development, generating stable long-term relationships that allow us to create positive synergies.

Some facts about our operators:

90%

Are environmentally certified

100%

Have a certified quality management system

75%

Have their health or long-term care model certified

Communication and operator satisfaction

The satisfaction of our operators and meeting their needs, demands and concerns is a priority for Healthcare Activos.

This is why we have specific strategies in the area of:

- Optimal processing of databases
- Incident resolution
- Collaboration to prevent money laundering

We are committed to continuous, honest, clear and transparent communication with our operators.

During 2020 and 2021, operators have seen their care models heavily impacted by the pandemic.

Healthcare Activos has been by their side at all times, supporting and facilitating their work as much as possible.

Once this new situation had been stabilised, we have strengthened our ties with them, giving greater impetus to the Operations Area and enhancing the value added from our management experience.



For this reason, we have created an Operations and Sustainability Committee to facilitate the coordination and global vision of relationships with each operator, providing a personalised response to the needs of each of them.

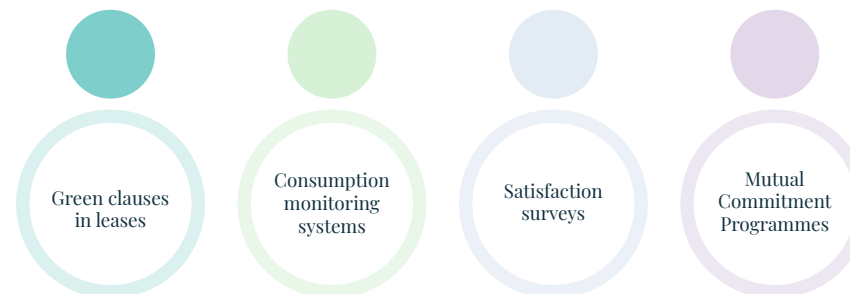
During 2022, in addition to daily contact by the most immediate means (telephone and e-mail contact), scheduled face-to-face meetings will be resumed, where one of the main points on the agenda will be sustainability.



Olga Alonso
COO

“We provide real estate infrastructure to specialised operators so that they can concentrate their efforts on providing the best care.”

We are planning the implementation of:



Suppliers

At Healthcare Activos we are committed to a high-quality, long-term relationships with our suppliers, establishing alliances with high-reputed companies that guarantee quality of service of the highest standards.

We extend our commitment to sustainability throughout the entire value chain. For this reason, at Healthcare Activos we include suppliers in our ESG Action Plan.

With respect to this, our objectives for the year 2022 in reference to suppliers are:

- Enhance the dissemination of our Sustainability Strategy and the actions derived from it
- Reinforcing suppliers' commitment to our Code of Ethics
- Monitoring suppliers' sustainability performance
- Define and monitor 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**

50%

Construction suppliers have an **ISO 50001 certified energy management system**

Local community

We are providers of basic socio-health infrastructures, complementary to public investment.

If, in addition, these infrastructures are environmentally friendly, society and the planet as a whole benefit from our investments.

Alliances

We are committed to the development of the sector and for this reason we maintain fluid relations of collaboration with the different Public Administrations, in order to facilitate the exchange of information and experiences that allow us to enrich the debate and reflection on the new models of care.

We also have agreements with the **Francisco de Vitoria University** and the **Escuela de Empresa** to host interns who subsequently join the Healthcare Activos workforce on a permanent basis.



Universidad
Francisco de
Vitoria

UFV Madrid



We contracted auxiliary cleaning services with the **Intrass-CEE Foundation**, a state-wide organisation that promotes the employment of people with disabilities and at risk of social exclusion.

Exchange of experiences in the health sector

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

Recent examples:

Keys to the
geriatric
sector

Alimarket

Investing in Care
Homes for the
Elderly: how, where
and how-much

esade

Investing in
Health Care
Property

**HEALTHCARE
BUSINESS INTERNATIONAL**



Environmental Commitment

At Healthcare Activos we are aware of our role as a driver of change towards more environmentally sustainable healthcare infrastructure.

We therefore implement measures that contribute to reducing the impact on ecosystems.

We extend these values to all our stakeholders in order to ensure that the assets in our portfolio meet the highest environmental standards and do not compromise future generations.

In line with this, we have set important targets for 2022:

- Submit our sustainability performance to GRESB assessment
- Monitor the consumption of assets
- Certify 100% of our new developments under BREEAM
- Calculate the carbon footprint

Derived from these objectives, we have initiated a series of continuous improvement actions that will enable us to have a more efficient portfolio:

Analysis, monitoring and management of energy consumption

Analysis, monitoring and management of water consumption

Implementation of renewable energy systems

Elaboration and implementation of green clauses in lease agreements



At Healthcare Activos we are aware that the planet's resources are limited and we implement different measures to enable the transition to a circular economy.

We carry out all our activities in the most environmentally friendly way, favouring the conservation of biodiversity, the sustainable management of natural resources and contributing to a reduction in greenhouse gas emissions.

In this sense, we are moving towards environmental efficiency in our assets.

47%

Of our operating assets have an energy rating of A to C

100%

Of our new assets under development include renewable energy systems

100%

Of our buildings have a system for separating and treating waste



This report includes the environmental, social and governance performance of Healthcare Activos during 2021, covering the period from 1 January 2021 to 31 December 2021. The previous year (2020) is also considered in various sections for comparison purposes.

The development of the information reflected in this report has been carried out in accordance with the Global Compact initiative by supporting and developing its Ten Principles within our sphere of influence.

This is our second Sustainability Report.

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