

Environmental Social and Governance policy 2020



Environmental, Social and Governance (“ESG”)

We believe that a robust approach to environmental, social and governance issues is intrinsic to developing a strong, sustainable business. It is a fundamental part of our business model and activities. This means having in place the right checks and balances, decision-making frameworks and management processes to promote long-term thinking.

Our purpose

To form long-term partnerships with our tenants, through which we own and invest in the buildings they require in return for a predictable rent, enabling our tenants to concentrate on providing excellent care to their residents.

Our values

Our core values are:

- to focus on the long-term sustainability of our business;
- always to act openly and transparently with all our stakeholders;
- to be practical, combining entrepreneurial nimbleness with the strength of a listed company; and
- to be efficient.

Our business model

Successfully implementing our business model ensures we maintain a high-quality business, with a rigorous focus on:

- the quality of the buildings we own;
- the quality of care our tenants deliver;
- the quality of the cash flows we generate.

Our strategy

To achieve our value-creation objectives, we:

- buy the right assets on the right terms, by implementing our investment strategy;
- effectively manage the portfolio as a whole as well as individual assets, by implementing our portfolio management and asset management strategies; and
- optimise our balance sheet, by implementing our financing strategy.

Responsibilities

Overall responsibility for ESG and this Policy rests with the board of Impact Healthcare REIT plc. The board discharges this responsibility through the Investment Manager who is responsible for the implementation of this Policy.

Rupert Barclay Chairman

7 April 2020

Approach to ESG

Core principles of sustainability

Principles	E	S	G
Conduct our business with integrity and in an open and ethical manner and require the same standards from our stakeholder relationships.			
Operate in an environmentally sustainable manner and minimise the environmental impact of our operations, including on climate change.			
Climate resilience – protecting the business from the future impacts of climate change and anticipated low carbon transition policies.			
Extend the economically useful lives of our buildings through monitoring our tenant obligations and investing in refurbishment and reconfiguration.			
Disseminate the Group’s policies to advisors, suppliers, occupiers and our key stakeholders.			
Comply with all legal and regulatory requirements and, where feasible, exceed minimum compliance.			
Promote diversity and inclusion throughout our activities.			

Statement of aims

By utilising these guiding principles our aims are:

- To be transparent in our conduct and reporting.
- To create homes which are better prepared for the future – more efficient, climate resilient, more comfortable for our tenants’ residents and staff, and respecting their environment.
- To foster co-operative and successful relationships with tenants, residents, shareholders and lenders to create long term shared value for all.
- Acknowledging and utilising the importance of our relationships with our tenants, we also aim to create and support a healthy, safe, and positive living environment, which all of their residents are proud to call home.

Environment



Our environmental conduct

Through our relationships with stakeholders and primarily our tenants to:

- manage our business in an environmentally sustainable manner and endeavour to minimise the environmental impact of our operations; and
- protect the business from the future impacts of climate change and anticipated low carbon transition policies

We will:

- integrate environmental considerations into all our planning, processes and decisions;
- develop a sustainability strategy and plan, including policies, material issues, targets, and risks and opportunities, to ensure ongoing relevance and effectiveness;
- seek to reflect environmental standards and reporting expected of our suppliers and our tenants in our contracts and leases;
- strive for continuous improvement of the environmental performance of our portfolio (including the operational performance of the tenants);
- recognise the urgency of addressing climate change and explore taking baseline measurements against which to establish targets.

We recognise the potential for inheriting environmental risks through property acquisitions and therefore will ensure that:

- Prior to the acquisition of a property, a review is conducted to identify past uses and the potential for ground contamination, as well as the presence of hazardous materials.
- Consideration is given to physical risks from climate change, flooding, rising water tables and localised flooding that might apply to the property.
- Consideration is given to the environmental status and performance of the property and the potential consequences of Government low carbon transition policies.
- Opportunities are identified for achieving environmental improvements in the operation of the building, including climate change adaptation, through the refurbishment process.

Social



Our social conduct

We recognise the importance of our relationships with all our stakeholders and engage in an open and constructive manner to maintain and improve our business operations and the environment for our tenant's residents.

We will:

- be transparent and make all our policies available on our website;
- engage with stakeholders to ensure we are aware of, and are able to respond to, their expectations;
- engage regularly with our shareholders to ensure we continue to meet globally recognised sustainability standards and best practice.

Governance



Conduct of our business

We conduct our business with integrity and seek to ensure that our non-executive directors, investment manager, administrator and other businesses engaged by us, including advisers, contractors, and agents, do the same.

We will:

- be honest, open, transparent;
- obey all relevant laws and regulations;
- be prepared to admit and correct mistakes without delay;
- declare any potential conflicts of interest which may compromise our business dealings;
- not give or receive illegal or inappropriate inducements;
- at all times promote the ethical conduct of business.

This approach will be supported by putting in place policies which address anti-corruption and bribery, whistleblowing and supplier code of conduct in addition to our existing diversity, expenses and conflicts of interest policies.

We believe that good governance practices are essential to a successful and sustainable business, and therefore we ensure that they are integral to us.

We are working under new AIC Code 2019, and the other new statutory and regulatory activities and reporting requirements that have come into force over the past 12 months.

We believe in transparency to stakeholders and seek to ensure we report comprehensively and fairly in our Annual reports and engage with our stakeholders throughout the year.

Having defined our Environment, Social and Governance principles we are embedding these into our culture, through being responsible, focused on the long-term, and engaging with our stakeholders.

Our board supports and encourages the engagement in these values and behaviours across the business.