

Sustainable income performance

Primary Health Properties PLC Responsible Business Report 2024



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Leading investor in flexible, modern primary healthcare accommodation across the UK and Ireland



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Responsible business

Towards net zero

PHP is committed to transitioning to net zero carbon ("NZC") across its operations and property portfolio. Our framework focuses on five key steps to achieve this across our operational, development and asset management activities by 2030 and to help our occupiers achieve NZC by 2040.

Highlights 2024



Development

Net zero project at Croft on site, due to complete in Q2 2025, and second project commenced in South Kilburn, London



Asset management

First NZC projects completed



Tenants and operations

Achieved Toitu Carbon Reduce certification and purchased 100% renewable energy



Projects

Committed to applying science-based targets and continued EPC reassessments generate significant improvements

Net Zero Carbon Framework

Our net zero targets relate to the emissions from our direct operations, embodied carbon from new build and refurbishment projects and our tenants' emissions from their use of our buildings. Purchased goods and services are not yet included in our targets as these are new sources of emissions being measured for PHP. However, we will consider a suitable target over time.

By 2023 – operations net zero

- Reduce emissions from offices, transport and assets where we procure energy for tenants
- We are now procuring 100% renewable energy where PHP controls supplies
- We are offsetting residual emissions using high quality nature-based carbon offset projects

By 2025 – all new developments net zero

- Continually reduce energy use intensity of new buildings and ensure they can operate with net zero emissions
- Measure, minimise, benchmark and improve embodied carbon performance for all new developments, setting incrementally more challenging targets for reduction
- Offset residual embodied carbon emissions via high quality projects

By 2030 – net zero asset management and EPC B

- Across the portfolio all properties to have an EPC rating of B or better, where economically feasible

- Achieve reductions in energy use intensity (kWh/m²) through asset management projects and electrify buildings where feasible, as part of net zero operational assets
- Measure, target reductions and offset residual embodied carbon from our asset management activities
- Collect and communicate energy performance data for all our occupiers and support them to transition to lower energy and carbon operations

By 2035 – 80% carbon reduction of the portfolio

- Continued energy demand reduction through upgrade and refurbishment
- Remove fossil fuel heating systems from all properties
- Increase proportion of renewable energy generation on our sites
- Reduce the carbon intensity of buildings compared to 2021 portfolio baseline

By 2040 – enabling a net zero portfolio

- Help occupiers to lease and operate our buildings with net zero carbon emissions
- Offset any remaining occupier residual carbon from 2040 for all properties where the lease was signed or renewed after 2035
- NZC achieved five years ahead of the NHS's target of 2045 and ten years ahead of the UK and Irish governments' targets of 2050

Responsible business continued

Responsible business and ESG review

Premises, Health and People: investing in the health and wellbeing of our communities.



Laure Duhot
Chair of the ESG Committee

"PHP has had another strong year in delivering on its NZC Framework through its asset management and development activities."

Dear shareholder,

PHP has a strong commitment to responsible business and ESG matters are at the forefront of the Board's and our various stakeholders' considerations. The Group has committed to transitioning to net zero carbon ("NZC") by 2030 and has published a framework setting out the five key steps it is taking to achieve this ambitious target.

In 2024, we have continued to deliver against the objectives set and I am pleased to present the Responsible Business and ESG Review highlighting the progress made in the year.

Members of the ESG Committee (the "Committee")

Member	Number of meetings and attendance
Laure Duhot (Chair)	3 (3)
David Austin	3 (3)
Ivonne Cantú	3 (3)
Mark Davies (appointed 24 April 2024)	2 (2)
Richard Howell	3 (3)
Harry Hyman	3 (3)
Ian Krieger	3 (3)
Bina Rawal	2 (2)
Steven Owen (resigned 24 April 2024)	1 (1)
Jesse Putzel (resigned 30 June 2024)	2 (2)
David Bateman (resigned 31 July 2024)	2 (2)

Bracketed numbers indicate the number of meetings the member was eligible to attend in 2024. The Company Secretary acts as the secretary to the Committee and attends all the meetings.

Responsible business continued

In 2024, we continued to deliver and make good progress on our NZC Framework and our wider ESG commitments, building on the strong progress made in previous years.

Through our development and asset management activities we have continued to invest in the portfolio, improving energy and carbon performance, driving rental growth and creating more sustainable healthcare infrastructure for the future and notable achievements included:

- completion of our first pilot NZC asset management project at Swan Lane Medical Centre, Norfolk;
- ongoing construction of our first NZC development at Croft, West Sussex due Q2 2025; and
- commencing work on a second NZC fit-out project at South Kilburn, London, which is due to be completed in Q2 2025.

The ESG Committee has also overseen the further development of our work on energy and carbon reduction and I am pleased to report that in 2024 we committed to the application of science-based targets and for the second year in succession achieved certification from Toitu Carbon Reduce and ISO 14064, which demonstrates our robust approach to carbon measurement and reduction. As part of this we continued to improve our understanding of the energy performance of the wider portfolio and continued to build on our partnership with ARBNCO Ltd to move towards 100% data coverage and to enable engagement with tenants to help them improve their performance.

Following our extensive work on climate risks and scenario analysis in previous years we have produced our fourth TCFD disclosure, which is set out on pages 18 to 24.

We have also amended our social impact programme to focus and link with our asset management projects, working directly with tenants to provide support for their chosen social prescribing initiatives in favour of their patient list and wider local community. Additionally, we continue to engage with and support our employees focusing on professional and personal development.

I trust you find this report helpful and informative and would be delighted to receive any feedback or comments you may have on our approach.

Laure Duhot
Chair of the ESG Committee
27 February 2025



Responsible business continued

Our approach

PHP's approach is based around its core activities of investment, development, and asset and property management together with its corporate activities.

PHP supports and links its strategy to the UN Sustainable Development Goals ("SDGs"), focusing on the most relevant SDGs where it can have a positive impact. Our strategy is based around three core pillars that run through our activities focused on Premises, Health and People and is supported by our ESG policies (available on our website). These are:

Our approach

Performance against our commitments

Approach	Purpose	Aims	Focus	Commitments and targets	Progress 2024	Focus areas 2025
1. Premises – Built environment						
Investing in and developing sustainable buildings.	To employ sustainable design to develop, refurbish and upgrade our buildings to modern medical and environmental standards.	Building a more resilient portfolio for the long term.	<p>Reducing risk by building purpose-built new developments and making quality acquisitions.</p> <p>Working with occupiers to improve the energy efficiency of our properties and integrate more sustainable features.</p> <p>Having a preference for reusing existing buildings, upgrading them in an energy and resource efficient way, reducing reliance on new resources.</p> <p>Sourcing responsibly and designing for future reuse of assets and materials.</p> <p>All new developments are to be NZC by 2025 and asset management projects by 2030.</p>	<p>Delivering BREEAM and nZEB certified buildings.</p> <p>Improving portfolio EPC ratings.</p> <p>Increasing visibility of energy performance across the portfolio.</p> <p>Delivering on our net zero carbon commitments.</p>	<p>Our NZC development at Croft is due to achieve practical completion in Q2 2025 and our second project at South Kilburn in London commenced on site. We plan to start a third NZC development at Spilsby, Lincolnshire, later in 2025.</p> <p>We completed PHP's first pilot NZC asset management project at Swan Lane Medical Centre, Norfolk, confirming good energy performance and reductions that can be applied to future projects.</p> <p>Future development and asset management projects (in excess of £1.0 million project cost) are targeted to achieve BREEAM Excellent or Very Good in the UK or nZEB and BER A3 in Ireland.</p> <p>The overall portfolio now has 47% A–B ratings and 88% A–C, by value.</p> <p>We have energy data points for 77% (improved from 75% in 2023 and 60% in 2022). We are now partnering with ARBNCO to get to 100% and improve data quality.</p> <p>We also committed to the application of science-based targets and expanded our carbon measurement to include our supply chain and gained Toitu Carbon Reduce certification for our Scope 1, 2 and 3 emissions for the second year in succession.</p> <p>100% of PHP procured electricity is now from renewable sources.</p>	<p>Continue to focus on improving EPC ratings to B and deliver net zero ready refurbished buildings via our asset management programme.</p> <p>Apply the learnings from the first pilot NZC asset management project completed in 2024 and work with expert partners to carry out net zero audits for buildings to inform our approach and align with the NHS Net Zero Carbon Buildings Standard.</p> <p>Measure embodied carbon from our asset management projects to understand our performance and set targets as part of our NZC commitments.</p> <p>Roll out our partnership with ARBNCO to collect 100% of energy data, enabling tenant engagement and performance improvement.</p> <p>Keep under review targets for energy use intensity and embodied carbon and submit our corporate targets for approval by the Science Based Targets initiative.</p>
		<p>Reducing our carbon footprint.</p>	<p>Working with our stakeholders to improve the energy efficiency of our properties and integrate more sustainable features with a long term ambition of the whole portfolio, including occupiers' operations, being NZC by 2040.</p>			
		<i>Policies</i>	<i>Net Zero Carbon Framework; Sustainability; Sustainable Development and Refurbishment.</i>			

Responsible business continued

Our approach

Approach	Purpose	Aims	Focus
2. Health – Community impact			
Engaging with and enhancing the right stakeholders to drive effective decision making.	To support initiatives that further the health, wellbeing and education of our local communities.	Meeting the healthcare needs of communities.	Engaging in effective communications and collaborative practices with our occupiers.
		Creating social value.	Working with partners to enhance wellbeing and inclusivity through initiatives that contribute to the creation of healthy, supportive and thriving communities.
		<i>Policies</i>	<i>Sustainability.</i>



Performance against our commitments

Commitments and targets	Progress 2024	Focus areas 2025
Investing, via our Community Impact Fund, into causes which enhance health and deliver social value.	We continued grant giving as part of asset management projects, awarding two grants totalling £13,000 to charitable organisations directly linked to our assets, and will continue in 2025.	Continue to expand our social prescribing programme, linked to our asset management projects, focusing on local initiatives linked directly to PHP's tenants.
Demonstrating the positive impact investment in primary healthcare can generate.	We conducted a confidential staff survey and fed back to employees on issues raised. General sentiment was positive.	Capture the positive social outcomes of our initiatives and business activities.
Continuing to promote PHP's culture and commitment to high levels of ethics and a workplace culture of inclusion, diversity and equal opportunity.	We increased our efforts to guard against modern slavery in our supply chain, engaging with all our supply partners, conducting third-party audits on three sites.	Continue to engage our supply chain on ethical labour and sourcing and make use of targeted audits as part of our due diligence process.
Conducting an independent annual staff survey to inform and monitor continued improvement.	We conducted a confidential staff survey and fed back to employees on issues raised. General sentiment was positive.	Continue to support staff with individual training and development plans.
Being transparent and compliant in all our operations.	We provided enhanced maternity and paternity benefits to staff and continued to promote volunteering opportunities, with two members of staff taking up the option, totalling seven days of volunteering.	Continue to survey staff to ascertain levels of employee satisfaction and implement targeted action plan for identified areas for improvement.
<i>Policies</i>	<i>Business Ethics, Equality, Diversity and Inclusion, Anti-bribery and Corruption.</i>	

3. People – Responsible business

Conducting our business with integrity and investing in human capital.	To create opportunities and maximise the potential of the stakeholders we work with.	Providing a good place to work.	Ensuring effective investment in the professional development of the Group's employees.
		Governing an ethical business.	Maintaining a culture of empowerment, inclusion, development, openness and teamwork for our people.
		<i>Policies</i>	Being transparent and compliant in all our operations.
		<i>Policies</i>	<i>Business Ethics, Equality, Diversity and Inclusion, Anti-bribery and Corruption.</i>

Responsible business continued

Introduction

PHP invests in flexible, modern properties for the delivery of primary healthcare to the communities they are located in. The buildings are let on long term leases where the NHS, the HSE, GPs and other healthcare operators are our principal occupiers. As at 31 December 2024, the Group owned 516 properties valued at £2.8 billion which are located across the UK and Ireland.

Responsible business reflects PHP's strong commitment to ESG matters and addresses the key areas of ESG that are embedded into our investment, development, asset and property management, and corporate activities. We are committed to acting responsibly, having a positive impact on our communities, improving our responsible business disclosures, mitigating sustainability risks and capturing environmental opportunities for the benefit of all our stakeholders.

We realise the importance of our assets for the local healthcare community, making it easier for our GP, NHS and HSE occupiers to deliver effective services. We are committed to creating great primary care centres by focusing on the future needs of our occupiers and thereby ensuring we are creating long term sustainable buildings.

PHP is committed to helping the NHS achieve its target to become the world's first net zero carbon national health system by 2045 and to delivering against the aims of the NHS Net Zero Carbon Buildings Standard. PHP's Net Zero Carbon Framework sets out its own plan to transition the Company's activities to net zero by 2030 and help its occupiers achieve this for their activities by 2040, ahead of the NHS and UK and Irish governments' net zero target dates. PHP will continue to proactively engage and work with its various healthcare occupiers to help them achieve this.

This Responsible Business Report sets out our commitment and approach to environmental and social sustainability. It is reviewed annually and approved by the Board and sets the framework for establishing objectives and targets against which we monitor and report publicly on our performance.

Case study – Croft, West Sussex



- PHP's first net zero carbon development
- Achieved BREEAM Excellent

The development at Croft, West Sussex, represents the future of sustainable primary care in the UK. PHP was appointed to develop the highly sustainable premises to consolidate and expand services locally and cater for an expected significant growth in patient numbers over the next few years.

The premises support the national and local NHS strategies to move services away from over-stretched hospitals, providing a greater range of primary and community care services.

Developed on brownfield land and due to achieve practical completion in Q2 2025. The premises have been let for 25 years to the local GP partnership and pharmacy, allowing patients and the wider primary care network to access a range of services, including general practice, mental health assessments, occupational and physiotherapy, social prescribing and training for GPs, nurses and paramedics.

The building has an EPC A rating and is PHP's first net zero carbon development. The building is being delivered in a highly sustainable way, with materials from certified responsible sources, low carbon products, low waste and water and enhanced ecology on site. During construction, PHP has also carried out ethical labour audits and engaged with the main contractor to raise awareness of modern slavery risks.

→ Read more about how we are investing in and developing sustainable buildings in section **1. Premises – Built environment** on **pages 8 to 11**

→ Read more about how we are engaging and enhancing the right stakeholders to drive effective decision making in section **2. Health – Community impact** on **page 12**

→ Read more about how we are conducting our business with integrity and investing in human capital in section **3. People – Responsible business** on **pages 13 to 17**

Responsible business continued

1. Premises – Built environment

Responsible investment

Key commitments: Minimum EPC rating of C and capable of being improved to B or better.

Environmental and sustainability performance are integral elements of PHP's approach to the acquisition of existing and funding of new primary healthcare buildings. We use detailed assessments of each location, looking at building efficiency and performance, enhanced service provision for the community and support for wider healthcare infrastructure.

We undertake detailed environmental and building surveys to assess physical environmental risks for each investment, including flooding, to ensure the risk is avoided or appropriate prevention measures are developed (see our TCFD disclosures on pages 18 to 24).

During 2024 we continued applying our net zero and ESG commitments to investment activities, engaging with developers and asset owners to challenge standards and leverage our influence.

The acquisition of Gillies Health Centre, Basingstoke, demonstrates this with good environmental performance including an EPC rating of B.

Responsible development

Key commitments: All new developments to be NZC by 2025, BREEAM Excellent and Very Good for fit-outs in the UK, and nearly nZEB and BER A3 in Ireland.

PHP, together with its development partners, is committed to promoting the highest possible standards of environmental and social sustainability when designing and constructing new assets.

Our Sustainable Development and Refurbishment policy outlines our minimum requirements for BREEAM Excellent and a range of environmental issues, including energy and carbon, waste and resources, biodiversity, climate adaptation and health and wellbeing. Our development partners are also required to work to the same standards.

We aim to develop new buildings to be net zero carbon in construction (minimising embodied carbon and offsetting residual emissions) and ready to operate with net zero emissions. All developments aim to be fossil fuel free and we are working towards setting specific energy intensity benchmarks and targets.

Construction of PHP's first NZC development at Croft, West Sussex, is due to reach practical completion in Q2 2025 and the embodied carbon to practical completion has been measured with our contractor.

In July 2024 the Group commenced work on a second development at South Kilburn, London. The scheme comprises the fit-out of a shell unit which is being constructed to NZC standards and is also expected to reach practical completion in Q2 2025.

Responsible asset and property management

Key commitments: Improve EPC ratings to B, procure 100% renewable energy, achieve BREEAM Very Good for refurbishments and extensions over £1 million and engage tenants on, and improve, the visibility of energy and carbon performance.

We are committed to creating best-in-class primary care centres, focusing on the future needs of our occupiers and thereby ensuring we are creating sustainable buildings for the long term. We invest in the portfolio of properties to generate enduring occupier and patient appeal, which provides opportunities to improve rental values, the security and longevity of income, and the quality of assets. This is a key route for PHP to deliver energy efficiency improvements and to introduce low or zero carbon measures for our occupiers and their patients.

Asset and property management will play a key role in achieving our NZC target of having an NZC portfolio by 2040, with interim commitments for all properties to have an EPC rating of at least B and NZC asset management by 2030 and an 80% reduction in portfolio emissions by 2035 via targeted improvements to buildings and occupier engagement.

Case study – South Kilburn, London



As part of the regeneration of a socially deprived area of South Kilburn, London, 2,500 new homes are being constructed and the estate master plan requires the delivery of a new Civic Centre which includes a new medical centre as well as retail and community space.

The new primary care centre will accommodate the Kilburn Park Medical Centre, providing significant new investment in both primary and enhanced services for up to 13,000 patients to address significant population growth in the area.

PHP has worked collaboratively with the lead residential developer, the local ICB and the Kilburn Park Medical Centre practice to design and deliver the new centre and work has already commenced and is due for completion in Q2 2025.

The fit-out is being delivered to achieve NZC and the environmental impact is at the centre of its design. The project is on track to be delivered to BREEAM Excellent, exceeding the NHS requirement of "Very Good". Heating and cooling will be provided through electrically powered air source heat pumps.

The fit-out contractor has also worked with local community organisations to raise the profile of construction in education and we are currently working with the GP practice for wider community engagement in the run-up to practical completion and the new centre opening.

Responsible business continued

Case study – Long Stratton, Norfolk



- PHP's first NZC asset management project
- EPC A rating and BREEAM Very Good
- NZC for all future operational use
- Air source heat pumps replace oil fed system
- Solar PV and electric vehicle charging

As a consequence of significant new housing development in the local area, delivering 1,800 new homes and placing significant pressure on the existing healthcare provision, PHP has refurbished and extended the existing primary care centre which was more than 20 years old to create seven additional clinical rooms, increasing the capacity of the practice by 20% to serve more than 12,000 patients locally.

The refurbished and extended centre has now been future-proofed for the foreseeable future allowing the practice of eight GPs and 13 healthcare professionals to deliver enhanced medical services including minor operations, mental health, physiotherapy and a pharmacist.

The project represented PHP's first NZC asset management project with the environmental performance and impact of the materials used being at the heart of its design and construction. The learnings from the project will be used for future projects as the Group focuses on its target that all asset management projects will be NZC by 2030.

Responsible asset and property management continued

During 2024 we completed six (2023: eight) asset management refurbishment projects, with all achieving an EPC B rating. This includes three projects where a significant improvement was achieved from D and E. We have a further ten (2023: six) refurbishment projects on site or committed, which include energy efficiency upgrades, installation of roof-mounted solar panels and air source heat pumps and thermal efficiency upgrades. We have continued to use BREEAM for refurbishments but several projects during the year could not be certified due to their scope and size. We agreed 21 (2023: 12) new leases and regears during the year, with all including Green Lease clauses.

In addition, we carried out targeted reassessment of building EPC ratings to better reflect their current performance. Combined with annual renewals, we now have 47% of properties by value at an EPC rating of B or better (2023: 42%) and 88% at A–C (2023: 85%).

Our first net zero ready refurbishment project was completed in the year at Long Stratton in Norfolk, which was designed to move away from gas to an air source heat pump.

This has enabled us to provide benchmarks for target setting on future projects and we are assessing embodied carbon for a number of these which along with net zero audits of buildings in operation will pave the way for future NZC asset management projects as we aim to accelerate progress ahead of our current 2030 commitment.

Working with our occupiers is essential to improving the performance of buildings and during 2024 our property management and facilities management teams engaged with all of our tenants, carrying out over 830 (2023: over 1,000) site visits at which issues, including energy and utilities, were discussed. During 2024 we have continued to review ways to improve the performance of the portfolio outside of our asset management programme. This includes 283 (2023: 330) facilities management plant and equipment replacements and upgrades, including LED lighting, more efficient heating systems and building management systems. We also supported tenants to make their own building improvements, including energy efficiency upgrades and solar PV installations.

To build on this, we are planning to roll out larger solar PV installations to sites where PHP will facilitate this for tenants where they procure their own energy. This approach offers the potential to reduce costs for tenants in the long term as well as reducing carbon emissions.

Progress on energy and carbon performance

As outlined above, during 2024 our investment, development and asset and property management activities continued to deliver against targets and to support our net zero carbon commitments.

During 2024 all building electricity supplies procured by PHP were from renewable energy. We also continued to offset residual emissions using high quality nature-based carbon offset projects.

Our operational Scope 1, 2 and 3 emissions are provided on pages 10 and 11 in our SECR disclosure.

We have continued to improve our methodology for estimating whole portfolio emissions and now have data points for 77% of the portfolio by area (2023: 75%). To move towards 100% coverage and better data quality and to enable future engagement with tenants to help improve their performance, we continue to partner with ARBNCO. This is a cost effective and scalable software solution providing a direct route to access tenant energy data for our UK property portfolio and a reporting platform.

As part of our ongoing efforts to improve our approach, during 2024 we were successfully certified, for the second year in succession, by Toitu Carbon Reduce and ISO 14064 for carbon measurement and management. As part of this process, our Scope 1, 2 and 3 emissions for 2023 and 2022 gained limited assurance. We also enhanced our Scope 3 measurement, carrying out a screening of all 15 Greenhouse Gas Protocol ("GHGP") Scope 3 categories. Further details are provided on page 11. We will undergo recertification and assurance of 2024 disclosures in March 2025.

Our most significant and consistent source of Scope 3 emissions is downstream leased assets (tenants' use of our buildings), as previously reported, where we aim to achieve net zero by 2040. We are now tracking this year on year against our outline net zero trajectory.

In addition to our asset management projects, during 2024 we carried out further building-level net zero audits and assessments for a number of large assets in our portfolio, identifying routes to reduce energy use intensity and electrification of buildings. We will continue to assess buildings in this way to inform our transition plan and trajectory.

Responsible business continued

Progress on energy and carbon performance continued SECR disclosures

PHP measures its emissions in line with the GHGP and takes an operational control approach. Emissions are based on verified data currently reviewed by a third party, Sustainable Energy First (previously called Inenco), and assured by Achilles via the Toitu Carbon Reduce certification programme (2023 emissions limited assured and 2024 pending limited assurance following audit in March 2025).

Our emissions are calculated using activity data, i.e. metered energy use, with minimal estimates used, e.g. for miles driven by employees. Scope 1 and 2 emissions are normalised by revenue and full-time employees as these relate to our direct operations and by kWh/m² for energy supplied to or procured by tenants. In January 2023, PHP acquired Axis, an Irish property and facilities management business, and we continue to include emissions that relate to Axis' operations arising from its one office in Cork, as well as its delivery of services to clients.

PHP's direct operations result in very limited greenhouse gas emissions. The table overleaf shows our operational Scope 1, 2 and 3 emissions. Scope 1 relates to gas used in our London office, business travel by car and diesel used in vans by Axis. The Stratford-upon-Avon and Cork offices are all electric. Scope 2 relates to grid electricity used at PHP and Axis offices. Scope 3 relates to partial emissions from downstream leased assets, for properties where PHP supplies energy to occupiers, which they hold operational control over. We view these as "operational Scope 3 emissions".

We have reported Scope 3 emissions from tenant procured energy separately along with purchased goods and services.

A detailed breakdown of portfolio emissions is provided in our EPRA sustainability disclosure which is available on our website. 100% of reported Scope 1, 2 and 3 emissions in the year were based in the UK and Ireland.

Operational Scope 1, 2 and 3 emissions

Source	2024		2023	
	tCO ₂ e	MWh	tCO ₂ e	MWh
Scope 1				
Business travel (car)	35.9	149	62.7	283
Diesel (vans)	20.7	86	18.8	79
Gas (offices)	12.1	66	10.7	59
Scope 2				
Electricity (offices)	14.8	68	15.7	75
<i>Market based¹</i>	—	—	—	—
Total Scope 1 and 2	83.5	369	107.9	496
<i>Market based¹</i>	68.7	—	92.2	—
Operational Scope 3				
Landlord supplied electricity	1,190	5,440	1,188	5,737
<i>Market based¹</i>	—	—	35	—
Landlord supplied gas	997	5,450	1,240	6,780
Total operational Scope 3	2,187	10,890	2,428	12,517
<i>Market based¹</i>	997	—	1,276	—
Total operational Scope 1, 2 and 3	2,272	11,259	2,536	13,013
<i>Market based¹</i>	1,066	—	1,368	—
<i>Upfront embodied carbon from completed asset management project</i>	184	—	—	—
<i>Nature-based carbon credits purchased</i>	(1,250)	—	(1,368)	—
Net tCO₂e	—	—	—	—
Intensity metrics				
Scope 1 and 2 tCO ₂ e per full-time employee	1.0	—	1.3	—
Scope 1 and 2 tCO ₂ e per £m revenue	0.5	—	0.6	—
Scope 3 kgCO ₂ /m ² and kWh/m ²	13.8	68.8	14.8	76.2
<i>Market based¹</i>	6.3	—	7.8	—

1 Market-based reporting reflects the emissions from the electricity being purchased, whereas location based uses national grid average emissions for the reporting year.

Responsible business continued

Case study – Trinity Medical Centre, Wakefield



- EPC B rating and BREEAM Very Good
- Hydrogen ready gas boilers
- LED lighting throughout
- Solar PV and electric vehicle charging

The Trinity Medical Centre, originally constructed in 1998, is being repurposed and refurbished following the merger of two separate GP practices. The reconfiguration of the accommodation will create 13 additional consulting rooms to increase capacity, one new waiting area with a compliant reception desk to serve patients, new disabled WCs and baby changing facilities.

An essential part of the refurbishment work includes significant environmental improvements to the property with the current gas boilers replaced with hydrogen ready gas boilers to future proof the heating system. To enhance thermal efficiency, the external windows will be replaced and LED lights including sensor controls will be installed to reduce running costs for the practice. Additional improvements include PV solar panels and the provision of electric vehicle charging points in the car park. The improvements will result in the EPC rating being improved to a B rating (currently D) and the project will also achieve a BREEAM Very Good certification.

Community services will be introduced to the building promoting the PHP Community Impact Fund with two applications, one from Wakefield Hospice Outreach Team who care for people with progressive illnesses and a second from Memory Action Group, a local charity who provide drop in centre for people living with dementia.

Progress on energy and carbon performance continued Operational Scope 1, 2 and 3 emissions continued

During 2024 absolute Scope 1 and 2 emissions have decreased by 23% (2023: +43%) and intensity by 23% (2023: +20%). This is primarily due to greater accuracy of readings and the removal of estimates used in the prior year calculations. The emission intensity of grid sourced electricity also increased by 5% in 2024 (2023: +7%).

Like-for-like business mileage has decreased in the year as a result of a lower number of business travel. Employees are encouraged to use public transport where possible and during the year employees continued to use the Train Hugging platform, which supports UK reforestation through every journey. Staff continue to take up our electric and hybrid vehicle benefit, with seven (2023: five) members of staff taking up the option to date.

Our office energy use has remained broadly static during 2024 and 2023.

We will continue to reduce energy demand from our offices where possible and emissions from transport; however, our wider portfolio is where we aim to focus our attention. As shown in the table above,

Scope 3 emissions from landlord supplied energy (downstream leased assets) have decreased on an absolute and normalised basis. This is primarily due to a decrease in gas as assets start to transition to all electric buildings.

Electricity and gas consumption have decreased by 5% and 20% (2023: +8% and +9%) respectively. We have continued to support tenants to reduce their use of energy and resulting emissions, including through our asset management programme. We expect to see results of these and new initiatives over time.

We have now switched all electricity supply to 100% renewable energy (2023: 97%). Therefore, on a market-based reporting basis, there has been a 22% reduction (2023: 8% reduction) in absolute and 10% reduction (2023: 12% reduction) in normalised emissions.

We have offset all residual 2024 and 2023 emissions, including the energy we procure on behalf of our tenants, through purchasing high quality nature-based carbon credits from independently certified projects.

Wider Scope 3 emissions

During 2024, we have continued to expand our measurement of wider Scope 3 emissions against the 15 categories of the GHGP Scope 3 Standard.

As part of our certification to Toitu Carbon Reduce, we have determined the most material categories. Categories 3, 8, 9, 10, 11, 12, 14 and 15 are not relevant for PHP's business. Categories 5, 6 and 7 have been assessed and are de minimis at under 10 tCO₂e. We will continue to track emissions from business travel. Category 4, upstream transportation, is included within the calculation for Category 1, purchased goods and services. Embodied carbon is relevant under Category 2, capital goods. This is being measured for developments and some refurbishments and will be reported when projects are completed (including associated transport emissions).

Scope 3 source	2024			2023		
	tCO ₂ e	MWh	£m	tCO ₂ e	MWh	£m
Purchased goods and services	6,659	—	36	5,730	—	37
Downstream leased assets						
Electricity	11,230	53,029	—	11,284	54,492	—
Gas	11,763	64,419	—	12,567	68,697	—
Total wider Scope 3	29,652	117,448	36	29,851	123,189	37
Intensity metrics	36kgCO₂e/m²	143kWh/m²	185tCO₂e/£m	36kgCO ₂ e/m ²	151kWh/m ²	154tCO ₂ e/£m

Responsible business continued

2. Health – Community impact

Social – health and wellbeing

PHP seeks to have a positive impact on the health and wellbeing of the communities where its assets are located and has set policies and targets to improve this through the Group's asset and property management activities.

PHP is committed to supporting both the NHS and HSE in tackling the major underinvestment in primary care facilities in the UK and Ireland. PHP's aim is to provide modern, purpose-built properties let to the NHS, the HSE, GPs and other healthcare operators which enable them to provide the highest standards of modern healthcare.

The facilities are predominantly located within residential communities and enable the UK and Irish population to access better health services locally. This is central to the Group's purpose, strategic objectives and business planning processes.

PHP's portfolio serves around 6.3 million patients or 9.3% of the UK population and our portfolio is their first point of contact with the NHS when they start their patient journey.

Our interventions, when we acquire, refurbish or develop new healthcare facilities, have a significant positive social impact, whether through enhancement of experience for people using our facilities, expansion of healthcare provision locally or making healthcare more accessible to those that need it most.

Modern, high quality primary healthcare facilities also help to reduce pressure and costs for the secondary care system. Our active management of the property portfolio seeks to maintain the centres as fit for purpose and enables PHP to identify and manage opportunities and risks associated with the provision of its properties.

Occupier engagement and support

PHP is committed to ensuring that the properties it develops and owns continue to meet its GP, NHS and HSE occupiers' requirements and provide flexibility for future change, update and expansion. Our dedicated teams of asset and property managers look after our occupiers' requirements, with a policy of regular communication and a supportive approach. Our in-house facilities management ("FM") team engages with and supports occupiers, carrying out reactive and planned maintenance to optimise building performance.

Social trends of a growing and ageing population continue to highlight the need for purpose-built primary care premises to provide modern healthcare to the UK and Irish populations. This further reinforces our objectives to continue to invest in existing and new premises for the benefit of all our stakeholders.

It is crucial that we continually update our understanding of what issues matter to our occupiers. To support this, we regularly engage with them and carry out a tenant feedback survey. Throughout 2023 and 2024, we have continued to gather tenant feedback, conducting surveys directly as part of site visits. In 2024 coverage of our survey was 28% (2023: 30%) of the portfolio (by number of buildings). We continue to generate a positive Net Promoter Score for both 2024 and 2023. While positive feedback is helpful, where tenants feel more negatively about an issue, it allows us to work with them on solutions, such as engagement by our asset management team to discuss building refurbishment options. A summary of our engagement with and support for tenants is provided in the table following.

Community Impact Fund

PHP continues to support social and charitable activities and services linked to the patients and communities of our occupiers, which cannot be readily accessed elsewhere. In total, PHP provided £12,000 during 2024 (2023: £137,500).

During 2024 we amended our social impact programme to focus and link directly with the Group's asset management projects, working directly with tenants to provide support for their chosen local initiatives. Grants have been committed totalling £13,000 (2023: £20,000) and we are engaging with practices, at a number of projects whose buildings are at varying stages of refurbishment, delivering much needed support through social prescribing, and we plan to continue to offer grants in this way. We continue to monitor the positive impact of these awards.

Our experience, and that of our award recipients, continues to demonstrate the important role social prescribing has to play in addressing direct and indirect health impacts.

PHP has also continued to support a number of charities from the Community Impact Fund during the year, including The Academy of Real Assets, Children with Cancer UK, Welsh Air Ambulance, Children in Need and Insulate Ukraine and charity matched funding for employees' chosen charities.

Volunteering

PHP staff benefit from five paid days per annum for volunteering activities that are personal and meaningful to them, delivering support to local communities and benefiting from the personal development that these activities provide. Two members of staff have taken up the opportunity to volunteer during 2024 with causes including the Order of Malta taking Lebanese guests with physical and mental disabilities on a camp in Lebanon, providing a range of activities and games allowing them and their carers some much needed respite. We expect more employees to take up the opportunity going forward.



Engaging and supporting tenants...

1,100

property visits by PM, FM and AM teams

20,254

help desk jobs processed

94%

of the portfolio inspected by PM and/or FM

283

FM plant upgrades and replacements

Responsible business continued

3. People – Responsible business

People

PHP recognises the importance of the welfare of the employees who work on behalf of the Group and are critical to its success. Their experience and contribution to the business are essential to the delivery of our business strategy and ESG commitments.

The Group is highly focused with 60 (2023: 58) UK employees at the year end, with a further 27 (2023: 31) employees in the Axis team, and five Non-executive Directors which allows for a flexible and individual approach. PHP's Board has a strong commitment to maintaining, improving and promoting the highest levels of ethics and conduct and promoting a workplace culture of:



Feedback from our tenants...

92%

are happy with PHP's level of communication

94%

feel net zero is important or very important

76%

feel their building meets their needs

35%

Net Promoter Score

94%

would recommend PHP as a landlord

Inclusion and communication	We have a flat management structure with clear responsibilities. We strongly encourage input on decision making from all staff and wide participation in Committee and team meetings. There is strong collaboration across teams which enables good sharing of information and ideas. Regular strategy and performance updates are provided to employees from the Executive Directors and senior management team.
Modern, flexible working practices	We have flexible working arrangements allowing employees to work from home one day per week, ongoing flexibility around start and finish times and a flexible dress code.
Fair remuneration	Employee remuneration is aligned to personal, Company and ESG performance with Long Term Incentive Plans in place for senior employees that replicate arrangements for Executive Directors. All employees receive a variety of benefits which are noted later in this section.
Diversity and equal opportunity	We promote diversity across knowledge, experience, gender, age and ethnicity with a published Equality, Diversity and Inclusion policy in place. Whilst overall female employee representation is good, we recognised that we needed to specifically promote greater gender diversity in the senior team. Our female Board representation is now 43% (2023: 33%) and, in the year, we continued to support the training and professional development of several female members of the property and finance teams. Recognising the significant diversity imbalance in the real estate sector, we continue to support the promotion of diversity, both internally and externally.
Employee development and training	An appraisal process is undertaken twice a year where career progression, training needs and performance are discussed. We actively encourage training and we continue to monitor our staff training each year focusing on professional, including ESG and cyber risk awareness, and personal development.
Health and safety	Health and safety remain central to the execution of PHP's business strategy and we take our responsibilities very seriously and are committed to continued improvement but have an excellent record. See pages 15 and 16 for further details on health and safety.
Wellbeing and employee satisfaction	During 2024 we completed the refurbishment and made improvements to the IT infrastructure at our office in Stratford-upon-Avon for delivery in 2024. The results of our 2024 employee survey are shown later in this section and reflect continued high levels of employee satisfaction. Laure Duhot, the Company's designated workforce Non-executive Director, continues to be closely involved in monitoring employee satisfaction.

Responsible business continued

People continued

Laure Duhot is the designated workforce Non-executive Director. In the year she considered the results of the staff survey and held meetings in the London, Stratford-upon-Avon and Cork (Axis) offices, which were open to all employees. The sessions aimed to gather feedback and ideas from different areas of the Company, to discuss how people feel and their experiences of working at PHP, with feedback reported back to the Board. This resulted in areas for continuing focus through 2025, including continued development and understanding of PHP's culture; continuing to enhance understanding of personal objectives and remuneration outcomes flowing from them; and cross-team working to further progress the Company's people agenda by acting on employee feedback received.

During 2024 eight (2023: four) employees left the business in the year reflecting a staff turnover rate of 14% (2023: 6%).

Employee satisfaction survey

In October 2024, we undertook PHP's third annual employee engagement survey and the first survey of the Axis team based in Ireland. Both surveys were managed by an independent third party to track staff satisfaction. In total, we asked 33 questions, receiving responses anonymously. The survey focused on several key areas and in total we had 43 and 17 responses across the PHP and Axis teams respectively with engagement from 73% (2023: 86%) of PHP employees and 55% (2023: n/a) of Axis employees.

Overall, the results of the survey showed PHP staff sentiment had weakened following a request for staff to be present in the office four days (2023: three days) a week, albeit this was limited to approximately one-third of responses received from the PHP team.

The strongest scoring areas of the survey included the following points:

- the Company's image is of a high quality organisation with a responsible approach to business contributing to reduce its environmental impact and supporting its local communities;
- the Company performs its business operations to a high standard;
- employees understood the link between their personal and the Company's objectives and receive adequate feedback;
- employees felt they are able to speak with senior managers as needed and knew who to go to if they had a query or problem; and
- overall employees were satisfied and enjoy working for PHP.

The weakest scoring areas and other issues identified for further improvements were:

- while employees felt comfortable they could have an open dialogue with management and be listened to, top-down corporate communication was identified as an area where – whilst progress has already been made in response to previous employee feedback – more could be done to keep staff informed and employees also felt there should be more prior consultation on decisions impacting their work;
- employees identified the need for better co-operation across the departments and between teams; and
- employees identified the need for better and quicker IT along with more training support and career progression.

Results of the survey were communicated to staff and identified improvement areas will be a priority objective for the Board and the senior team in the year ahead.

The Company now has a good balance of flexible working while retaining the collaboration benefits of in-office working. Overall, we believe there are significant benefits from working collaboratively in person and we are stronger together, but people are empowered to work from home for one day per week.

Employee benefits

In addition to fair remuneration which is aligned to personal and Company performance, including ESG related targets, and as part of our ongoing commitment to supporting employees and attracting and retaining talent, the Company offers the following benefits to all staff:

- Company pension contributions of 6% of salary;
- 25 days of annual leave plus an additional day of annual leave for each year of continuous service up to a maximum of five days;
- private medical insurance, health cash benefit, income protection and critical illness insurance;
- a green car salary sacrifice benefit to help individuals move to low carbon electric and hybrid personal vehicles;
- life assurance given to all employees at four times salary;
- cycle to work and season ticket loan schemes;
- all employees are eligible to participate in the PHP Sharesave plan; and
- enhanced maternity and paternity pay providing 25 weeks of leave on full pay for women and two weeks for men.

Employee development

PHP's human capital is essential to the success of the business and delivery of outstanding services to our occupiers in the healthcare sector. Attracting, retaining and developing employees is therefore a key commitment for the business.

The training programme for 2024 has continued to focus on needs identified through the appraisal process. We also concluded a mentoring programme, working with our training partner Bisarto, which had positive feedback from employees taking part.

In 2024, we rolled out a compulsory online cyber threat awareness course for all employees who are required to complete a number of modules regarding online security essentials, email and instant messaging security and defence against phishing and spear phishing attacks.

We continued with the sustainability e-learning pathways that covered net zero and embodied carbon, and a range of environmental and social impact issues specific to roles.

PHP also supported funding and facilitation of professional qualifications for six (2023: five) employees and three employees achieved their professional qualifications during the year. The supportive culture of PHP means those training for qualifications are also mentored and assisted by more experienced colleagues.

PHP continued its membership of the Supply Chain Sustainability School and UK Green Building Council. Through both, staff have access to a range of learning and development resources, including e-learning. Training has been promoted to all employees, on subjects including sustainable development, business ethics, modern slavery, climate change and net zero, social value, circular economy and sustainable procurement.

A total of 420 personal development training hours have been delivered across the Group during 2024 (2023: 460 hours) and the Company invested a total of £38,000 (2023: £60,500) or an average of £635 per employee on professional and personal development (2023: £1,040).

All employees received ESG related training during the year, including face-to-face and e-learning modules.

Responsible business continued

People continued

Diversity and equal opportunity

We promote diversity across knowledge, experience, gender, age and ethnicity.

Following the appointment of Dr Bandhana (Bina) Rawal, effective from 27 February 2024, we have further increased female and ethnic minority Board representation to 43% and 28% respectively. Whilst overall female employee representation is good, we recognised that we needed to specifically promote greater gender diversity, particularly in the senior team.

Recognising the significant diversity imbalance in the real estate sector, we continue to support and promote diversity, both internally and externally.

UK employee gender diversity at 31 December 2024

Number of employees	Male	Female
Board of Directors	4/57%	3/43%
Executive Committee	2/100%	—/—
Directors/Head of Department	4/67%	2/33%
Associate Directors	3/37%	5/63%
Associates and Senior Surveyors	6/40%	9/60%
Other	11/41%	16/59%
Total	30/46%	35/54%

The Irish employee gender diversity at 31 December 2024 for the Axis team showed 18 of the 27 employees as male, with 9 female employees. All seven of the senior management are male.

UK employee ethnicity at 31 December 2024

Ethnic origin	2024		ONS ¹
	No.	%	
White – British, English, Welsh, Irish, Other	44	74%	82%
Asian – Indian, Pakistani, Other	3	5%	9%
Black – African, Caribbean, Other	2	3%	4%
Mixed heritage	3	5%	3%
Other/prefer not to say	8	13%	2%
Total	60	100%	100%

¹ Office for National Statistics: Census 2021 data for England and Wales published June 2022.

The Irish employee ethnicity at 31 December 2024 for the Axis team showed 25 of the 27 employees identify as white, with 4 employees from other backgrounds.

Board gender identity or sex as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management
Men	4	57%	4	4	100%
Women	3	43%	—	—	—

Board ethnic background as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management
White British or other White (including minority-white groups)	5	71%	4	4	100%
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian British	1	14%	—	—	—
Black/African Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	1	14%	—	—	—
Not specified/prefer not to say	—	—	—	—	—

¹ The Executive Committee, as set out on page 64 of the 2024 Annual Report, is considered to be the Company's Executive Management as defined in the Listing Rules.

The above data is drawn from internal information supplied by our staff. Refer to page 73 of the 2024 Annual Report for further details on required Board diversity disclosures and the Diversity policy.

UK gender pay gap at 31 December 2024

PHP pays employees equally for doing equivalent jobs across the business and any pay gaps are the result of our employee profile and do not represent pay discrimination. PHP is not required to publish details of gender pay gaps; however, we view this as an important metric to ensure equal and fair treatment regardless of gender.

	Gender pay gap			Bonus pay gap		
	Male	Female	Pay gap	Male	Female	Pay gap
Board – NEDs	66%	34%	49%	—	—	—
Board – Executive	100%	—	100%	100%	—	100%
Executive Committee	100%	—	100%	100%	—	100%
Directors/Head of Department	63%	37%	41%	73%	27%	63%
Associate Directors	49%	51%	(5)%	59%	41%	31%
Associates and Senior Surveyors	48%	52%	(8)%	57%	43%	26%
Other	50%	50%	(1)%	50%	50%	(2)%
Total	73%	27%	62%	90%	10%	89%

Gender pay is the individual average pay divided by the sum of the averages. The Irish gender pay gap at 31 December 2024 showed 59% weighted to male, 41% to female, and an overall pay gap of 30%.

Health and safety

Health and safety remain central to the execution of PHP's business strategy and we take our responsibilities very seriously and are committed to continued improvement but have an excellent record. The Board is responsible for ensuring appropriate health and safety procedures are in place and during 2024 we maintained a regime of inspections utilising both third-party agents, including two risk management solutions providers, and in-house resources to support the portfolio.

Responsible business continued

People continued

Health and safety continued

Where risks need to be assessed under a specific duty or regulation, we ensure that an assessment is carried out and that all actions are implemented on a priority basis. The key health and safety risk areas PHP faces are:

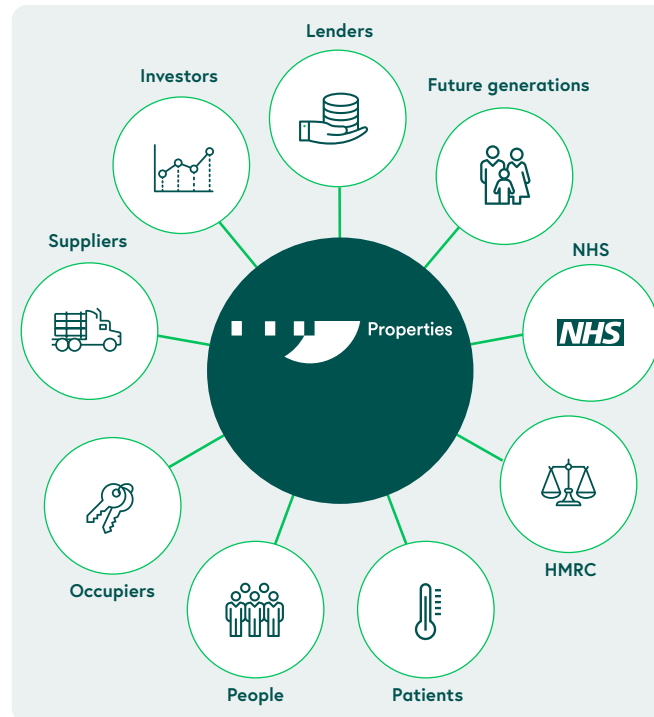
1. Managed properties – where there are multiple occupiers in the same property, a combination of third-party advisers and internal resources is used to carry out a health and safety assessment and audits relating to the common parts.
2. Asset management projects, developments and forward funded developments – all our partners are required to uphold our high standards. Procedures and processes have been developed to ensure compliance with current legislation and requirements. A Project Monitor is also appointed to oversee, manage and monitor health and safety.
3. Employees are required to uphold our high standards and separate procedures and processes are in place to ensure compliance with current legislation and requirements.

During 2024 there were no reported major accidents nor any health and safety prosecutions or enforcements (2023: no incidents). Across the Group 20 out of 21 members of the property and facilities management team hold the Institute of Occupational Safety and Health ("IOSH") accreditation, with no training required during the year. Our Board approved Health and Safety policy is available on the Company's website.

Other stakeholders

While our investment, asset management and development activities focus on the sustainability risks and opportunities that are most material to our business, there are a number of additional issues that are of lower material impact but are of interest to specific stakeholder groups:

- we are transparent and our policies are available on our website and we expect our principal advisers, suppliers and occupiers to follow them;
- we expect organisations we employ to meet the standards we set ourselves; and
- we engage with stakeholders to ensure we are aware of, and are able to respond to, their expectations.



Contractors and suppliers

Delivering developments, asset management projects and property services on time, on budget and in adherence with our high standards is a key priority. Our supply chain is checked (accredited by the SafeContractor scheme) to ensure it is high quality, has a proven track record and applies appropriate standards on areas such as labour, human rights, modern slavery, health and safety and environmental management. During 2024 we have continued to engage with all our suppliers to make them aware of our ESG policies (available on our website) and in particular have focused on the issue of modern slavery. Our Modern Slavery Statement is available on our website and no human rights concerns arose within the year.

We have approximately 820 suppliers across the Group ranging from small local businesses to large multi-national companies. We also acknowledge the importance of our suppliers, which are often small businesses and sole traders, especially those involved with the upkeep and maintenance of our assets. We aim to pay all invoices and amounts due promptly and well within stated payment terms in an effort to preserve the cash flows of these small businesses.

Tax

The Group is committed to complying with tax laws in a responsible manner and has open and constructive relationships with the UK and Irish tax authorities. Whilst the Group enjoys REIT status and therefore is not directly assessable for corporation or capital gains tax on property investments, the dividends that the Group pays are assessed for income tax when they reach investors. During 2024 the Group has directly paid £31.3 million (2023: £32.7 million) of taxes in the form of VAT, income tax, stamp duty land tax, stamp duty and National Insurance contributions to the UK and Irish governments. The Company has also published a tax strategy which is available on its website.

Investors and lenders

The support of our shareholders, banking partners and lenders is crucial to sustaining our investment in the health infrastructure of the UK and Ireland and we continue to enjoy strong relationships with these partners.

During 2024 we have successfully continued to value existing and potential relationships with our investors with just under 200 (2023: 210) meetings during the course of the year. Shareholders and analysts are regularly updated about our performance and are given the opportunity to meet management throughout the year and attend presentations, including a Capital Markets Day, both physical and virtual, and attend site visits to gain a better understanding of our business and strategy.

Governance and business ethics

We conduct our business with integrity and require that our Directors, employees and other businesses engaged by us, including developers, contractors, suppliers and agents, do the same.

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 compliant with the provisions of the UK Corporate Governance Code except one instance where we have not met criteria, and we have explained why on page 61 of the 2024 Annual Report in our Corporate Governance Statement.

Responsible business continued

Other stakeholders continued

Governance and business ethics continued

We believe in transparency of our business to stakeholders, ensuring we report comprehensively and fairly in our Annual and Interim Reports and engage with our stakeholders throughout the year.

Responsibility for business ethics lies with the PHP Board and Chief Executive Officer and is overseen by the ESG Committee.

We will:

- be honest, open, transparent, helpful and polite;
- obey all relevant laws and regulations;
- be prepared to admit and correct mistakes without delay and facilitate "whistleblowing" by employees and other stakeholders;
- declare any potential conflicts of interest which may compromise our business dealings;
- not give or receive illegal or inappropriate inducements in order to retain or bestow business or financial advantages; and
- at all times promote the ethical conduct of business.

These principles are supported by policies which address anti-bribery and corruption, business ethics, equality, diversity and inclusion, sustainability, sustainable development and refurbishment, whistleblowing, money laundering, prompt payment and management of the supply chain and which are available on our website.

We provide training to staff on these key issues and communicate our policies to key stakeholders and our supply chain and expect them to uphold the same standards in their operations and with their own supply chains.

Anti-corruption and anti-bribery

The Group's policy is to conduct all of its business in an honest and ethical manner. The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever it operates and implements and enforces effective systems to counter bribery. There were no reported incidents of non-compliance during 2024 (2023: no incidents).



Enhanced disclosure and benchmarking

We have published our fourth disclosure against the guidance and requirements of the Task Force on Climate-related Financial Disclosures ("TCFD") which are provided on pages 18 to 24.

GRESB – During 2024, PHP completed its fifth submission to the Global Real Estate Sustainability Benchmark ("GRESB"). We received a sector leader award for development, with a score of 95% (2023: 92%) and a four-star rating. Our standing asset score decreased to 66% (2023: 72%) during the year because a number of tenants had not renewed their Display Energy Certificates which expired in the period. Albeit we remained at a one-star rating, the same as 2023. We aim for continual improvement in GRESB and view it as a useful tool. However, circa 30% of the available score is very difficult to achieve for a portfolio like PHP's, made up of a large number of smaller healthcare buildings which are largely tenant controlled.

MSCI – In February 2025, MSCI rated PHP as A for the 2024 Annual Report, retaining our 2023 rating. We will continue to engage with MSCI to ensure our rating best reflects the actions we are taking, although the current methodology restricts us in some areas. For example, a large proportion of our environmental score relies on having a high proportion of BREEAM certified assets, which is not an area that we can influence quickly.

CDP – We responded in full for the third time to the CDP climate questionnaire in 2024, retaining our 2023 rating in receiving a B rating and achieving A levels of performance for several aspects. We see CDP as a key tool to disclose our performance and approach and to help us improve over time. Our rating of B demonstrates we have a high quality approach to managing climate related risks and being transparent in our disclosures and we believe we will achieve an A rating as we deliver on our strategy in the coming years.

EPRA – PHP disclosures are in line with EPRA Sustainability Best Practices Recommendations ("sBPR"). In 2024 and 2023 PHP achieved a Gold award in recognition of our enhanced disclosures and performance. Our latest disclosures are available in the standalone version of this Responsible Business Report, on our website.

PHP also received an EPRA Best Practices Recommendations Gold award for the 2023 and 2022 Annual Report.

In October 2024, Institutional Shareholder Services Inc. ("ISS") rated PHP as "Prime" in its Corporate Rating Report. ISS considers "Prime" rated companies are industry leaders which are well equipped to mitigate the most prevalent ESG risks. This is a testament to our efforts fulfilling ISS ESG's requirements regarding sustainability performance.

Non-financial information statement

Following best practice, the Group has included certain non-financial information within the Strategic Report. This can be found as follows:

The Group's business model is on pages 16 and 17 of the 2024 Annual Report.

Information regarding the following matters, including policies, the due diligence process implemented in pursuance of the policies and the outcomes of those policies, can be found on the following pages:

- environmental matters on pages 2 to 11;
- social matters on page 12;
- health and safety matters on pages 15 and 16;
- respect for human rights on page 16; and
- anti-corruption and anti-bribery matters on this page 17.

Responsible business and ESG matters have been identified as a principal risk and further details can be found on page 56 of the 2024 Annual Report.

All key performance indicators of the Group are on pages 20 and 21 of the 2024 Annual Report.

The Business Review section on pages 12 to 14 of the 2024 Annual Report includes, where appropriate, references to, and additional explanations of, amounts included in the entity's annual accounts.

Laure Duhot
Chair of the ESG Committee
27 February 2025

Task Force on Climate-related Financial Disclosures

Task Force on Climate-related Financial Disclosures

PHP TCFD disclosure for 2024 Annual Report and Accounts

This year, we are making our fourth disclosure against TCFD guidelines and reporting in line with the TCFD reporting requirements for UK premium listed companies. We have outlined how climate change is incorporated into our governance processes, its impact on our business strategy and planning, our approach to risk management and the climate related metrics, targets and commitments we use.

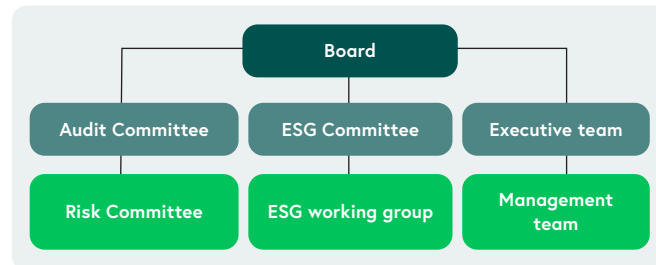
Governance

Board oversight

The Board is responsible for the Group's risk management framework, including the consideration of climate related risks and opportunities as part of its wider oversight of responsible business. The Board reviews climate related risks and opportunities within our existing reporting and governance structure (as detailed on page 56 of the 2024 Annual Report) and has established a specific ESG Committee, which is made up of all members of the Board and relevant members of the Executive team to review, plan, approve and act on climate related issues. The Board and ESG Committee's review of key issues typically happen through relevant update papers presented at each meeting from the relevant members of the Executive Committee, through the ESG Committee and the Risk Committee reporting into the Audit Committee.

The Board and members of the Executive team consider climate related issues when setting objectives, in budget setting and through the Board's annual strategic review of the business. The ESG Committee monitors progress against the business' responsible business objectives and key strategic climate related workstreams, including progress towards PHP's NZC commitment (see page 2) at all meetings of the ESG Committee (which meets at least three times a year) and at the annual Strategy Day, held in October.

Climate related issues are also considered by the Board and Executive team in key investment, development, asset and property management decision making.



The ESG Committee oversaw and approved PHP's Net Zero Carbon Framework in 2022 and subsequent plans and actions to deliver against it. The Committee reviews and approves the ESG budget each year, with specific allowances in 2023 and 2024 made for climate related work, including energy performance measurement of the portfolio and delivering net zero (operational and embodied) carbon projects for developments and asset management. The Board regularly reviews and approves acquisitions made by the Group and takes into consideration ESG and climate related commitments, specifically minimum EPC ratings and progress towards net zero carbon ready buildings.

Management team's role

The ESG Committee monitors progress on responsible business matters, including climate risks. Implementation and management of responsible business are delegated to the Executive team, with its members leading the ESG working group; other members consist of a representative from each of the investment, development, asset management, property and facilities management teams. The ESG working group met five times during 2024 to consider progress against commitments and proposals for improvement. Climate related action points included a commitment to apply science-based targets across the Group's activities, embodied carbon measurement for asset management and development projects, EPC improvement,

operational energy and carbon assessments of buildings. Outside of these meetings, the Executive team ensures that responsible business and ESG targets are delivered or re-evaluated where not achieved and engages throughout the year regarding progress against planned actions. The Executive and management teams make it clear to relevant employees what is expected and required. Where relevant, specific actions or targets form part of both team and individual personal objectives for each year, for example the improvement of EPC ratings. The Executive team also leads engagement and training across the Group on responsible business and ESG matters, including climate related risks.

The Executive and management teams have specific ESG and climate related performance objectives relevant to their roles and area of the business along with other personal performance objectives which are linked to bonuses to incentivise performance.

Strategy

PHP's NZC Framework (see page 2) details the five key steps it is taking to achieve an ambitious target of being NZC by 2030 for all of PHP's operational, development and asset management activities and to help its occupiers achieve NZC by 2040, five years ahead of the NHS's target of becoming the world's first net zero carbon national health system by 2045 and ten years ahead of the UK and Irish governments' targets of 2050. The Responsible Business Report on pages 2 to 17 provides further detail on our strategy, actions taken and progress made in 2024 and objectives for future years to address climate risks, such as improving EPC ratings within the portfolio.

Climate related risks and opportunities

During the year, PHP reviewed its existing analysis of climate risks and opportunities and identified no major changes from its extensive analysis carried out during 2022. During 2024 we have continued to operate in a turbulent economic and political climate, particularly in relation to the new UK Government's approach including the

Task Force on Climate-related Financial Disclosures continued

Strategy continued

Climate related risks and opportunities continued

transition to clean home-grown energy, and the climate and health policy landscape causing significant uncertainty, including the UK Government's approach to future EPC. Despite this, our overarching view on risk and opportunity and our business strategy in relation to climate change have not changed.

Analysis that was carried out in 2022 by Willis Towers Watson ("WTW") to assess physical and transition risks and undertake quantitative physical and transition scenario analysis is still applicable in the current year. The analysis included engagement and input from across PHP's operational teams.

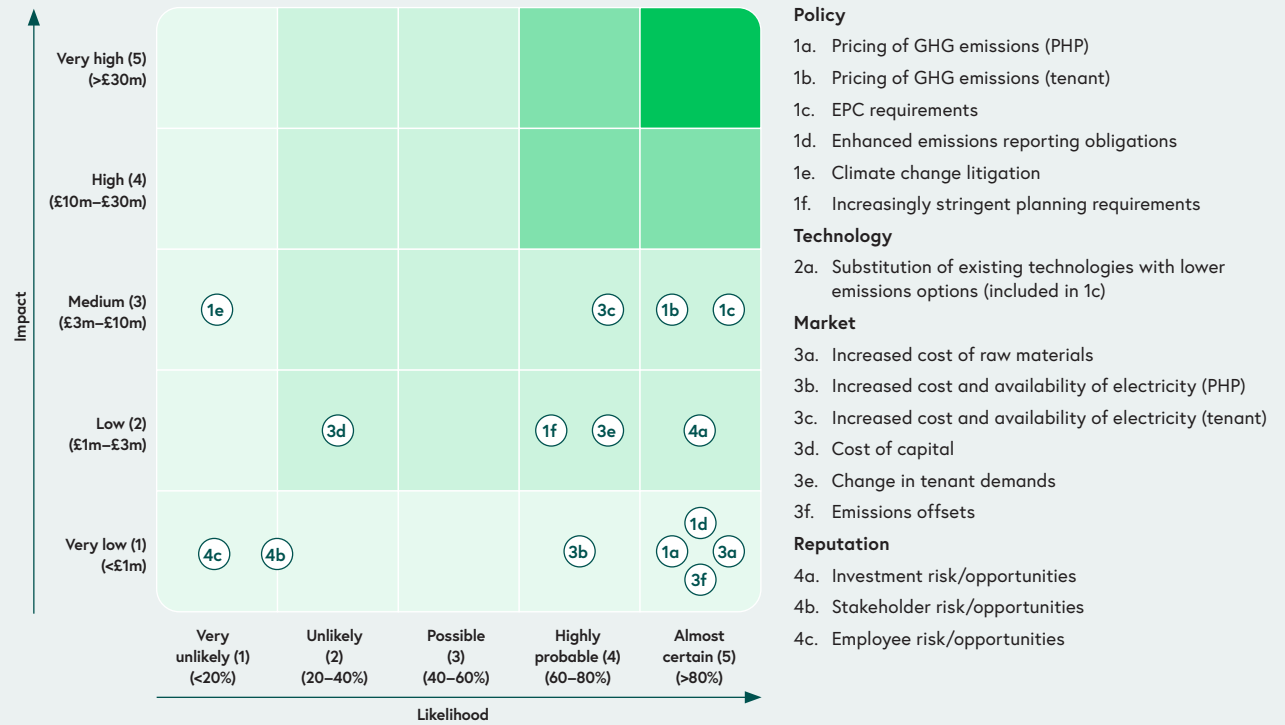
Transition risks and scenario analysis were assessed over the short (to 2026) and medium (to 2030) terms. Physical risks and scenario analysis are assessed over the short, medium and long terms (2030–2100). We have not assessed beyond 2030 for transition risks given the high level of uncertainty in determining impacts of transition risks over the longer term.

The short and medium term time horizons have been chosen based on the Group's detailed knowledge of the portfolio and the estimated time required to implement the NZC Framework (see page 2). The long term time horizon reflects the nature of real estate assets and long leases typical of the primary care sector.

To assess the potential impact of transition risks, an initial risk screening was carried out, based on PHP's existing identified risks and with input from WTW and in relation to relevant risks for other real estate companies. The impact of transition risks was assessed via workshops with key disciplines within PHP and analysis was carried out by WTW, based on the findings. The potential annualised estimated financial impact associated with risks and opportunities has been quantified where possible and categorised using PHP's risk impact scales, which consider impacts to revenue and/or the balance sheet. Risks are scored 1 (very low) to 5 (very high) with financial impact bands for each level. Risk 2a has not been quantified separately as it is included within the impact of risk 1c.

The current potential climate related risks and opportunities we have identified that could have the most material financial impact are outlined on the right. We do not, however, believe these impacts are currently material enough to impact our financial statements.

Assessed range of annual impact and likelihood of transition risks
Residual risk on medium term time horizon (2030) under an NZC 2050 1.5°C scenario



Task Force on Climate-related Financial Disclosures continued

Strategy continued

Climate related risks and opportunities continued

Below represents the transition and physical risks and opportunities that the Group faces, applicable to both our UK and Ireland businesses.

Category	Risk/opportunity	Time frame	Potential £ impact	Business response/mitigation
Transition risks				
EPC requirements and change in customer demands 1e 3e Transition risks impacted	The NHS, and the HSE, accounts for 89% of revenue and is targeting to be NZC by 2045. Costs related to meeting proposed Minimum Energy Efficiency Standards ("MEES") and fines associated with non-compliance.	Medium term	Medium (P&L and BS)	<ul style="list-style-type: none"> • Commitment to getting all properties to a minimum of EPC B by 2030. • Group's asset management programme actively targeting reductions in carbon emissions and improving energy/EPC performance. • Assets are being extended and refurbished with improvements made to the environmental performance including the installation of LED lights, move away from gas heating and integration of renewable energy generation resulting in improved EPC ratings. • The additional costs are reflected in appraisals and typically supported by increased lease terms and increases in rent.
Increasing cost of energy and GHG emissions 1a 1b 3b 3c Transition risks impacted	The cost of energy has increased significantly and in the 1.5°C low carbon world scenario GHG emissions pricing will need to be implemented from 2025–2030.	Short–medium term	PHP – low (P&L) Tenants – medium	<ul style="list-style-type: none"> • PHP procures energy for a limited number of properties in the portfolio and has operational control over none of the buildings' GHG emissions. • Consequently, the risk of energy and GHG pricing from energy consumption is minimal to PHP. To mitigate risk in PHP's value chain, embodied and supply chain carbon are being measured and actions put in place to minimise and reduce these over time. • Tenants are responsible for their own energy bills and large increases in pricing have a significant impact on them, which could adversely impact the desirability of our assets. • Improving the energy efficiency and reducing the carbon emissions from buildings mitigates these risks, helping tenants to save money in the long term.
Restricted access to capital 3d Transition risks impacted	Investors and debt providers only willing to invest in climate resilient businesses.	Medium–long term	Low (P&L)	<ul style="list-style-type: none"> • PHP has a strong and clearly articulated NZC Framework and strategy developed with clear targets for reduction of direct and indirect emissions and to reach NZC in the future. • Strong stewards of underinvested key social infrastructure assets delivering healthcare and wellbeing to the UK and Irish populations. • Green loan framework developed for several existing and future loan facilities and ongoing engagement with lenders.

Task Force on Climate-related Financial Disclosures continued

Strategy continued

Climate related risks and opportunities continued

Category	Risk/opportunity	Time frame	Potential £ impact	Business response/mitigation
Physical risks				
Flood risk (current and future climates)	Losses from assets located in high flood risk zones, primarily the costs of repair and business interruption, reflected in increased insurance costs.	Long term	Low (medium for potential uninsured losses under high emissions scenario) (P&L)	<ul style="list-style-type: none"> • PHP has flood alleviation and response plans in place, is appropriately insured and assesses these risks for any new developments and acquisitions. • Under current climate conditions, nine sites have a moderate risk and 15 sites have a very high risk from flood. This equates to under 5% of total asset value. • Our remaining assets have a very low exposure. In a future high emissions climate scenario, the number of sites does not increase, but the potential frequency and severity of floods increase.
Increased severity and frequency of extreme weather events and windstorms	Increased costs to develop climate resilient properties and physical damage requiring repair. Costs of business interruption, reflected in increased insurance costs.	Medium term	Low (medium for potential uninsured losses) (P&L)	<ul style="list-style-type: none"> • All assets in the portfolio are insured for physical damage and loss of rent with cost of insurance predominantly recovered from occupiers. • Mitigation strategies in operation at assets with identified potential risk. • Comprehensive business continuity plan in place and commitment to repeat physical risk impact and scenario analysis periodically.
Heat stress (future climates)	The UK has very low exposure to heat stress today, increasing beyond 2050 under the 4°C scenario. Costs associated with retrofitting buildings to mitigate overheating and tenant discomfort.	Long term	Low (P&L)	<ul style="list-style-type: none"> • Sensitivity analysis for heat stress has determined that the overall risk is low. • Approximately 10% of PHP's buildings have air conditioning and therefore additional cooling may be necessary in the future. • PHP also monitors instances of overheating and works with tenants to mitigate this.
Opportunities				
Change in tenant demand	The NHS is aiming for net zero and primary healthcare tenants will increasingly covet or insist on low carbon, sustainable buildings.	Short-medium term	Medium (P&L and BS)	<ul style="list-style-type: none"> • PHP's strategy to improve the performance of buildings via asset management and NZC developments will maximise rental income in the future. • Existing buildings brought up to modern, low carbon standards will be best placed to achieve occupier contentment and lease renewals and attract the highest rents, performing closer to newly built properties.
Substitution of existing technologies	Potential to help tenants reduce their carbon footprint and their energy costs via introduction of new low carbon technology to buildings.	Medium	PHP – low (P&L) Tenants – medium	<ul style="list-style-type: none"> • Introducing renewable energy as part of lease regears will help PHP to secure high quality, long term income from tenants. • Supporting and enabling tenants to make use of on-site renewable energy, in particular solar, can reduce tenant costs. Review of entire portfolio for solar potential and active targeting of installation to suitable properties via different delivery models.

Task Force on Climate-related Financial Disclosures continued

Strategy continued

Scenario analysis

In 2022, WTW undertook a physical climate risk assessment of the Company's portfolio on an asset-by-asset basis, assessing exposure to a range of acute and chronic climate risks and a transition risk assessment based on PHP's current corporate strategy and action planning.

For physical risks, each is assessed against different scenarios and potential impact is scored 1–5 with scoring for each different physical risk based on Munich RE models and projections. For example, flood risk is scored 1–5 where 1 indicates a minimal flood risk and 5 indicates an asset in a known flood zone with a 1 in 100-year return period.

Our scenario analysis has been based on the Representative Concentration Pathways ("RCP") designed by the IPCC in its Fifth Assessment Report ("AR5"), which are mapped to the latest IPCC AR6 report's Shared Social Economic Pathway ("SSPs") scenarios. The methodology evaluates risks and opportunities for PHP's business under three plausible climate scenarios: a "low carbon world" 1.5°C scenario (for physical and transition risks), 2–3°C scenario and a 4°C scenario (for physical risks only)¹.

These scenarios have been chosen as the best available at the time of assessment. In particular, the "low carbon world" scenario represents the greatest potential transition risks for PHP and the "hot house world" scenario the greatest physical risks to PHP's portfolio.

In the low carbon world scenario, limiting global warming to 1.5°C will be achieved through stringent climate policies, innovation and demand-led change, where global net zero CO₂ emissions will be reached around 2050. The scenario assumes proactive and sustained action to reduce carbon emissions over the next 30 years to build a low carbon economy. It assumes a carbon price of \$130/tCO₂ by 2030, low growth in material consumption and increasing consumer pressure on businesses to drive sustainability.

The hot house world scenario is aligned with RCP 8.5. It envisions that, due to limited government policy and international effort, emissions continue to grow and consequently global warming exceeds 4°C temperature rise by the end of the century. The scenario assumes current policies promoting sustainability are removed, there is no carbon pricing and there is increasing adoption of resource and energy intensive lifestyles around the world. As a result, economies fail to transition to a low carbon world and the physical impacts of climate change become increasingly severe.

There are assumed to be longer and more severe heatwaves and droughts and there is an increase in frequency and severity of flooding and other natural catastrophic events.

We regularly review risks internally and will reassess risks and perform scenario analysis on a periodic basis (currently every three years, reflective of changes to real estate climate models, policy, regulatory, market and technology advances).

Resilience of the business to scenarios

By delivering on the strategy put in place by PHP and commitments and actions outlined in its Net Zero Carbon Framework, and given the low exposure to physical climate risks and relatively low potential financial impact, the business is resilient to the assessed scenarios under current conditions.

Based on our asset specific assessment of physical hazard exposure, our portfolio's exposure to all physical climate impacts is low. Our exposure to material levels of flood risk is limited to 5% of properties (by value). We regularly review flood risks of standing assets, have plans and appropriate levels of insurance in place for them and consider resilience to long term flood risk for any new acquisitions or developments.

In the post 2030 scenarios assessed, only flood and windstorm risk was assessed as somewhat "material" under the 4°C scenario. We view heat stress as a potential risk given the nature of our buildings and the desire to offer optimum comfort levels for our healthcare related buildings. PHP is already addressing instances of overheating in today's climate by working with our tenants and taking remedial action where necessary. When refurbishing buildings we consider overheating through the addition of solar shading, insulation and, where needed, energy efficient cooling.

Through our Net Zero Carbon Framework and commitments and our asset management activities, we have a robust approach to meeting energy efficiency, EPC and carbon performance requirements that are expected as part of the low carbon world 1.5°C scenario. Our strategy also supports PHP's ability to meet or surpass the NHS's net zero commitments.

During 2024, we have continued to analyse the newly published NHS Net Zero Carbon Building Standard against our current approach and requirements for new build and refurbishment and intend to align our projects where relevant.

Under a high emissions scenario from the 2050s, drought stress and heat stress increase and become a moderate risk which could impact water scarcity and tenant wellbeing; however, in the short term or under a low emissions scenario, these risks are relatively low. We will continue to assess potential risks in due diligence for future acquisitions and to make appropriate adaptations where required.

Impact on business strategy and financial planning

Climate related risks and opportunities impact and inform PHP's business strategy for asset management and refurbishment, property management, development and acquisition of buildings.

The Group's continued focus on flexible, modern primary care properties, which generally have low energy consumption, means the overall carbon footprint of the portfolio is minimised. In addition, the Group's continued investment in asset and property management initiatives means that its typically slightly older and less energy efficient assets are being upgraded, where feasible, to the latest energy efficient standards.

We are improving and adapting our assets to be more resilient to climate change through maintenance, energy efficiency upgrades and the provision of renewable energy supplies for the Group's occupiers. Furthermore, whilst development is only a small part of our activities, we are focusing on the energy and carbon performance of our developments, including measuring, minimising and offsetting residual embodied carbon impacts.

¹ This is in line with the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration and Shared Social Economic Pathways ("RCPs" mapped to "SSPs") RCP 2.6 ("SSP1"), RCP 4.5 ("SSP2") and RCP 8.5 ("SSP5") respectively.

Task Force on Climate-related Financial Disclosures continued

Strategy continued

Impact on business strategy and financial planning continued

During 2024 we commenced work on the Group's second net zero carbon development and in early 2025 completed construction of the Group's first net zero carbon development and all new developments in the UK are being designed to be net zero. During 2024 we have financed and implemented a number of actions to deliver our strategy, including bringing forward work and completing PHP's first net zero for asset management project, targeted reassessment of buildings' EPC ratings, committing to applying science-based targets, funding net zero audits of buildings, extending our carbon measurement including purchased goods and services, and achieving certification via Toitū Carbon Reduce and ISO 14064.

During our investment process, we review the locational flood risks, the building fabric and the energy efficiency of potential acquisitions and current assets to understand the climate related risks and costs involved in mitigating those risks.

These actions help to future-proof our buildings and allow us to take advantage of opportunities with the NHS, and our other occupiers, as it transitions towards net zero carbon with its multi-year plan to become the world's first NZC national health system by 2045 and with an ambition for an interim 80% reduction by 2036–2039.

By improving occupier contentment, we enhance the desirability and value of our assets together with our reputation with the NHS and GP occupiers.

Risk management

Approach to identifying and assessing climate risks

PHP assesses climate risks alongside other business risks but also specifically as part of a dedicated climate risk management process. A climate risks and opportunities register is reviewed and updated by the ESG working group and the ESG Committee along with the Risk Committee reporting to the Audit Committee.

The most material (highest scoring) risks are pulled out and action plans put in place, which are reviewed by the Risk and ESG Committees. The longlist of risks is revisited annually to ensure changes, such as to regulation, market or customer demand, have not altered the likelihood or potential impact of the less material risks.

In identifying and assessing the impact of risks, we consider impacts to PHP's direct operations and stakeholders, including our supply chain, partners and tenants. The size and scope of risks are assessed using the internal expertise of our teams supplemented by data relating to impact where available, for example spend data, GHG emissions and energy and any associated future projections. The potential financial impact is estimated and quantified against defined impact scales and value bandings.

To supplement our approach, PHP engages with expert advisers such as Cushman & Wakefield, WTW, Carbon Trust and MSCI, accessing the latest climate science and transition data sets, to further assess and understand potential risks, quantify potential impacts and consider planned and potential actions to address risks posed by climate change.

Approach to managing climate risks

The Company's overall approach to risk management, including management of climate related risks, is set out on pages 52 to 58 of the 2024 Annual Report.

Strategic risks are recorded in a risk register and are assessed and rated within a defined scoring system. The Risk Committee reports its processes of risk management and rating of identified risks to the Audit Committee. The risk register is reviewed and updated twice annually by members of the Risk Committee, and assesses inherent risks the business faces, as well as the residual risk after specific safeguards, mitigation and/or management actions have been overlaid. The risk register forms an appendix to the report which details risks that have (i) an initial high inherent risk rating, and (ii) higher residual risk ratings. The Audit Committee in turn agrees those risks that will be managed by the Executive and management teams and those where the Board will retain direct ownership and responsibility for managing and monitoring.

The Board has also undertaken a robust assessment of the emerging and principal risks faced by the Group that may threaten its business model, future performance, solvency or liquidity and its ability to meet the overall objective of the Group of delivering progressive returns to shareholders through a combination of earnings growth and capital appreciation. The Group has identified "responsible business" as a principal risk which includes environmental issues but a specific climate change risk is still considered to be emerging within the risk management process.

As a response to these risks, PHP developed and launched the NZC Framework, which reduces the overall inherent risk to a much smaller residual risk, should the framework be implemented successfully over time. Business planning and strategy now take into account the commitments set out in the framework and key decisions are made with these commitments in mind, primarily decisions related to investment, development and asset management activities.

Integration with wider corporate risk management process

Responsible business, including climate change, is one of the principal risks faced by the Group as set out on page 56 of the 2024 Annual Report. Climate related risks and opportunities are identified and assessed as part of our risk management framework and are considered by the Board which recognises that this is an increasingly important area.

The Executive and management teams assist the Board in its assessment and monitoring of operational and financial risks. A Risk Committee is formed of members of the senior management team and chaired by the Chief Financial Officer, who is experienced in the operation and oversight of risk management processes, with independent standing invitees attending throughout the year.

The Audit Committee reviews the Group's systems of risk management and their effectiveness on behalf of the Board.

Metrics and targets

Details of PHP's target to achieve NZC across operational, development and asset management activities by 2030 and to help our occupiers achieve NZC by 2040 are set out on page 2.

Relevant material energy and carbon metrics include EPC ratings for our standing assets which are tracked and reported below along with revenue from BREEAM certified buildings and rental increase from energy efficient refurbishments. These directly link to our targets to achieve NZC, and minimum EPC and BREEAM ratings, set out in our Responsible Business Report on pages 2 to 17. At present, PHP does not have an internal carbon price. Under the Directors' remuneration, for the 2024 and 2025 LTIP, an environmental metric linked to improving portfolio EPC ratings has been included with a weighting of 15%. Senior management's annual bonuses also have wider ESG objectives. This is set out in more detail on page 94 of the 2024 Annual Report.

Task Force on Climate-related Financial Disclosures continued

Metrics and targets continued

We measure and disclose Scope 1, 2 and 3 emissions on pages 10 and 11 and in our EPRA sustainability disclosures within the Responsible Business Report on our website. Our most material Scope 3 emissions are included, with the exception of capital goods (embodied carbon), which will be reported for projects in the future when they are completed. We also measure and track flood risk across the portfolio based on asset value. These metrics are consistent with cross-industry climate related metrics for GHG emissions, and transition and physical risks and opportunities.

We also report our GRESB benchmark performance score, and ratings provided by the CDP climate programme, MSCI and ISS, with results set out in our Responsible Business Report on pages 2 to 17. We review our metrics and targets annually and update TCFD disclosures for any changes made.

Financial category	Climate category	Metric	Unit	2024	2023
Revenues	Products and services	Revenue from BREEAM Very Good and Excellent properties	% revenue	16%	15%
	Products and services	Revenue from DEC A–C rated properties	% revenue	49%	47%
	Products and services	Rent increase from completed AM projects with energy improvement measures	£k	173	211
Assets	Energy source	Portfolio energy data coverage (by m ²)	%	77%	75%
	Energy source	Electricity procured by PHP from renewable sources	%	100%	97%
	Policy and legal	EPC A	% asset value	11%	12%
		EPC B	% asset value	36%	30%
		EPC C	% asset value	41%	43%
		EPC D	% asset value	11%	13%
EPC E–F	% asset value	1%	2%		
Extreme weather	Portfolio value assessed as at material exposure to flood risk	% asset value	5%	5%	

The current potential climate related risks and opportunities we have identified that could have the most material financial impact are set out on pages 18 to 21 and these have been used to inform and determine the key metrics and targets noted above.

Compliance statement

PHP confirms that:

1. We believe our climate related financial disclosures for the year ended 31 December 2024 are consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations and Recommended Disclosures (as defined in Appendix 1 of the Financial Conduct Authority Listing Rules). Concerning 4b (relating to our Scope 3 emissions), we have assessed all 15 categories but only disclose our material emissions, which are from downstream leased assets and purchased goods and services.
2. Our annual disclosures are contained on the previous pages and in the Responsible Business Report on pages 2 to 17, including commentary on data gaps and performance improvement measures. Further details on our policies and approach to responsible business are also available on our website.
3. We believe that the details of these climate related financial disclosures are conveyed in a decision-useful format to the users of this report.

EPRA Sustainability Best Practice Recommendations

Compliance tables and narrative 1 January–31 December 2024

EPRA Sustainability Best Practice Recommendations

1. Introduction

PHP has prepared this disclosure against the EPRA Sustainability Best Practices Recommendations ("sBPR") guidelines, following the requirements as closely as possible.

This disclosure should be read in conjunction with PHP's 2024 Responsible Business Report on pages 2 to 17, which provides further information and detail on our approach and commitments to sustainability.

2. Environmental performance

2.1 Landlord obtained

EPRA sustainability performance measures – environment (landlord obtained)

Impact area	EPRA code	Unit of measure	Indicator	Absolute ("Abs")			Like for like ("LfL")			
				2024	2023	% change	2024	2023	% change	
Energy	Elec-Abs, Elec-LfL	kWh	Electricity	For landlord shared services (sub) metered exclusively to tenants	5,439,697	5,736,657	(5)%	5,437,689	5,560,690	(2)%
				Total landlord-obtained electricity	5,439,697	5,736,657	(5)%	5,437,689	5,560,690	(2)%
				Proportion electricity from renewable sources (%)	100%	97%	+3%	100%	100%	—
	Fuels-Abs, Fuels-LfL	kWh	Fuels	For landlord shared services (sub) metered exclusively to tenants	5,449,674	6,780,346	(20)%	5,449,674	5,988,961	(9)%
				Total landlord-obtained fuels	5,449,674	6,780,346	(20)%	5,449,674	5,988,961	(9)%
				Proportion of fuels from renewable sources (%)	—	—	—	—	—	—
	Energy-Int	kWh/m ² /yr	Energy intensity	Landlord-obtained energy	69	76	(10)%	69	73	(6)%
	No. of applicable properties			Energy and associated GHG disclosure coverage	54	57	(5)%	53	53	—
	%			Proportion of energy and associated GHG emissions estimated	—	—	—	—	—	—
Greenhouse gas emissions	GHG-Dir-Abs	tonnes CO ₂ e	Direct	Scope 1	—	—	—	—	—	—
	GHG-Indir-Abs		Indirect	Scope 2	—	—	—	—	—	—
			Indirect	Scope 3	2,187	2,428	(10)%	2,187	2,426	(10)%
		Indirect	Market based	997	1,276	(22)%	997	1,098	(9)%	
	GHG-Int	kg CO ₂ e/m ² /yr	GHG emissions intensity	Scope 1, 2, 3	13.8	14.8	(7)%	13.9	15.4	(10)%
	GHG-Int	kgCO ₂ e/m ² /yr	GHG emissions intensity	Scope 1, 2, 3 market based	6.3	7.8	(19)%	6.3	7.0	(9)%
Water	Water-Abs, Water-LfL	m ³	Water	Landlord-obtained water	35,172	23,141	+52%	23,759	23,062	+3%
	Water-Int	litres/m ³ /m ² /yr	Water intensity	Landlord-obtained water	0.54	0.40	+37%	0.42	0.41	+3%

EPRA Sustainability Best Practice Recommendations continued

Compliance tables and narrative 1 January–31 December 2024

2. Environmental performance continued

2.1 Landlord obtained continued

PHP procured energy for 54 properties in 2024 (2023: 57) either directly or via an agent working on our behalf. All these properties are included in the above report, with estimates limited to only partly missing data during the year. For like-for-like performance, we have excluded acquisitions and sales and those properties for which we did not procure energy for over the two-year period consistently.

The amount of whole building energy procured by PHP varies per property, with some being 100% and others being as low as 5%. All energy consumption is controlled by tenants and is treated as a Scope 3 emission, based on operational control following the Greenhouse Gas Protocol ("GHGP") definition.

PHP procures very little water for properties and has limited influence over how water is used. Primary healthcare buildings are not generally water intensive but when we refurbish buildings, we install water efficient fittings.

2.2 Whole portfolio and tenant obtained

PHP is also committed to sourcing all electricity from renewable sources, including the energy procured for tenants. We now procure 100% of electricity from renewable sources.

PHP also carried out asset and facilities management activities during the year which should impact consumption and emissions going forward. This includes the refurbishment of one asset which includes improvements to fabric efficiency, removal of gas and installation of air source heat pumps.

Disclosure of PHP's corporate emissions is contained in our SECR disclosure on pages 10 and 11. Corporate emissions are from PHP's two offices (London and Stratford-upon-Avon) and business travel by car.

Further details of our approach to carbon reduction and sustainability of our assets are provided in the 2024 Responsible Business Report on pages 2 to 17.

EPRA sustainability performance measures – environment (whole portfolio)

Impact area	EPRA code	Unit of measure	Indicator		Total portfolio Absolute performance ("Abs")		
					2024	2023	% change
Energy	Elec-Abs, Ele-LfL	kWh	Electricity	Whole portfolio	53,029,089	54,492,247	(3)%
				Proportion of electricity from renewable sources	10.3%	10.2%	+0.1%
	Fuels-Abs, Fuels-LfL	kWh	Fuels	Whole portfolio	64,419,107	68,696,972	(6)%
				Proportion of fuels from renewable sources	—	—	—
	Energy-Int	kWh/m ² /yr	Energy intensity	Whole portfolio	143	151	(5)%
	No. of applicable properties			Energy and associated GHG disclosure coverage	516	514	+0.4%
%			Proportion of energy and associated GHG emissions estimated (from portfolio benchmark)	23%	25%	(2)%	
Greenhouse gas emissions	GHG-Dir-Abs	tonnes CO ₂ e	Direct	Scope 1	—	—	—
				Scope 2	—	—	—
	GHG-Indir-Abs	tonnes CO ₂ e	Indirect	Scope 3	22,993	23,851	(4)%
				Market based	21,803	22,698	(4)%
	GHG-Int	kgCO ₂ e/m ² /yr	GHG emissions intensity	Scope 1, 2, 3	28.1	29.3	(4)%
	GHG-Int	kgCO ₂ e/m ² /yr	GHG emissions intensity	Scope 1, 2, 3 market based	26.6	27.9	(4)%

EPRA Sustainability Best Practice Recommendations continued

Compliance tables and narrative 1 January–31 December 2024

2. Environmental performance continued

2.2 Whole portfolio and tenant obtained continued

The majority of carbon emissions from PHP's portfolio come from our tenants' use of energy, that they procure and control. During 2024 we continued to measure and have worked to improve the visibility of the energy and carbon performance of the wider portfolio.

The table on page 26 presents the estimated carbon emissions and energy use of the entire property portfolio (including the landlord-obtained energy reported above, tenant procured and estimated data).

For 2024, we continued to make progress on expanding data coverage. We are showing a decrease in the number of estimates used, in particular for gas consumption at properties where we previously had no data and estimates were made from benchmarks.

There are gaps remaining, including renewable energy consumed (from on or off-site sources). We do not have details of the type of energy procured by tenants. While we have buildings with solar PV installed, we only have access to data from two properties. This is something we hope to increase going forward (as we have 50 or more properties with solar PV already installed).

Our partnership with ARBNCO continued to help move towards 100% data coverage and to avoid the use of estimates. We expect to begin receiving increasing amounts of data during 2025. This will be based on the energy tenants actually procure from the grid.

We continue to deliver asset management projects which will reduce energy consumption and emissions going forward. We expect to demonstrate reductions in energy consumption and emissions as we improve our data sources over time.

2.3 Sustainably certified assets

Impact area	EPRA code	Unit of measure	Indicator	2024	2023	% change
Sustainably certified assets	Cert-Tot	Total properties	BREEAM No. of properties with a rating	71	71	—
		% total asset value	BREEAM Excellent or Very Good (NC and RFO)	16%	16%	—
		% by number	EPC rating % of portfolio (by no.) with a rating	100%	100%	—
		% asset value	A	11%	12%	(1)%
			B	36%	30%	+6%
			C	41%	43%	(2)%
			D	11%	13%	(2)%
			E	1%	2%	(1)%
		Total properties	DEC rating No. of properties with a rating	388	386	+1%
		% portfolio area	DEC rating A–C	72%	71%	+0%

We target BREEAM Excellent for new developments in the UK and Very Good for asset management projects over £1 million in value (where the refurbishment covers the whole building) unless there is an NHS requirement to target BREEAM for lower value projects. We have many assets that were not certified at the time of construction or where we lack records of any certification being achieved.

All properties have an EPC rating, and we aim to improve all properties to at least a B rating by 2030. The performance of these properties is improved when tenants introduce changes or when PHP carries out refurbishments as part of asset management and lease renewals. During 2024 all refurbishment projects achieved an EPC rating of B, retained their B rating (under the newest SBEM software) or where for only part of a building, achieved a unit level EPC B rating.

During 2024 we carried out targeted reassessments of properties where we identified they may be performing better than their current EPC rating. This, along with EPC renewals and asset management projects, has contributed to a significant improvement in the proportion of A–B ratings in the portfolio, to 47% (2023: 42%).

We also track DEC ratings as these are based on the operations of our buildings by tenants. Many of our properties have DEC ratings and we engage with tenants to ensure they have them in place and that they are valid, where required. We track, report, and hope to help support a growing proportion of building ratings between A–C, as these are seen as better than typical building performance in the UK.

EPRA Sustainability Best Practice Recommendations continued

Compliance tables and narrative 1 January–31 December 2024

3. Social performance

Impact area	EPRA code	Unit	EPRA sustainability performance measures – social		Corporate performance 2024		
			Indicator		Male	Female	
	Diversity-Emp	No. (%)	Board		4 (57%)	3 ¹ (43%)	
			Executive Committee		2 (100%)	— (0%)	
			Directors/Heads of Department		4 (67%)	2 (33%)	
			Associate Directors		3 (38%)	5 (63%)	
			Associates and Senior Surveyors		6 (40%)	9 (60%)	
			Other		11 (41%)	16 (59%)	
			Total		30 (46%)	35 (54%)	
	Diversity	Diversity-Pay	%	Board NEDs		66%	34% ¹
				Board – Executive		100%	0%
				Executive Committee		100%	0%
				Directors/Heads of Department		63%	37%
				Associate Directors		49%	51%
				Associates and Senior Surveyors		48%	52%
Diversity-Bonus		%	Other		50%	50%	
			Board NEDs		n/a	n/a	
			Board – Executive		100%	0%	
			Executive Committee		100%	0%	
Employees	Emp-Training	Hrs	Total hours training		420		
			Avg. training hours per employee		7.0		
	Emp-Dev	%	% of employees receiving regular appraisal		100		
	Emp-Turnover	No.	New hires		12		
			Leavers		8		
		%	Turnover rate		14		

EPRA Sustainability Best Practice Recommendations continued

Compliance tables and narrative 1 January–31 December 2024

3. Social performance continued

Impact area	EPRA code	Unit	Indicator	EPRA sustainability performance measures – social		Corporate performance 2024	
						Male	Female
Health and safety	H&S-Emp	Per hrs worked	Injury rate			—	
		Per hrs worked	Lost day rate			—	
		Avg. days per employee	Absentee rate			n/a	
		Total number	Fatalities			—	
	H&S-Asset	%	% of assets assessed			100	
	H&S-Comp	No.	Instances of non-compliance			—	

¹ This includes Dr Bina Rawal, who was appointed as Non-executive Director on 27 February 2024.

We have not included numbers for Axis in Ireland in the above table. Its structure is different and does not relate in terms of roles and titles. However, we have collated data for Axis as follows:

- Gender diversity was eighteen male and nine female. All seven of the senior management team are male.
- Gender pay gap was 59% male and 41% female.

During 2024 several improvements have been made including promotions for ten team members (five each of male and female), rationalisation and alignment of job titles to clarify seniority and reporting lines and identify clearer career paths, and creation of a new level of seniority, "Associate Director, Head of Department", created for the Asset Management, Property and Facilities Management teams.

We also commenced a mentoring programme with eight staff (four mentees and four mentors) taking part.

A full description of PHP's approach to social sustainability is provided from page 12. On page 12 are details of our commitments to improve health and support community initiatives and from page 13 are details of our approach to equality, diversity and inclusion, employee development and health and safety.

The training hours reported above relate to personal development training only. Overall PHP spent £38,000 on training or £635 per employee, including support for employees' professional qualifications.

4. Governance

Impact area	EPRA code	Unit	Indicator	2024
Board composition	Gov-Board	No.	Executive Board members	2
		No.	Independent Non-executive members	4
		Years	Average tenure on governing body	8.0
		No.	Members of Board with environmental and/or social competencies	2
Board selection	Gov-Select	Description	See pages 73 and 74 of the 2024 Annual Report	
Managing conflicts of interest	Gov-Col	Description	See page 75 of the 2024 Annual Report	

A full description of PHP's approach to corporate governance is provided from page 60 of the 2024 Annual Report.

The Board has a wide range of skills and experience covering both environmental and social sustainability. In particular, Non-executive Director and Chair of the ESG Committee Laure Duhot has extensive experience of sustainability within an investment and real estate context and Non-executive Director Ivonne Cantú is currently the Director of Investor Relations, Communications and Sustainability, as well as a member of the executive management team and the sustainability committee of Benchmark Holdings Limited.

EPRA Sustainability Best Practice Recommendations continued

Compliance tables and narrative 1 January–31 December 2024

5. Overarching recommendations

We have followed the overarching recommendations as closely as possible. Please find an overview of our approach and methodologies, and any exclusions below.

5.1 Organisational boundaries

This report covers all activities PHP is involved in and all properties within our portfolio. PHP opts to take an operational control approach to the measurement of environmental impacts. So while we have not purposefully excluded any properties in our portfolio or any part of our business, we lack operational control in most cases.

This means that the bulk of energy and GHG emissions are tenant controlled, although PHP can influence these through support, engagement and direct intervention when refurbishments take place. For issues such as waste generated at properties, PHP has no oversight, control or say in how waste is managed by tenants.

At the start of 2023 we acquired Axis Technical Services in Ireland. We have included metrics related to Axis' activities in Ireland in our reporting. Axis manages PHP's property portfolio in Ireland and therefore these buildings were already included in our landlord and tenant obtained reporting tables.

5.2 Coverage

We have indicated the coverage of data across our property portfolio within the preceding sections, alongside the performance data.

We aim to include all properties within our portfolio, where relevant environmental and social metrics apply.

Where we have data gaps, we use estimates to provide us and our stakeholders with as complete a picture of performance and impact as possible. We disclose and aim to improve data quality on an ongoing basis.

We have excluded some indicators which we feel do not apply to PHP, either due to the fact we take an operational control approach, or the indicator is not seen as material.

EPRA code	Indicator	Reason for exclusion
DH&C-Abs, DH&C-LfL	District heating and cooling	We are not aware of any properties that are connected to district heating and cooling networks. For the small proportion of tenant-controlled properties that are part of a wider multi-use development, which may have some provision of DH&C, we do not view this as material.
Waste-Abs, Waste-LfL	Total weight of waste by disposal route	PHP procures minimal waste services for properties within the portfolio and has little to no influence on the generation of waste or the route by which waste is disposed, i.e. recycling or landfill.
Comty-Eng	% of assets with a community engagement programme or impact assessment	PHP's assets are controlled by tenants and therefore we have no base from which to operate asset specific community engagement programmes. Our buildings are primary healthcare centres and as such have extensive engagement with the local community by tenants.

5.3 Estimation of landlord-obtained utility consumption

No landlord-obtained utilities are estimated, except in the case of intermittent estimated readings of meters by utility providers, e.g. where a meter has been faulty for a period of time. Where we identify faulty meters or billing inaccuracies, we engage with suppliers to rectify these. If any significant mistakes are identified, we update our previous reporting accordingly.

Estimates are used for tenant-obtained utilities, based on past metered or certified data or based on average energy intensity of buildings in the portfolio, for which we have performance data. A 15% uplift is added to all estimated data to account for potential inaccuracies.

5.4 Third-party assurance

PHP is certified to Toitu Carbon Reduce and ISO 14064 (via Achilles). We obtained certification during 2024 and limited assurance for our 2023 data set. We are undergoing recertification currently and our 2024 data set will receive limited assurance once complete. The reason for limited as opposed to reasonable assurance is the use of estimates and proxy data for Scope 3 emissions (from downstream leased assets and purchased goods and services), although auditors have commented on the robust approach taken by PHP.

5.5 Normalisation

PHP uses normalisation to assess the intensity of energy consumption and GHG emissions over time. Energy and GHG emissions are normalised by property floor area. For landlord-obtained energy this uses the total floor area ("GIA") of buildings, as PHP does not have any on-site "area" or presence that can be separated out from the whole building.

5.6 Segmental analysis

Given that PHP's portfolio is largely made up of the same property type, primary healthcare centres, we do not segment data by property type. PHP's property portfolio is mostly located in the UK and Ireland with 495 and 21 properties respectively as at 31 December 2024. We may consider segmenting by geography over time if the Irish portfolio continues to grow.



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