care property invest

Sustainability report 2022

Table of contents

2022 Sustainability Highlights

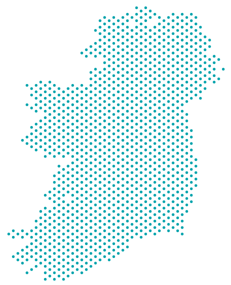
Sustainable Mobility Programme

Obtaining the EPRA sBPR Gold Award

Net-zero by 2050

Our European presence

(as at 31 December 2022)

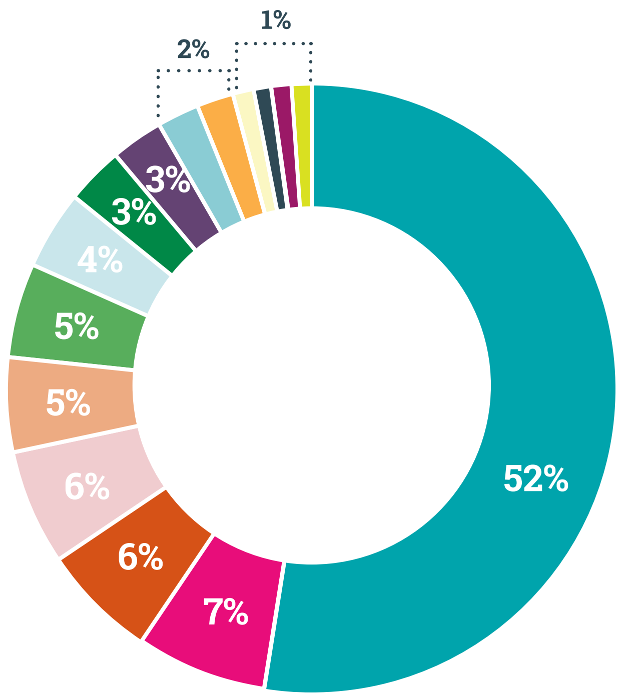
	Belgium	The Netherlands	Spain	Ireland
				
Current number of beds	5,079 beds	585 beds	764 beds	464 beds
Number of beds in development	-	133 beds	545 beds	119 beds

Current number of beds   Number of beds in development

Distribution of the number of projects per operator[(1)]

(as at 31 December 2022)

'With our unique position in both the public and private market, we strive to meet the need for equal access to healthcare housing.'



Belgium

- Colisée
- My-Assist
- NPO
- Public
- Anima
- Orelia Group
- Korian
- Vulpia Care Group
- Résidence Du Lac S.A.
- Other

Ireland

- Silverstream Healhthcare Group
- DomusVi

The Netherlands

- Valuas Zorggroep
- Korian
- De Gouden Leeuw Groep
- Warm Hart Zorghuizen
- Other

Spain

- Emera Group
- Vivalto Group
- Forum de Inversiones Inmobiliarias Mare Nostrum
- Other

Key facts

(incl. projects in development; as at 31 December 2022)

Occupancy Rate	100%
Market Cap	€ 437 m
Fair Value Portfolio	€ 1,130 m
Average Remaining Duration of Contract	15.61 years
Number of Beds	7,689
Number of Sites	145
Total Surface	584.267 m²

(1) For the following operators, the share in the projects was less than 1% on 31 December 2022: Aldenborgh Exploitatie, Anima, Com-4Care, De Familie, Forum de Inversiones Inmobiliarias Mare Nostrum, La Vostra Llar, Résidence du Lac, Stichting Pim Senior, SVE Group and Thuis Leven vzw.

Letter to the stakeholders

We believe that the fundamentals of care properties remain unaffected, and the pandemic has emphasised the importance of good care for the elderly.

Dear Stakeholder,

Care Property Invest's focus on sustainability of both its existing and future real estate portfolio is constantly increasing. We are striving to build a resilient future by offering sustainable real estate options that can tackle various challenges such as ageing population, increasing inequalities, climate change, and the energy transition.

As a responsible corporation, we adhere to our environmental, social and governance responsibilities in conducting our activities. This is part of our commitment to providing sustainable healthcare housing. We have recently revised our strategy framework by conducting a new materiality assessment that follows the requirements of the double materiality principle of the Corporate Sustainability Reporting Directive (CSRD). Based on this assessment, Care Property Invest has shaped its ESG commitments, focusing on three impact areas: 'Investing in sustainable buildings,' 'Building lasting relationships,' and 'Leading through ethical practices'. These commitments, translated into measurable targets, will allow us to build a strong sustainability foundation within our strategy and our way of operating.

Furthermore, we have formalised our commitment to reaching a net-zero portfolio by 2050 in line with the 1.5°C objective of the Paris agreement. This ambitious goal will require significant efforts and investment, but we are confident that it is achievable through a combination of energy-efficient building practices and a commitment to sustainable investment decisions.

Despite the unfavourable news flow the private healthcare sector has been subjected to, we remain convinced by the added value of a healthy mix of care providers and continue to support entrepreneurship in this sector considering the demographic challenges in the decades ahead and the government budget constraints faced all over Europe. Care Property Invest hasn't been impacted directly by the troubling events in several care homes outside its portfolio, however, we remain alert and will develop a sustainability charter to formalise our collective ESG commitments with our care providers. We believe that this will strengthen our commitment to providing sustainable and safe healthcare housing.

The Covid-19 pandemic has had an impact on the global economy, including the healthcare sector. However, the roll-out of vaccination programmes across Europe has contributed to a more comprehensive risk perception of care homes, with occupancy rates stabilizing again. We believe that the fundamentals of care properties remain unaffected, and the pandemic has emphasised the importance of good care for the elderly.

We were also deeply affected by the outbreak of the war in Ukraine. We sympathise with all victims and their families, and we regret the terrible situation in which many Ukrainians are living today. This conflict has had a major impact on the European economy, including being a factor in the increase in energy prices. As a result, operating costs have increased dramatically for a wide range of companies, including our operators.

Care Property Invest has shaped its ESG commitments, focusing on three impact areas: 'Investing in sustainable buildings,' 'Building lasting relationships,' and 'Leading through ethical practices'

Care Property Invest's commitment to sustainability is reflected in annually submitting to ESG assessments where our ESG performance is evaluated based on industry best practices. With the results and feedback from these evaluations, we aim to improve our sustainability practices in 2023 by focusing even more on sustainability within our activities. We have incorporated these sustainability commitments into our strategy framework and embedded them into our business processes, decisions, and employee considerations.

We are committed to our sustainability goals and will continue to focus on implementing sustainable practices within our operations. We believe that this is not only the responsible thing to do, but also the right thing to do for our stakeholders and for future generations. We are excited about the progress we have made so far, and we look forward to sharing our future successes with you.

Thank you for your continued support and interest in Care Property Invest's sustainability journey.

Peter Van Heukelom
CEO

Mark Suykens
Chairman of the Board of Directors

Peter Van Heukelom

Mark Suykens

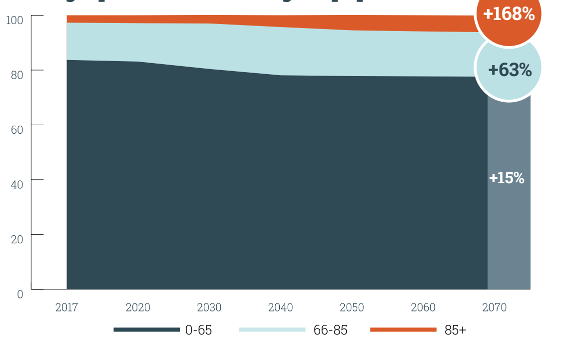
Chapter 1

Sustainability at Care Property Invest

'With our sustainable real estate ambitions, we want to meet the need for equal access to healthcare housing for elderly people and people with mental and / or physical disabilities.'

About Care Property Invest

Demographic evolution Belgian population

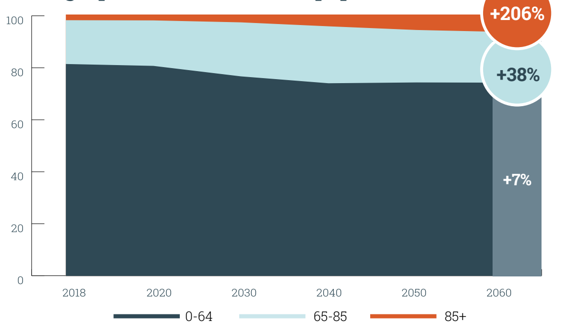


EXPECTED GROWTH
total Belgian population of
+15%

+168% in age category 85+

+63% in age category 66-85

Demographic evolution Dutch population

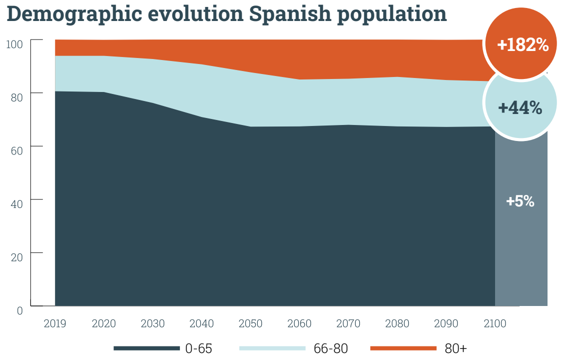


EXPECTED GROWTH
total Dutch population of
+7%

+206% in age category 85+

+38% in age category 65-85

Demographic evolution Spanish population

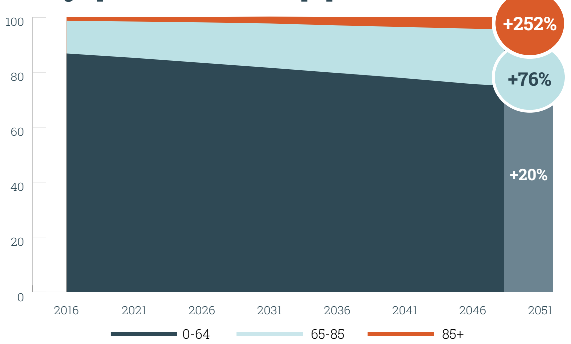


EXPECTED GROWTH
total Spanish population of
+5%

+182% in age category 80+

+44% in age category 66-80

Demographic evolution Irish population



EXPECTED GROWTH
total Irish population of
+20%

+252% in age category 85+

+76% in age category 65-85

Our social role in healthcare housing for elderly and people with a disability

There is an increasing demand for healthcare housing for elderly individuals within both the public (local governments, housing corporations, and foundations) and private sectors. Projections indicate that by 2070, Belgium's population will experience a 15% rise. Within this population, individuals aged between 66 and 85 are expected to increase by 63%, while those aged 85 and above are projected to grow by 168%. Similar trends in population aging can be observed in The Netherlands, Spain, Ireland, and the rest of Europe.

In The Netherlands, the population is anticipated to grow by 7% by 2060, with the age category of 65 to 85 projected to grow by 38% and the category of 85 and above expected to grow by 206%. Spain's population is projected to grow by 5% by 2100, while in Ireland, the largest population increase is expected, with a 20% rise in the total population and an overwhelming 252% increase in the age category of 85 and above by 2051.

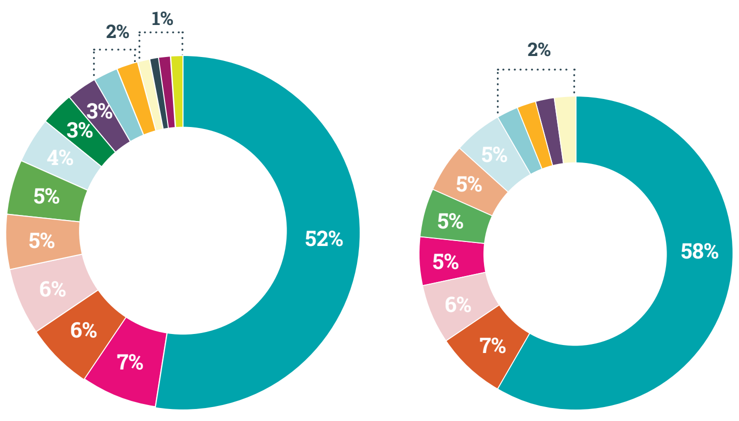
In response to these demographic trends, we expanded our offerings in 2014 to include private residential care centres in addition to our assisted living apartments. This expansion aimed to reinforce equal access to high-quality healthcare housing, building on our experiences and knowledge gained over almost 20 years. Our enhanced offering allowed us to include care facilities run by private operators and undertake projects for individuals with mental and/or physical disabilities. As a result, we completed our first residential complex for people with disabilities in September 2019.

The aging population and growing demand for healthcare housing, combined with societal inequality, have led to unequal access to healthcare housing. In Belgium, private healthcare housing is, on average, €8 per day more expensive than public healthcare housing. At Care Property Invest, we are committed to providing diversified healthcare housing to every citizen. Therefore, we offer our services to both public and private operators in all countries where we are currently active, even though we anticipate fewer opportunities in the public sector in the future. With our unique position in both the public and private market, we strive to meet the need for equal access to healthcare housing. As of December 31, 2022, 56% of our portfolio[1] was operated by local governments and non-profit organisations (NPO), reflecting our dedication to this goal.

The COVID-19 pandemic has underscored the imperative for sufficient healthcare provisions and tailored infrastructure. While the pandemic's repercussions on the broader population persisted into 2021, the initiation of vaccination programmes throughout Europe has aided in fostering a more all-encompassing understanding of the hazards prevalent in residential care centres, where occupancy levels were generally experiencing a resurgence by the latter half of 2021 and in 2022.

In 2022, we have unwaveringly pursued our objective of offering inclusive healthcare housing that is easily accessible to all individuals. This commitment has materialised through a remarkable surge in our operations across different regions. The Netherlands witnessed an impressive growth of 62% in the number of beds, while Spain experienced a substantial boost of nearly 90%. Furthermore, we have successfully attained complete integration into the Irish market, where our operations now encompass a total of 464 beds as of 31 December 2022.

Distribution of the number of projects per operator[2][3]



31 December 2022

31 December 2021

Ireland
- Silverstream Healthcare Group
- DomusVi

Belgium
- Colisée
- My-Assist
- NPO
- Public
- Anima
- Orelia Group
- Korian
- Vulpia Care Group
- Résidence Du Lac S.A.
- Other

The Netherlands
- Valuas Zorggroep
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- De Gouden Leeuw Groep
- Warm Hart Zorghuizen
- Other

Spain
- Emera Group
- Vivalto Group
- Forum de Inversiones Inmobiliarias Mare Nostrum
- Other

(1) Based on number of projects
(2) For the following operators, the share in the projects was less than 1% on 31 December 2022: Aldenborgh Exploitatie, Anima, Com4Care, De Familie, Forum de Inversiones Inmobiliarias Mare Nostrum, La Vostra Llar, Résidence du Lac, Stichting Pim Senior, SVE Group and Thuis Leven vzw.
(3) For the following operators, the share in the projects was less than 1% on 31 December 2021: Aldenborgh Exploitatie, Anima, Com4Care, Forum de Inversiones Inmobiliarias Mare Nostrum, Ontzorgd Wonen Group and Résidence du Lac.

Our role in climate change reduction and positive contribution to the environment

The impact of the real estate sector on the environment is significant, as the sector accounts for 36% of global energy use and 39% of carbon emissions, according to United Nations estimates(1). To achieve the IPCC's 2°C and 1.5°C scenarios, a reduction of 78% and 91% in greenhouse gas emissions respectively is projected to be necessary(2). In response to this challenge, various initiatives have been launched in recent years to support the transition of the real estate landscape. The EU Green Deal[3], for example, seeks to promote the building of energy and resource-efficient social housing of the future, with a focus on digitalisation, circular economy, and climate proofing of the building stock.

To contribute to this transition, Care Property Invest is committed to measuring its sustainability performance and reducing its environmental impact through a sustainability strategy. In line with international sustainability guidelines such as GRI, EPRA sBPR and Euronext ESG Guidelines, we have drafted this sustainability report. The present report also represents an initial stride towards fulfilling the requirements of the Corporate Sustainability Reporting Directive (CSRD). A new materiality assessment was conducted in compliance with the double materiality guidelines of the CSRD, and based on the material issues identified, our sustainability strategy was subsequently revised.

'Appendix I' provides an overview of our reporting parameters and definitions used.

(1) Global Alliance for Buildings and Construction, International Energy Agency and the United Nations Environment Programme (2019): 2019 global status report for buildings and construction: Towards a zero-emission, efficient and resilient buildings and construction sectorBased on data from the Organisation for Economic Cooperation and Development (OECD), http://stats.oecd.org.
(2) Kepler Cheuvreux (March 2021): Equity research ESG set to rock property
(3) The European Green Deal is Europe's new growth strategy with the ambition to become the first continent to be climate neutral by 2050

'We have made firm commitments to continuously improve our operations and reduce negative impact on the environment.'

Our sustainability commitment and priorities

Our long-term commitment

As an investor, employer, and partner for our care providers, united by a common vision for our residents, we acknowledge our corporate responsibility and strive to fulfil our role in pursuing these objectives. Care Property Invest's aspiration is to become a leader in sustainability within the healthcare real estate industry. To prepare for the upcoming demands, such as the ageing population, rising disparities, climate change, and energy transition, we must address significant obstacles and look to the future.

Care Property Invest has shaped its ESG commitments focusing on three impact areas: 'Investing in sustainable buildings', 'Building lasting relationships' and 'Leading through ethical practices'. These commitments, translated in measurable targets, will allow us to build a strong sustainability foundation within our strategy and our way of operating.

Our strategic framework, which defines our impact areas, commitments, and targets, is based on a double materiality exercise recently conducted and which is described in the next section.

Double Materiality

Our sustainability report aims to provide stakeholders with comprehensive information on Care Property Invest's resilience and capacity to navigate current and future challenges.
To identify the most significant sustainability issues for our company, we conducted a first materiality assessment in 2019. Considering upcoming sustainability reporting regulations and our commitment to prepare for the Corporate Sustainability Reporting Directive (CSRD), we have recently conducted a double materiality assessment. The double materiality assessment allowed us to determine how sustainability issues affect our business and how our activities impact people and the environment. We engaged both internal and external stakeholders, including Care Property Invest's Board of Directors, Executive Committee, employees, private and public operators, debt and equity investors, valuers, and contractors, in a thorough stakeholder engagement process. Our double materiality assessment enables us to prioritise and focus on the sustainability topics that are material to our business and to our stakeholders.

The sustainability assessment undertaken by Care Property Invest comprised of four major phases aimed at identifying potential sustainability issues and evaluating their materiality. The following outlines each of the phases:

1

Phase One

Identification of Sustainability Issues

A long list of sustainability issues that could potentially affect Care Property Invest was compiled through extensive research, which included analysis of the draft topical ESRS(1), international frameworks such as SASB and MSCI, sector trends reports and peers' benchmarks.

2

Phase Two

Prioritisation of Sustainability Issues

The long list of sustainability issues was assessed and prioritised by the management committee, resulting in a short list of sustainability matters that underwent an in-depth analysis.

3

Phase Three

Stakeholder Engagement

More than 70 people, both from internal and external stakeholder groups, were consulted through workshops, one-on-one interviews, and questionnaires to further evaluate the short list of sustainability matters.

a. Internal stakeholders: the management committee and Board of Directors defined materiality thresholds based on scientific evidence and expert insights. Employees were also consulted to capture their views and insights given their expertise in the operational activities of Care Property Invest.

b. External stakeholders, including private and public operators, debt and equity investors, valuers and contractors, provided valuable support and insights, identified mistakes, and determined operational implications.

4

Phase Four

Sustainability Issues Evaluation

Sustainability issues were evaluated from two perspectives: impact materiality (inside-out) and financial materiality (outside-in).

a. Impact materiality was assessed by evaluating the severity and likelihood of the impact of Care Property Invest on each sustainability issue, taking into account the scope, scale, and irremediability of the impact. Three impact levels were set (low; medium; high) for both aspects (i.e. severity and likelihood).

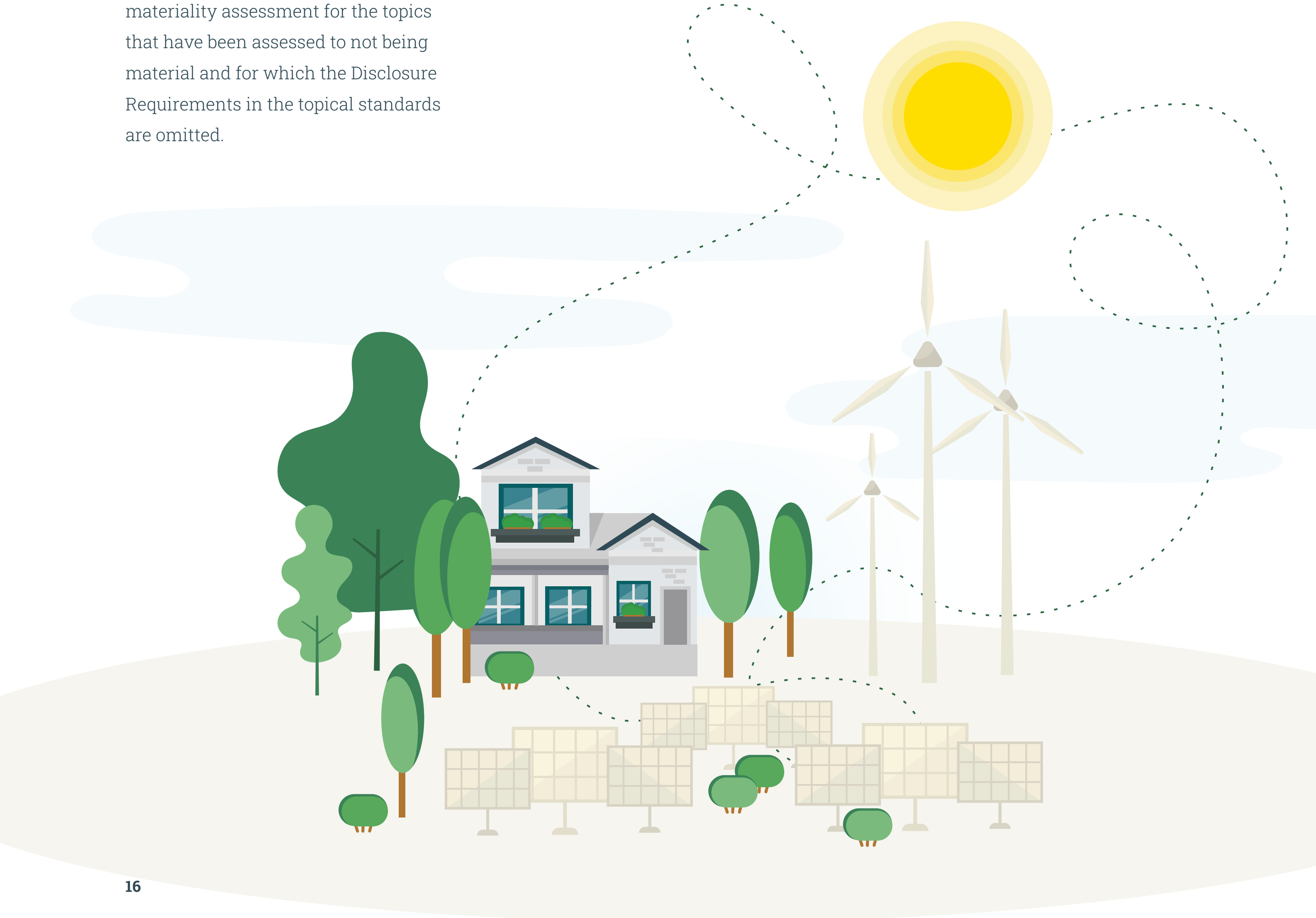
b. Financial materiality was evaluated by considering the risks and opportunities that may affect Care Property Invest's financial development, performance, and position. Thresholds for the potential size of financial effects were based on the value of our real estate portfolio. The likelihood of the financial effect was also taken into consideration. The latter was assessed based on three impact levels (low – less likely; medium – more likely than not; high – very likely)

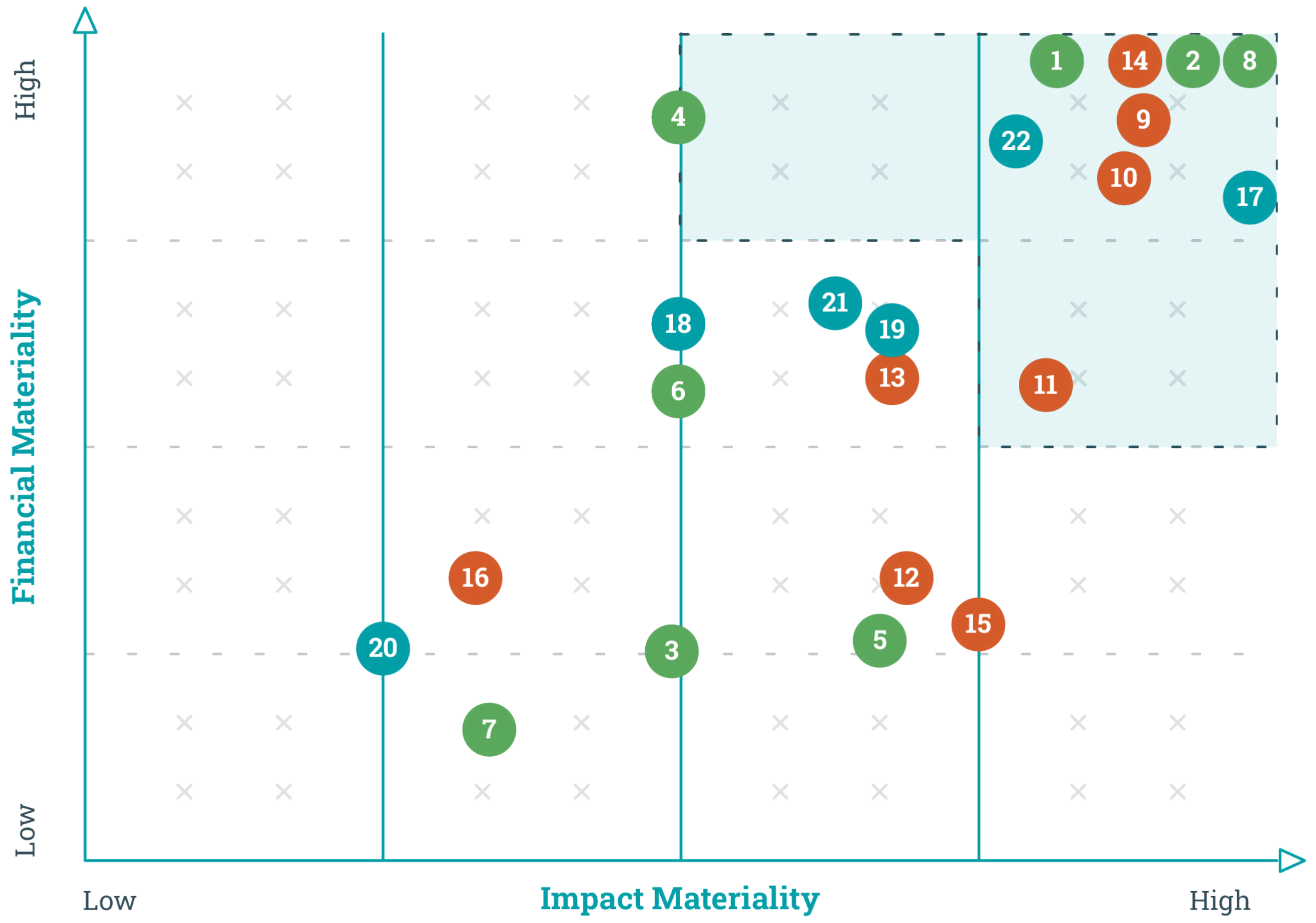
(1) The European Sustainability Reporting Standards outline requirements for detailed corporate reporting on a broad range of environmental, social, and governance (ESG) issues. Draft ESRS were formally published in November 2022 and are expected to be adopted by the European Commission in June 2023.

This process resulted in drafting a materiality matrix that showcases the financial materiality (outside-in perspective) and the impact materiality (inside-out perspective). We acknowledge that all topics mentioned in the matrix are important. However, based on the impact on Care Property Invest's value and the impact on people and the environment, ten material topics have been prioritised as critical issues for Care Property Invest to focus on in the coming years. The matrix highlights the most crucial sustainability topics for Care Property Invest, which are located in the upper right area (highlighted in the matrix). **'Appendix I'** briefly explains the conclusions of the materiality assessment for the topics that have been assessed to not being material and for which the Disclosure Requirements in the topical standards are omitted.

The double materiality exercise has proved instrumental in shaping our ESG strategy by enabling us to better define our ambitions, targets, and actions. We recognise the importance of considering all stakeholders' interests and activities and strive to prioritise sustainable practices that have a positive impact beyond the short term. We will revise our materiality assessment on a yearly basis to take into account the most recent evolutions and trends in our sector and plan a thorough update of the assessment every 2-3 years (i.e. next in-depth revision is planned for 2025).

'Based on the impact on Care Property Invest's value and the impact on people and the environment, ten material topics have been prioritised.'





ENVIRONMENTAL	
1	**Energy (efficiency)**
2	**Greenhouse gases**
3	Water
4	**Circular Economy**
5	Waste
6	Biodiversity
7	Air/water/soil pollution
8	**Resilient Portfolio (incl. building certification)**

SOCIAL	
9	**Working conditions**
10	**Employee engagement**
11	**Equal treatment & opportunities**
12	Human rights
13	Working conditions in the value chain
14	**Affected communities**
15	Health, safety and wellbeing of end-users
16	Aesthetics and respect for public space

GOVERNANCE	
17	**Corporate culture & business conduct**
18	Political engagement & lobbying activities
19	Supplier relationships
20	Animal welfare
21	Corruption & bribery
22	**Cyber security & data protection**

Stakeholder engagement

Our stakeholder engagement process has been critical in our success. Through the double materiality assessment, we have revisited our stakeholder engagement approach and aimed to build stronger relationships of trust with our stakeholders based on transparency and open dialogue. We acknowledge the value of consulting with our stakeholders to consider which sustainability aspects are the most significant and to identify emerging trends in the field of sustainability.

To ensure ongoing engagement with our stakeholders, we are constantly seeking new ways to connect with them. Our latest materiality assessment involved in-depth engagement with our key stakeholder groups, during which we held specific discussions on Care Property Invest's sustainability impact and performance. We have incorporated their feedback into our final materiality matrix, and intend to integrate their comments on specific issues into our business planning and actions. Our stakeholder groups have been identified based on their relevance to and influence on Care Property Invest, and can be broadly categorised into two groups: affected stakeholders, whose interests are affected or could be affected – positively or negatively – by our activities, and users of sustainability statements, who are the primary users of general-purpose financial reporting(1).

To ensure that we are meeting the needs of our stakeholders, the main conclusions of their views and interests were presented to the Executive Committee, audit committee and Board of Directors, to enable integration of these insights into the drafting of a sustainability strategy.

During the stakeholder consultations, we recognised a growing obligation to our investors to embed sustainability values and strategies in our real estate operations. They seek to invest in and support companies that prioritise sustainability, and are increasingly collaborating with their clients on ESG topics to improve their own sustainability performance.

> 'We have aimed to build stronger relationships of trust with our stakeholders based on transparency and open dialogue.'

(1) According to draft ESRS 1 General Requirements (November 2022)

The table below outlines the importance of sustainability for and issues raised by the various stakeholder groups during the consultations, as well as the methods and frequency of engagement. We remain committed to maintaining a high level of engagement with all our stakeholders as we work to embed sustainability values and strategies into all aspects of our business.

Stakeholders	Stakeholder input on importance of sustainability	Mode of engagement	Frequency
Affected stakeholders			
Operators/care providers and private tenants of our investment properties	• Operating costs influenced by energy and water efficiency • Resilient portfolio	• ESG consultations with the sustainability manager • Meetings and site visits with the asset manager • Technical meetings with investment team	• Regular informal contacts • Annual consultations
Employees	• Working conditions • Health and well-being • Equal treatment and opportunities	• Formal two-way evaluation conversations • Informal feedback moments • ESG working group • Internal ESG trainings	• Annual talent review • Day-to-day
Residents	• Living environment • Quality of life influenced by building design	• Sustainability report	• Annually
Society	• ESG Awareness • Respect for public space	• Sustainability report	• Annually
Users of sustainability statements			
Equity investors	• Resilient portfolio (incl. energy performance certification) • Climate change and decarbonisation • ESG risks • ESG governance • ESG remuneration	• Annual financial report • Quarterly and half-yearly results • Sustainability report • Press releases • Investor communication • Investor forums and roadshows • ESG consultations	• Annually • Bi-Annually • Quarterly • Ad hoc
Debt investors and corporate lending	• Sustainable finance framework • Resilient portfolio (incl. energy performance certification) • Climate change and decarbonisation • Circular economy • ESG risks • Social impact	• Annual financial report • Quarterly and half-yearly results • Sustainability report • Investor communication • Investor forums and roadshows • ESG consultations	• Annually • Bi-Annually • Quarterly • Ad hoc
Subcontractors	• Resilient portfolio (incl. energy performance certification) • Climate change and decarbonisation • Circular economy • ESG risks	• One-to-one meetings • ESG consultations	• Regularly • Ad hoc

Our contribution to the UN Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) set in 2015, act as a universal language for corporate responsibility. The SDG's provide a framework that guides businesses in defining their corporate responsibility, strategy and action planning. The framework helps organisations connect their strategies with global priorities set out in the United Nations' 2030 sustainable development agenda.
With its sustainability strategy, Care Property Invest aims to contribute to achieve these goals with its activities in Belgium, The Netherlands, Spain, and Ireland.
The table below summarises the topics per SDG that are relevant to and important for Care Property Invest.

10 REDUCED INEQUALITIES	• Equal access to healthcare housing • Diversified healthcare housing	11 SUSTAINABLE CITIES AND COMMUNITIES	• Ageing population • Sustainable buildings
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Innovation in new developments and acquisitions • Innovative partnership • Portfolio screening • Life-cycle assessments (LCA)	13 CLIMATE ACTION	• Resilient portfolio • Carbon net-zero • EU Green Deal
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Responsible consumption of energy and resources	7 AFFORDABLE AND CLEAN ENERGY	• Renewable energy • Carbon neutral operations
8 DECENT WORK AND ECONOMIC GROWTH	• Safe and healthy working conditions for our employees • Job security	5 GENDER EQUALITY	• Equal remuneration • Equal opportunities • Diversity in workforce • Women in leadership
3 GOOD HEALTH AND WELL-BEING	• Employee well-being • Flexibility • Integrity, transparency, fairness • Promote physical and mental health	4 QUALITY EDUCATION	• Employee training • Personal development

'We ensure equal access to tailored healthcare solutions by forging lasting relationships with both public and private care providers'

Our sustainability ambitions

Sustainability strategy

Care Property Invest has taken significant steps towards enhancing its sustainability strategy through the implementation of a new double materiality assessment.
Our robust ESG strategy is fundamental to creating a resilient and future-proof company. We have identified three key impact areas - environmental, social, and governance - that align with our commitment to sustainable development. In line with these impact areas, we have made firm commitments to continuously improve our operations and reduce any negative impact on the environment, while also promoting the well-being and development of our employees, stakeholders, and the communities we operate in.
At Care Property Invest, we are committed to responsible corporate governance and ethical business practices. We believe that by incorporating sustainability into our business strategy, we can create long-term value for all stakeholders, whilst also contributing towards a sustainable future for the planet.

Our three impact areas our reinforced by the following commitments:

- **Investing in sustainable buildings**
- **Building lasting relationships**
- **Leading through ethical practices**

Sustainability roadmap

To effectively execute our sustainability strategy, we have initiated a sustainability roadmap that outlines specific targets and objectives to guide our efforts. This roadmap is expected to evolve in the upcoming year, as we intend to establish science-based targets that align with industry standards and ensure our environmental goals are both measurable and time-bound.

Topic	Target	Year	Status
ENVIRONMENTAL			
Resilient portfolio	Develop and implement a sustainability screening framework to be able to perform recurring screenings of our complete portfolio	2023	In progress
	Perform (physical & transition) risk assessments covering 100% of Care Property Invest's portfolio (both at asset level and portfolio level)	2024	Planned
Greenhouse gases	Net-zero portfolio	2050	In progress
	Set (intermediate) science-based targets	2023	Planned
	Implement decarbonisation pathways	2024	Planned
Energy (efficiency)	Extend EMS coverage to 80% of Care Property Invest's portfolio	2023	In progress
	Set energy efficiency target	2023	Planned
Circular economy	Run LCA pilot project and identify actions from lessons learned	2024	In progress
SOCIAL			
Affected Communities	Develop a sustainability charter to formalise collective ESG commitments with operators and integrate it in standard terms and conditions	2024	Planned
Working Conditions	Develop and implement a sustainable mobility programme	2022	Achieved
	Establish a safety culture in the workplace by offering first aid training to the employees	2023	Planned
Equal treatment & Opportunities	Achieve 40h of training per FTE per year	Ongoing	Achieved
	Develop formal evaluation processes with clear employee targets	2022	Achieved
Employee engagement	Monitor and improve employee engagement and satisfaction through a biennial employee survey	Ongoing	In progress
	Organise annual volunteering days for all employees	Ongoing	Planned
GOVERNANCE			
Corporate culture & business conduct	Organise annual corporate culture and business conduct training for all employees	Ongoing	Planned
Cyber security & data protection	Provide regular cyber security awareness training to all employees	Ongoing	In progress
	Migrate all business applications and data to a cloud-based environment to ensure business continuity	2022	Achieved

Sustainable Finance Framework and Allocation of Proceeds

Making the transition towards a sustainable economy leads to new opportunities to attract funding. Moreover, it is increasingly becoming a minimum requirement to gain access to financing opportunities. At the same time investors have the opportunity to mobilise capital flows towards sustainable projects.

To take on this opportunity, Care Property Invest has set out its sustainable finance framework consistent with the guidelines of the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Green Loan Principles.

Under this framework, Care Property Invest can issue a variety of sustainable finance instruments including Social & Sustainability Bonds, Private Placements, Schuldschein and (syndicated) loan facilities. Eligible assets, which can be financed using the proceeds of these financial instruments are segmented into 3 categories: access to essential healthcare services, green buildings and renewable energy.

Sustainalytics, a trusted and respected party, provided a positive second party opinion to our finance framework. This guarantees credibility and improves investor confidence in our operations.

SUSTAINALYTICS SECOND-PARTY OPINION

Within this framework, we contracted a sustainability loan of €35 million from ABN AMRO in 2020, which was increased to €55 million in the course of 2021 and to €75 million in the course of 2022. The outstanding amount of this facility at 31 December 2022 was €44.5 million. In 2021 we successfully completed our first debt capital markets transaction by means of a €32.5 million Sustainability Bonds private placement. The net proceeds from the bonds were used exclusively to (re)finance eligible sustainable assets as included in this sustainable finance framework. For reasons of expediency, these bonds were repaid in full on 10 March 2023 and, as compensation, an additional €30.5 million was drawn on the sustainable rollover credit with ABN-AMRO, making full use of that line from then on.

The number of green assets as at 31 December 2022 was 29, representing an acquisition cost of €303.7 million and a fair value of €315.7 million. This portfolio thus consists of eligible assets that can be financed with sustainable finance instruments and is spread over the four markets where Care Property Invest is active, i.e. for €73.0 million in Belgium (9 buildings), €131.0 million in The Netherlands (13 buildings), €35.6 million in Spain (3 buildings) and €64.1 million in Ireland (4 buildings). It is the ambition of Care Property Invest to increase this portfolio of green eligible assets further each year, together with the growth of the portfolio through new sustainable developments or the purchase of existing residences that meet the eligibility criteria.

As of 31 December 2022, an amount of €77 million was taken up in sustainable finance instruments and fully allocated to the category Green buildings of which 5 are located in The Netherlands and 2 in Spain. The total amount is allocated to the refinancing of acquisitions and completed developments during 2022, 2021 and 2020. Consequently, there were no unallocated proceeds.

The total number of outstanding sustainable finance instruments is 13% of the total financing as at 31 December 2022.

Auditor's report

Limited Assurance Report of the Independent Auditor on the Use of Proceeds

Introduction

We were engaged by Care Property Invest nv (the 'Company') to provide a limited assurance conclusion on the use of proceeds for the issuances of sustainable finance instruments included in the section 'Sustainable Finance Framework and Allocation of Proceeds' of Care Property Invest's Sustainability Report 2022 (the 'Selected Information').

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining sustainability indicators included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by the Company

In preparing the Selected Information included in the Report, Care Property Invest applied the criteria of proceeds allocation to Eligible Projects disclosed in section 'Use of Proceeds' of Care Property Invest Sustainable Finance Framework (https://carepropertyinvest.be/wp content/uploads/20201105-sustainablefinanceframeworkcpi.pdf) (the 'Criteria').

Conclusion

Based on our procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information is not prepared, in all material respects, in accordance with the Criteria.

Basis for our conclusion

We have carried out our limited assurance engagement on the Selected Information in accordance with the International Standard on Assurance Engagements (ISAE) 3000: 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the section 'Our responsibilities' of our report.
Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Care Property Invest for the Selected Information

Care Property Invest is responsible for the preparation of the section 'Sustainable Finance Framework and Allocation of Proceeds' in the Sustainability Report 2022 and the Selected Information contained herein in accordance with the Criteria.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the section 'Sustainable Finance Framework and Allocation of Proceeds' in the Sustainability Report 2022 and the Selected Information contained herein that is free from material misstatement, whether due to fraud or error.
It also includes developing the Criteria, selecting and applying policies, making judgments and estimates that are reasonable in the circumstances and maintaining adequate records in relation to the section 'Sustainable Finance Framework and Allocation of Proceeds' in the Sustainability Report 2022 and the Selected Information contained herein.

Our Independence and Quality Control

We apply the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed in relation to the Selected Information. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Selected Information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

Our limited assurance conclusion relates solely to the Selected Information. Also it is not our responsibility to provide any form of assurance on:

- The suitability of the Criteria in relation to the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, Social Bond Principles 2020, and Green Loan Principles 2020 of the International Capital Markets Association which was assessed by Sustainalytics in the 'Second Party Opinion' published in November 2020 on https://carepropertyinvest.be/wp-content/uploads/carepropertyinvest_spo final.pdf;
- The management of the proceeds from the green finance instruments prior to their allocation or the use of these proceeds after their allocation.

Procedures performed
Our limited assurance engagement on the Selected Information consists of making inquiries, primarily of persons responsible for the preparation of the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included, among others:

- Developing an understanding of internal controls relevant to the preparation of the Selected Information;
- Evaluating the appropriateness of the reporting Criteria used and their consistent application, including the reasonableness of estimates made by the Company and related disclosures to the Selected Information;
- Interviewing relevant persons responsible for preparing the Selected Information, for carrying out internal control procedures on and consolidating and reporting the Selected Information;
- Reviewing relevant internal and external documentation that reconcile with the Selected Information;
- Analytical review procedures to confirm our understanding of evolutions in the Selected Information.

Brussels, 24 May 2023
EY Bedrijfsrevisoren BV
Independent Auditor
Represented by
Christel Weymeersch[1]
Partner

(1) Acting on behalf of a bv

'We are striving to adopt a systematic approach towards the identification and management of sustainability risks and opportunities'

Risk management

We are presently engaged in identifying and managing sustainability risks and opportunities through informal discussions. However, we are striving to adopt a systematic approach towards the identification and management of sustainability risks and opportunities. We have already identified all the significant sustainability risks and opportunities that have the potential to impact our business. Our focus now is to find ways to integrate these risks and opportunities into our existing risk management processes. Our aim is to expand the scope of our Risk Manager's responsibilities to include the monitoring of sustainability risks in addition to operational, financial, and legislative risks. Our goal is to conduct a comprehensive (physical and transition) risk assessment covering our portfolio by 2024 (both at asset and portfolio level). This exercise is vital to prepare ourselves for environmental and demographic challenges that we may face in the future. To this end, Care Property Invest is committed to developing appropriate mitigation plans for identified risks.
For more information, please refer to the table below which lists the identified risks and opportunities, along with the associated mitigation actions.

The identified risks and opportunities, as well as mitigation actions for the defined risks, are listed in the table below.

Potential sustainability risk[1][2]	Mitigation actions
CLIMATE CHANGE RISKS	
1. Physical climate change risks	
Rising sea levels and extreme weather conditions such as flooding, storms and earthquakes – The escalating sea levels and severe weather phenomena, such as floods, storms, and earthquakes, present acute risks that may cause physical harm to our portfolio. The impacts of climate change are becoming increasingly apparent, as we witness more extreme weather events around the world. In the short and medium terms, Care Property Invest's portfolio is less vulnerable to such risks, as it is situated in relatively low-risk areas. However, the potential effects of long-term climate changes can be significant. In the case of our portfolio, coastal areas in The Netherlands are predicted to be the most vulnerable to rising sea levels. Our Spanish properties are located at a significant altitude above sea level, making them immune to this risk. While Western-European nations, such as Belgium, The Netherlands, and Ireland, face minimal risk of earthquakes, countries in Southern Europe, like Spain, face a low to moderate risk.	The locations of our buildings are carefully selected to minimise the risk of flooding. As a result, they are situated in areas with either no or very low flood risk, which mitigates the impact of extreme rainfall. However, for our buildings in The Netherlands located in high-risk areas, we have implemented proactive measures to monitor and manage such risks. Furthermore, we have taken steps to ensure that our assets are adequately covered by insurance policies that offer comprehensive protection against potential flood-related losses.
Extreme heat – According to the different scenario analyses conducted by the Intergovernmental Panel on Climate Change (IPCC), global temperatures are projected to rise by 1.5°C to 5°C by the year 2100. Southern European countries are already experiencing the effects of heat waves, and this phenomenon is expected to intensify in Central and Northern Europe in the medium- and long-term. Given that our healthcare housing facilities primarily cater to elderly individuals who are more vulnerable to weather fluctuations, climate control is of paramount importance. Properties that lack air-conditioning or effective climate control solutions may experience a decline in value or, in extreme cases, may become more difficult to rent out. Furthermore, the increased demand for climate control will inevitably raise the energy intensity and, consequently, the carbon footprint of buildings.	In our new developments, we prioritize the incorporation of air-conditioning and climate-control systems during the design and development stages, while also ensuring that the least amount of heat possible enters the building. We achieve this by integrating sun protection features, such as blinds, solar control glazing, and other energy-efficient technologies.Our goal is to create buildings that are both comfortable and sustainable for our tenants. We aspire to move towards energy-independent buildings. Our approach towards achieving this involves transitioning to renewable energy sources, which mitigates the risk of an increased carbon footprint.

(1) World Green Building Council (September 2019): Bringing embodied carbon upfront Coordinated action for the building and construction sector to tackle embodied carbon
(2) Kepler Cheuvreux (March 2021): Equity research ESG set to rock property

Potential sustainability risk	Mitigation actions
2. Transition climate change risks	
Access to finance – Failing to integrate sustainability into our operations can result in an increase in the cost of capital. Banks are increasingly promoting sustainable finance instruments due to the implementation of the EU Taxonomy Regulation. Moreover, investors may choose not to invest in projects or companies that are not aligned with their sustainability goals. As a result, Care Property Invest may encounter challenges in attracting additional investors if sustainability is not adequately integrated into our business operations.	We have established a sustainable finance framework, which has received a favourable second-party opinion from the reputable rating agency Sustainalytics. Furthermore, Triodos Bank has selected Care Property Invest as a sustainable investment for their Sustainable Investment Funds and Private Banking clients. Additionally, our company has been included in Belfius Equities Bel=Go, a fund that concentrates on investing in firms that generate and preserve sustainable quality employment opportunities in Belgium. These initiatives demonstrate that Care Property Invest is a reliable sustainable investment that holds a positive standing in the market.
Policy and legal risks - Policy and legal risks are a major concern for our operations, given the high likelihood of regulatory and policy changes in the short, medium, and long term. The following potential policy changes and implications could have a significant impact on our business: • The Fit for 55 package[1] is a collection of proposals aimed at updating EU legislation to align it with the goal of reducing net greenhouse gas emissions by at least 55% by 2030. The real estate sector is a specific target of the initiative, which seeks to revise the energy performance of buildings directive to make EU buildings more energy-efficient and reduce primary energy demand. New buildings will be required to be zero-emission by 2030 and will be subject to energy performance certificate obligations. Member states will establish minimum energy performance standards, with variations in EPC accreditations across different European countries potentially creating an uneven playing field. • The possible introduction of carbon taxes is a cause for concern, and uncertainty remains regarding the party responsible for paying them (e.g. landlords, tenants, worst performing companies, etc.). The execution of carbon taxes will determine the future course of action for different industry players.Several measures were announced under the EU Green Deal. Updates include changes of the EPC framework, minimum requirements in terms of energy performance of existing buildings, decarbonization of heating and cooling and a renewed sustainable finance strategy. • Several measures were announced under the EU Green Deal, including updates to the EPC framework, minimum energy performance requirements for existing buildings, decarbonisation of heating and cooling, and a renewed sustainable finance strategy. • The EU Green Deal may also bring changes to the real estate landscape, including the integration of life cycle assessments in public procurement and the EU sustainable finance framework. A potential revision of material recovery targets set in EU legislation for construction and demolition waste, as well as potential carbon reduction targets, may also have significant effects.	We permanently monitor the environmental requirements and compliance of our portfolio. For new developments, we try to anticipate future legislation. We have run pilot life cycle assessments (LCA) in 2022. From these analyses we aim to identify actions from the lessons learned and incorporate measures to account for environmental factors in our decision-making process.

(1) Council of the European Union (April 2023). Fit for 55: making buildings in the EU greener.

Potential sustainability risk	Mitigation actions
Business risk - In addition to the gradual shift in stakeholders' focus towards sustainability, operators can also derive significant benefits from energy-efficient buildings as they reduce operating costs. Consequently, sizeable healthcare operators will increasingly consider opting for energy-efficient buildings when expanding their operations in the future.	During renovations we pay attention to material use and technology optimisation in order to optimise the energy efficiency of existing buildings. We also consider energy efficiency for new constructions.
Stranded assets due to energy efficiency of buildings – The significance of energy performance as a parameter for building valuations is on the rise. Neglecting to establish buildings that are future-proof in terms of energy consumption or renewable energy generation can pose a risk of devaluation to our properties. Moreover, alterations to regulations and energy standards for buildings can render buildings that are unable to conform at the necessary rate obsolete and, as a result, stranded.	We consistently monitor and adapt to changing energy requirements for our buildings. By implementing an Energy Monitoring System (EMS) across our property portfolio, we can acquire an impartial perspective on the energy efficiency of our properties. Our objective is to achieve an 80% coverage rate for our portfolio by 2023. The data gathered from this system will form the basis for Science-Based Targets that we plan to establish in 2023. Where feasible, we will obtain Energy Performance Certificates (EPC) and Energy Performance of Buildings (EPB) certificates or energy labels for the buildings in our portfolio. In redevelopment projects, we take into consideration the materials used and the latest technologies available to enhance the energy efficiency of the existing buildings. By doing so, we can increase the number of EPC certificates or energy labels obtained. These certificates or labels provide assurance regarding the overall energy performance and global thermal insulation level of the building. Based on these labels, we can make informed decisions whether improvement works are necessary to further optimize the energy efficiency of our buildings.
ENVIRONMENTAL RISKS	
Presence of asbestos - Our real estate portfolio has a low risk of asbestos as a large portion of our portfolio consists of recent buildings. As of 2002, this material was no longer used in new developments.	In order to prevent the potential risk of unidentified asbestos, we conduct a thorough inspection of all buildings constructed prior to 2002. During this inspection, we create a detailed inventory documenting the presence and location of any asbestos. All asbestos removal work is carried out exclusively by certified firms in full compliance with the relevant legislation. None of the few cases we have identified have posed a direct threat to the health and safety of residents. Buildings constructed after 2002, which have been designed and built in line with the latest safety regulations, do not contain asbestos. For any new redevelopment projects we undertake, we transfer any potential asbestos-related risks to the project developer by requesting the removal of any such material where necessary.

Potential sustainability risk	Mitigation actions
Soil pollution – The risk of polluted soil is mostly faced when acquiring new buildings or land. The risk is higher when the soil is located near (past) industrial activities or areas where agricultural chemicals were used.	We prepared an inventory of all the buildings within our portfolio, with a view to mapping any soil pollution that may be present. No hazardous soil contamination has been identified. For any newly acquired buildings located in Belgium, a soil attestation is a mandatory requirement. Similarly, in The Netherlands, real estate projects must also possess the relevant attestations. In Spain and Ireland, we rely on our local advisors to conduct detailed historical research into the past usage of the site, and where necessary, additional environmental research is carried out to assess the potential for soil contamination. In cases where we acquire properties for redevelopment purposes, we take a proactive approach to managing the potential risks associated with soil contamination. Specifically, we transfer any such risks to the project developer, and request soil sanitation measures as necessary to ensure the safety of our residents.

Soil pollution, asbestos and flood areas

Our screening process encompasses 100% of our operational portfolio, which includes both our investment portfolio and our initial portfolio of apartments in leasehold to local governments. Please note that this excludes any projects that are currently under development. For more detailed information on the scope of our screening process, we invite you to consult **Appendix I**. Based on the total floor area of the impacted buildings, we have calculated that 96.4% of our operational portfolio is located in areas that are not considered to be at risk of flooding. However, for buildings that are situated in or near flood-prone areas, we have taken appropriate measures to mitigate any potential risks. Specifically, our operators have taken out comprehensive insurance policies to ensure that any damage caused by flooding is fully covered.

Regarding asbestos and soil pollution, in the few cases that presence was identified, they were not evaluated to be severe risks. The identification of these elements allows us to effectively manage and mitigate any potential risks, thereby significantly reducing the likelihood of damage or harm.

Indicator	Unit	Portfolio 2022				
		Coverage	Insignificant risk	%	Significant risk	%
Flood area	# of buildings	100%	28	19,3%	0	n/a
Asbestos	# of buildings	100%	5	4,9%	0	n/a
Soil Pollution	# of buildings	100%	8	9,0%	0	n/a

SOCIAL RISKS

Reputational risks in the light of a health and/or sanitary crisis – Prior to 2020, the occurrence of a health or sanitary crisis on the scale of the COVID-19 pandemic was widely considered to be highly improbable. However, the past two years have demonstrated that this risk must be taken seriously.

In order to minimise the potential for any negative reputational consequences, we work closely with responsible operators, and maintain a strong partnership built on trust and collaboration. By doing so, we can collectively identify and mitigate any potential risks, thereby ensuring the continued safety and well-being of our stakeholders.
When initiating a collaboration with a new care provider, in addition to conducting a thorough solvency investigation, we also undertake a comprehensive assessment of the provider's reliability, experience and responsibility. It is essential that we work with partners who have a proven track record of successfully managing crises, particularly in times of extreme events such as the ongoing COVID-19 pandemic.
We maintain an open and proactive dialogue with our care providers, particularly during periods of crisis. By doing so, we are able to quickly and accurately assess the impact of any potential issues and ensure that all stakeholders are kept fully informed of any developments that may affect them. Care Property Invest hasn't been impacted directly by the troubling events in several care homes outside our portfolio, however, we remain alert and will develop a sustainability charter to formalise our collective ESG commitments with our care providers.

GOVERNANCE RISKS

Market risk – Stakeholders are placing a growing emphasis on sustainability, and this heightened focus has resulted in an increase in reputational risks stemming from inadequate efforts to achieve our sustainability objectives and fulfil our corporate responsibility. Failure to do so could lead to a loss of our moral license to operate. There were no controversies that had an impact on our public image in the media in 2022.

Our goal is to ensure maximum transparency in all our operations. To supplement our annual reports, we publish a sustainability report outlining our sustainability strategy and targets. As part of our commitment to transparency, we aim to progressively disclose more non-financial information and ensure compliance with the forthcoming Corporate Sustainability Reporting Directive.
Furthermore, we actively engage with our stakeholders and foster open lines of communication. Our efforts towards stakeholder engagement are ongoing and form an integral part of our operations.

OPPORTUNITIES

Attract qualitative employees by reenforcing our corporate brand

To attract high-quality employees, we aim to reinforce our corporate brand. Our commitment to sustainability will play a crucial role in achieving this objective and enhancing our organisational performance. The implementation of our sustainability strategy will help us to retain the best talent and maximise our potential.

Access to funding opportunities

Transitioning towards a sustainable economy presents us with new opportunities to attract funding. In fact, it is becoming increasingly necessary to demonstrate our commitment to sustainability to access financing opportunities. Investors also have the opportunity to direct capital flows towards sustainable projects, making the transition an attractive prospect for all involved.

Competitive advantage

Our ambition to become an industry leader in sustainable performance will provide us with a competitive edge in the long run. Our qualified workforce, increased funding opportunities, and avoidance of additional expenses such as potential carbon taxes will enable us to outperform competitors who would be unable to keep pace with the changing landscape of sustainability.

Chapter 2

Environment

Investing in sustainable buildings

We are committed to continuously enhance the environmental performance of our buildings, with the goals of achieving a net-zero portfolio by 2050, and thereby supporting the transition towards a low-carbon economy

HOW?

- Invest in a resilient portfolio by developing a sustainability screening framework and perform recurrent risk assessments
- Commit to achieving a net-zero portfolio by 2050
- Monitor energy and water consumptions throughout our portfolio
- Identify actions based on LCA

Tackling climate change and environmental challenges through our portfolio

As a real estate investor, we understand that sustainability not only benefits the environment, but also has a positive impact on our business and the communities we serve. That's why we are committed to reaching a net-zero portfolio by 2050, in line with the 1.5°C objective of the Paris agreement. This ambitious goal will require significant effort and investment, but we are confident that it is achievable through a combination of energy-efficient building practices, and a commitment to sustainable investment decisions. By setting science-based targets in 2023, it will help us define intermediate carbon and energy efficiency objectives and actively work toward reaching our net-zero ambition.

To further strengthen our sustainability efforts, in 2023 we will be implementing a new sustainability screening framework. This framework will enable us to conduct recurring assessments of all our assets, providing us with valuable insights into the performance and evolution of our portfolio. Based on these insights, we will be able to conduct detailed analyses and make informed forecasts to take the necessary measures to limit our environmental impact, and where possible, integrate them into our policy guidelines.

Furthermore, to ensure that we achieve a climate-resilient portfolio, it is imperative that we assess the potential financial impact of climate change risks. In support of this objective, we are committed to conducting recurring physical and transition climate risk assessments using recognised scientific models by 2024. These assessments will consider the main physical risks such as extreme cold and heat, fluvial and coastal flooding, tropical cyclones, and wildfires, as well as transition risks. The risk assessment will support us during the due diligence of new projects and to closely monitor the impact of our portfolio throughout its lifespan.

Measuring our environmental impact

We have taken concrete steps towards tracking the environmental performance of our buildings and measuring our scope 3 emissions through the deployment of a smart Energy Management System (EMS) in our portfolio. Our collaboration efforts with an energy monitoring systems provider have enabled us to collect data on energy and water consumption. We aim to equip 80% of our portfolio with an EMS by the end of 2023 to monitor real-time data of energy and water consumption, with the support of our operators. This will allow us to raise awareness, stimulate a shift in mentality and help reduce energy and water usage.

At the conclusion of 2022, we attained EMS coverage of 59%[1] within our portfolio, and we intend to accelerate EMS installations in 2023 to accomplish our goal of 80% coverage by year-end[2]. In pursuit of this objective, we have included the requirement of EMS installation in all new contracts with operators. However, challenges persist in existing contracts, where we must persuade operators of the benefits of this installation. With our commitment of financing the installation of EMS across our portfolio we recognise our shared commitment with our operators to manage energy and water consumption even though as a landlord we have very little control over these consumptions. Through data collection, we will be able to establish science-based targets in 2023 and support our operators in accomplishing their own climate ambitions.

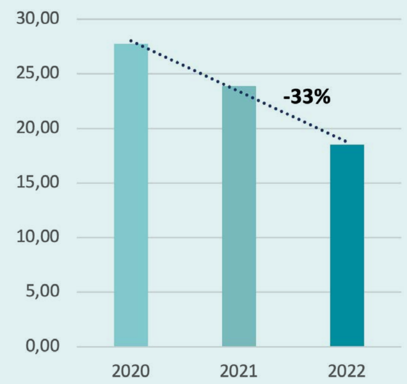
Environmental performance of our portfolio

Thanks to an increasing coverage of EMS in our portfolio, we are able to monitor its environmental impact.

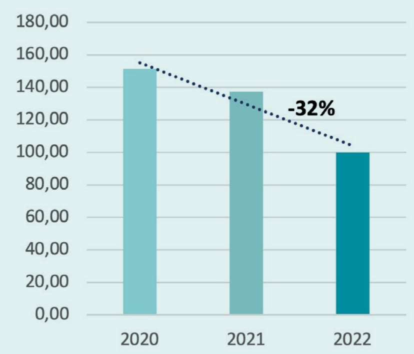
Over the past three years, Care Property Invest has made significant strides in improving its environmental performance. By focusing on investing in modern and efficient buildings, the company has managed to achieve reductions in energy intensity and greenhouse gas emissions intensity. One of the key achievements is a 32% decrease in energy intensity, indicating our commitment to optimising energy usage within our portfolio. This improvement can be attributed to the integration of high energy-efficient technologies and practices in the recently constructed buildings. These state-of-the-art facilities are designed to minimise energy consumption while maintaining a comfortable and safe environment for the elderly residents.

Moreover, heightened consciousness surrounding the energy crisis has prompted our operators to prioritize energy cost reduction. Additionally, the unusually warm weather in 2022 has contributed to decreased heating requirements for our buildings. Furthermore, Care Property Invest has successfully reduced its greenhouse gas emissions intensity by 33%, demonstrating its proactive approach to combating climate change.

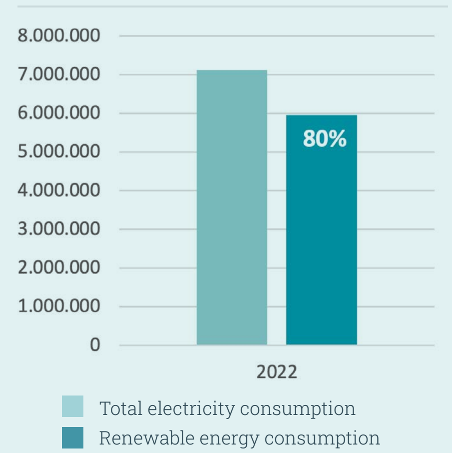
GHG intensity ($kgCO_2e/m^2$)



Building energy intensity (kWh/m^2)



Electricity consumption (kWh)

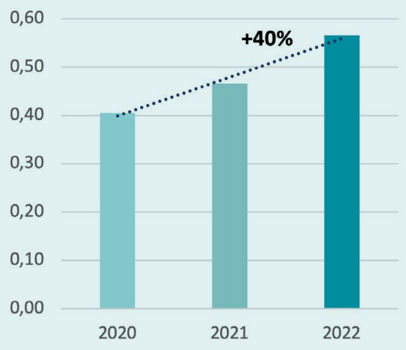


(1) Coverage calculation is based on the floor area of assets.
(2) The initial portfolio of apartments in leasehold to local governments are not taken into account, since there are individual private meters per flat with very limited control by Care Property Invest.

This reduction is primarily attributed to the company's investment in sustainable energy solutions in its portfolio. By installing photovoltaic (PV) panels, a significant part of our portfolio has been able to generate green energy, resulting in a significant decrease in reliance on non-renewable sources. Others have switched to green energy suppliers. 80% of our portfolio's electricity consumption is now sourced from renewable energy, further solidifying its commitment to sustainability.
Our focus on constructing performant buildings equipped with energy-efficient systems and a reduced reliance on gas has played a vital role in these environmental improvements. By prioritizing the adoption of advanced technologies and sustainable practices, we have effectively minimised its carbon footprint.

While Care Property Invest has achieved positive energy performance results to date, it anticipates a potential impact on its overall performance next year due to the monitoring inclusion of its newest assets in Ireland[(1)], which are less energy efficient compared to the rest of our portfolio. The company acknowledges that these additions may have a negative influence on its overall energy performance. However, in order to counteract this anticipated setback, the company has proactively developed CAPEX-plans in collaboration with the operators. These plans are designed to progressively renovate and enhance the energy efficiency of the buildings in the coming years. By investing in these upgrades and improvements, the company aims to mitigate the potential negative effects on its energy performance and continue its commitment to sustainability.

Building water intensity(m^3/m^2)



Moreover, despite the improvements in energy efficiency and greenhouse gas emissions, a 40% increase in water intensity was perceived over the past three years. This rise can be primarily attributed to the gradual increase in occupancy rates within the care homes, following a decline caused by the COVID-19 pandemic. As occupancy rates rebounded, the water consumption also rose accordingly.

Care Property Invest acknowledges this challenge and is fully aware of the importance of addressing it. While the increase in water consumption presents a setback in terms of environmental performance, we remain committed to finding sustainable solutions in collaboration with our care providers.

To incorporate additional environmental considerations into new development projects, life cycle assessments (LCAs) were conducted on two new constructions in 2022. The insights gathered from these assessments are being used to investigate which measures can be implemented to account for environmental factors in our decision-making process, as well as during the planning and design stages of new projects. In our business model, the responsibility of building design and construction decisions most often lie with the developer. However, based on the outcomes of the LCAs, Care Property Invest is committed to reducing its environmental impact by objectively and proactively influence building design, material usage and the construction phase of the building in close collaboration and dialogue with our developers and contractors to the extent possible. In this context, as we have been doing for over 25 years, it remains critical to conduct new project development in close cooperation with all stakeholders, such as suppliers, subcontractors, and operators. Our decision-making and planning process prioritises careful consideration of environmental performance at every stage.

Moreover, we are also exploring options to comprehensively map carbon emissions of our portfolio, encompassing emissions associated with the construction (embodied carbon) and end-of-life phase of our buildings. This will enable us to make more informed decisions with regard to the recycling and reuse of materials in the different stages of construction.

(1) The portfolio in Ireland accounts for 7.5% of our total investment portfolio, excl. projects under development

Mapping embodied carbon through conducting life cycle assessments

As part of our initial efforts to reduce the environmental impact of our buildings during the construction phase, we have conducted a life cycle analysis (LCA) on two of our buildings.

One of these buildings is the Klapgat assisted living complex in Haacht (BE), comprising 53 apartments.
The LCA revealed that by using Cross Laminated Timber (CLT) as a structural frame, the building has an embodied carbon reduction of 23% compared to the same volume constructed with traditional concrete and brick. The construction work is classified as level A, with a total embodied carbon emission of 241.2 kg CO_2e/m2 over a 60-year period.

In addition to these positive LCA results, we have also made efforts to limit the environmental impact of the operational phase of the building. Floor heating and ventilation are controlled by heat pumps, which obtain and release their energy via a BEO field (Borehole Energy Storage). The heat pump obtains energy from groundwater sourced from the boreholes and heats or cools the water that controls the floor heating of the various flats at a low temperature (30°C-35°C). The temperature in each flat is monitored per room and regulated via a motorised valve. The heat pump also heats or cools the ventilation air in the entire building by means of air groups. Additionally, the electricity required to power the heat pumps, air groups, and elevators is supplied by 213 PV panels located on the roof.

Buildings with a heritage

Care Property Invest takes pride in its diverse portfolio with various buildings that hold a unique heritage. We prioritise the preservation of the distinctive character and historical significance of these structures during any renovation process. Repurposing heritage buildings as care homes not only creates new value for our residents, but also benefits the environment by reducing the need for new construction and mitigating the carbon footprint associated with it. Furthermore, this repurposing approach promotes sustainable development and helps to maintain the cultural identity of a community while providing essential housing for seniors.
By repurposing heritage buildings as care homes, Care Property Invest aims to strike a balance between preserving our cultural heritage and fulfilling the practical needs of our ageing population. We remain committed to upholding the highest standards of environmental responsibility and cultural preservation as we continue to innovate in the field of sustainable care home development.

'Repurposing heritage buildings as care homes not only creates new value for our residents, but also benefits the environment.'

Giving historical buildings a new purpose as care homes in The Netherlands

A number of historically significant buildings owned by Valuas Zorggroep in The Netherlands have been repurposed as care homes. Mariënhaven, situated in Warmond, is a former monastery that was renovated and opened in 2022. It offers 30 assisted living apartments and 7 rooms for recovery care.

Constructed between 1929 and 1935, the building of the former monastery in Warmond has undergone numerous renovations, expansions, and reductions over the years. As a result of these modifications, almost all of the building's authentic elements were lost. In an effort to restore the building to its original state, Care Property Invest undertook measures during its redevelopment in 2021 and 2022. The aim was to recreate the original appearance of the building, including wainscoting, diagonally placed PVC floor finishing in the shared living rooms, and the preservation of the original high ceilings as much as possible. Special attention was given to the original and valuable bluestone columns in the former chapel, which were integrated into the new corridors and bedrooms.

The facade of the building still reflects the authentic character of the monastery. During the recent architectural restorations to the facades, the existing architectural style was continued into the different annexes to ensure uniformity throughout the building. Despite its historic character, the building has been modified to meet rigorous environmental standards. To comply with current energy performance regulations, all new and existing parts of the building have been adequately insulated, and heating is provided via a high-efficiency boiler combined with floor heating. Individual thermostats have been installed in every room for precise temperature control, while solar screens have been installed to maintain a comfortable indoor temperature on hot days. The building also features a high-performing ventilation system with heat recovery, ensuring minimal heat loss. All these technical measures result in an A++ energy label.

Environmental impact of our own operations

Our environmental commitments extend beyond our portfolio, as corporate responsibility and making a positive impact are integral to our own operations. The choices we have made regarding our offices are a reflection of our commitments.

In February 2022, the extension of our headquarters' offices was completed and put into use, enabling us to expand our workspace capacity as our team has grown significantly in recent years. In accordance with our commitment to net-carbon reduction, our offices were constructed using nearly zero-energy principles. These principles were achieved by implementing measures such as highly advanced thermal insulation, installation of sunscreens, solar panels, a geothermal heat pump, a green roof, installation of an LED lighting system and an automatic and intelligent light control system.
The building consumes little energy for heating, ventilation, cooling and hot water. Any additional energy required is obtained from green energy sources. In addition to energy efficiency efforts, we have implemented various systems to recover and treat rainwater.

In terms of mobility, bicycle parking facilities are located in the basement of our head offices, offering a secure space for employees to park their bikes. Additionally, it provides charging facilities for e-bikes. Charging stations for cars are also foreseen in the car park. To limit parking nuisance, Care Property Invest has built a sufficiently spacious parking lot to accommodate all its employees and any visitors. This parking was built with water permeable materials allowing drainage of rainwater.
In order to allow current neighbourhood residents to fully enjoy the green environment in which they live, the design of our current office has been perfectly integrated into its surroundings, and the renovation/construction of the building has been performed in accordance with the strictest environmental standards.

'The building consumes little energy for heating, ventilation, cooling and hot water. Any additional energy required is obtained from green energy sources.'

In June 2022, a number of employees commuted to the office via bicycle on the national Cycle to Work Day. This annual event seeks to promote the advantages of cycling, which include improved physical health, affordability, positive environmental impact, and in some cases, even shorter travel times when compared to driving a car.

Carbon neutral operations

In our ambition to achieve carbon neutrality in our operations, we have taken significant steps towards decarbonising our business.

As a result, the environmental performance of the head offices of our company has undergone significant improvements in recent years. In particular, our focus on sustainability and energy efficiency has yielded positive results.

One notable advancement has been in energy performance. With the introduction of our new annex, which was constructed to be nearly climate neutral, our overall energy consumption has decreased. The improved insulation of the building has played a crucial role in reducing the need for heating, resulting in a significant decrease in gas consumption. Additionally, due to the absence of a gas supply, a significant portion of the heating is now supplied through the use of a heat pump.

On the other hand, our electricity consumption increased significantly due to the expansion of our building (which is powered through a heat pump) and our workforce. However, 100% of our electricity needs are covered by a green energy provider, further minimizing our carbon impact. By sourcing our electricity from renewable sources (production via PV panels, green electricity provider), we ensure that our operations are powered by clean and sustainable energy, reducing our reliance on fossil fuels and supporting the transition to a low-carbon economy.

Moreover, we have taken significant steps to address the environmental impact of our fleet which has increased significantly in 2022 (due to an expanding workforce and the decline of home working after the long lockdowns in 2021). Implementing a sustainable mobility programme, which was developed in 2022, we are actively working towards electrifying our entire fleet. To enable a more eco-friendly option for our employees, we have shifted to a Total Cost of Ownership approach for company cars, and from January 1st, 2023, only fully electric cars (BEVs) are available.

By mandating the choice for a fully electric car and gradually phasing out fossil fuel vehicles in our management, Care Property Invest aims to achieve a fully electric vehicle fleet by 2026. Ultimately, the transition from a fully fossil fuel vehicle fleet to a fully electric fleet will gradually result in a reduction of about 70% in CO_2 emissions from our own operational activities compared to the situation in 2022. We anticipate this positive impact on our environmental performance in the coming years as we continue to implement and expand this programme.

Simultaneously, we acknowledge the impact of our international business travel which has resumed after the COVID-19 pandemic but has been necessary to facilitate our company's international growth and investments. While we recognise the environmental impact associated with travel, we are committed to minimizing our carbon footprint through various measures. Firstly, we prioritise the use of sustainable transportation options whenever feasible, such as choosing trains or electric vehicles for shorter distances. Additionally, we actively encourage virtual meetings and remote collaborations as alternatives to in-person travel whenever possible.

Despite these efforts, we acknowledge that certain business activities require face-to-face interactions, particularly when establishing new investments and building relationships with local stakeholders. Our international investments play a vital role in our expansion strategy. To mitigate the environmental impact of our business travels, we strive to optimise trip schedules, grouping multiple meetings and activities within a single trip whenever practical. This approach helps reduce the overall number of trips and the associated emissions.

Moreover, it is important to note that water consumption has increased in our head offices. This rise can be attributed to two primary factors. Firstly, the introduction of the new building, where a drinking water filter has been installed, has encouraged our employees to drink more tap water instead of relying on bottled water. As a result, the use of single-use water bottles has been banned from the office, reducing plastic waste and promoting a more sustainable approach to hydration.

Secondly, the presence of a gym with shower facilities in the locker room has contributed to the increase in water consumption. While we encourage physical activity and employee well-being, we are mindful of the need to strike a balance between environmental responsibility and meeting the needs of our workforce. We will explore opportunities to implement water-saving measures without compromising the health and comfort of our employees.

Whilst we persist in our endeavours to minimise our carbon footprint, we shall continue to provide financial support to carbon offsetting projects in order to compensate for our remaining emissions. For several years now, we have been diligently offsetting the emissions resulting from our operations. As a testament to our commitment, we have successfully achieved the CO_2 Neutral label since 2019. However, we are now determined to elevate these aspirations even further.

Given that the vast majority of our carbon emissions are attributed to our portfolio, our primary focus moving forward will be dedicated to addressing this aspect. In order to comply with the newly upgraded CO_2 Neutral label, which necessitates the establishment of science-based targets, we have decided to temporarily forgo the label this year. Instead, we aim to obtain a new and more ambitious label next year. In the meanwhile, we continue to compensate for our emissions and have offset a total of 163.56 tCO_2e in 2022 by contributing financially to the construction of a wind farm in Bulgaria. This contribution effectively compensates for the residual carbon footprint of our operational activities. Nevertheless, we acknowledge the inherent limitations associated with offsetting our emissions. Our priority remains to reduce our carbon footprint through internal changes and continual improvements.

Chapter 3

Social

Building lasting relationships

We are committed to ensure equal access to sustainable and high-performing healthcare housing by offering diversified solutions to senior citizens and people with disabilities. We recognise our social responsibility within both our portfolio and through our own operations to have a positive impact on society and our employees.

HOW?

- Formalise collective ESG commitments with operators through a sustainability charter
- Implement a sustainable mobility programme
- Establish a safety culture in the workplace
- Attain sufficient training for employees
- Develop formal evaluation processes
- Monitor employee engagement
- Organise volunteering days

Lasting relationships with our care providers

We aim to cater to the varied needs of residents by offering a diversified portfolio that includes alternative healthcare housing options, such as residential care centres, groups of assisted-living apartments, short-stay centres, and residential complexes for elderly people and those with physical and/or intellectual disabilities.

Our portfolio caters to a diverse range of financial preferences, while always prioritising high-quality healthcare housing that has a direct impact on residents' physical and mental health and promotes social inclusion. For example, our most recent assisted-living apartment developments provide solutions for the growing demand of a new generation of elderly people who place great importance on maintaining their independence for as long as possible. To this end, residents have access to a wide range of services if desired, and the latest technologies have been incorporated to enhance the comfort and safety of older residents. Furthermore, with a keen eye for detail, we prioritise design, architecture, and technical quality.

Our approach to new developments is centred on three critical factors: the resident experience, the economic feasibility for the private operator or local government, and the sustainability of the building for the user, private operator or local government, and the environment. Our focus on efficient use of space and energy efficiency translates into lower energy costs and a smaller impact on the immediate environment for the building operator. In order to achieve these objectives, it is essential to establish a strong working relationship with contractors. With over 25 years of experience, Care Property Invest has developed a strong relationship with its contractors based on mutual trust. This has led to the evolution of the classic demand-supply dynamics into a joint process of finding innovative and sustainable building solutions.

Furthermore, we ensure equal access to tailored healthcare solutions by forging lasting relationships with both public and private care providers. We aim to strengthen these relationships by formalising collective ESG commitments with operators through a sustainability charter, which will be progressively added to the standard terms and conditions of our contracts in the years to come.

Customised solutions for our care providers

In our segment of assisted living apartments one of our focus areas is working with turnkey contracts with developments delivered as a completed project to the operator.

In those cases, we take full responsibility for the supervision and follow-up of the entire project and all aspects involved throughout the life-cycle of the project. We closely process the complete administrative and contractual responsibility of building permits, tendering, progress reports, utility connections, infrastructure works, etc. during the entire construction process. This guarantees careful handling of all files and continuous dialogue between Care Property Invest and the operator. In addition, during the entire duration of the project, we pay special attention to limiting and controlling expenditures. By taking care of these responsibilities, we allow the operator to concentrate solely on their main activity, providing healthcare and comfort to their residents. As an alternative, we may form an alliance with operators allowing us to combine the investment and construction expertise of Care Property Invest with the operator's profound healthcare knowledge.

Ukrainian refugees in Villa Sijthoff

In view of the ongoing conflict in Ukraine, The Netherlands has been providing asylum to about 75,000 refugees.

In order to contribute to this effort, Care Property Invest has partnered with the counsel of Wassenaar in The Netherlands to provide temporary accommodation to around 30 Ukrainian refugees, primarily comprising women and children. This has been made possible by making a section of the Villa Sijthoff care centre available to the village.

Investing in our team

Working conditions and employee well-being

Care Property Invest is committed to creating a healthy and pleasant working environment for its employees. We believe in promoting the personal development, training, and overall work satisfaction of our workforce, while ensuring that there is no (gender) discrimination and maintaining their good health. To achieve this, we have implemented various initiatives that aim to boost the physical and mental well-being of our employees.
One such initiative is the construction of an in-house gym that employees can use. Additionally, we organise both formal and informal team-building events, provide fresh fruits as an alternative to unhealthy snacks, offer room for personal and professional growth, and ensure a healthy work-life balance. These initiatives not only reduce stress levels but also lead to a low turnover rate among our employees.

At Care Property Invest, we recognise that our employees have unique needs. Therefore, we offer them the flexibility to tailor their remuneration package through our Flex Income Plan. Our employees can choose to allocate a portion of their gross income and/or rewards towards various categories such as mobility, multimedia, work-life balance, health & insurance, and cash. For example, an employee who loves to travel can opt for additional vacation days, while those interested in improving their physical health can choose a company bike.

In 2023, we will continue to prioritise establishing a safety culture in the workplace. We plan to offer first aid and AED training to all our employees, and to periodically retrain employees to maintain their knowledge and skills, to ensure that they are prepared to handle any emergencies that may arise. At Care Property Invest, we believe that investing in the safety and well-being of our employees is a critical component of our success.

'We believe in promoting the personal development, training, and overall work satisfaction of our workforce, while ensuring that there is no (gender) discrimination and maintaining their good health'

Sustainable mobility programme

'Care Property Invest has taken the decision to commence the full electrification of its fleet as from January 1, 2023.'

The evolving legislative and fiscal landscape in Belgium regarding mobility is set to have a significant impact not only on businesses but also on their employees in the near future.

In light of this, Care Property Invest aims to prepare itself for future obligations, while continuing to offer similar mobility options to its employees. As such, through a new sustainable mobility programme developed in 2022, Care Property Invest has taken the decision to commence the full electrification of its fleet as from January 1, 2023 and has converted mobility budgets to Total Cost of Ownership budgets to eliminate any potential obstacles during the transition. Furthermore, the company is providing charging solutions for home charging, and financing 100% of private and business charging costs, in order to minimise any challenges faced by its employees. All employees will continue to have access to charging at the office and public charging facilities.

Connecting with each other

Following the COVID-19 pandemic, our main focus in 2022 was on reconstructing our social connections with one another.

It was a year of establishing the 'next normal'. Over the course of the year, we arranged both formal and informal events to rekindle and reinforce the bonds among colleagues and teams.

In December, a Saint-Nicholas gathering was organised and employees were invited along with their families. As part of this occasion, fairtrade chocolate was distributed in partnership with a local sheltered workplace.

These team-building events provided our staff with the opportunity to socialise in person and feel a sense of connectedness and appreciation that was unfortunately neglected during the pandemic.

Personal development

Care Property Invest highly values the training and development of its employees throughout their careers. We actively promote employee growth by providing opportunities for training.

Our new employees receive in-depth internal training about our operations and IT tools at the start of their journey. They also actively engage in customer-oriented processes and sector-related events to enhance their knowledge and contacts in the healthcare real estate sector. The onboarding process involves the entire company, and there is a strong emphasis on knowledge sharing among employees. Learning on the job is also an essential part of employee development.

We encourage all employees to follow individual or collective training courses to enhance their skills and add value to their positions. We have worked hard to develop tailored training opportunities for all employees and, as a result, managed to achieve an average of nearly 55 hours of training per employee in 2022 through the rollout of an individual training scheme for each employee. We also organise monthly internal trainings for the whole company, where different teams share their expert knowledge on various topics, including the changing regulatory landscape, sustainability, national and international operations and real estate market trends, risk and compliance. These training sessions provide employees with opportunities to learn from each other and connect on a personal level. The sessions are always followed by an informal drink, which further strengthens employee connections.

Furthermore, in September 2022, our management and middle management teams underwent a comprehensive leadership programme. This initiative placed a significant emphasis on the principles of authentic leadership, fostering team development, effectively managing talent, navigating change, perfecting communication skills, and leading with a steadfast commitment to enhancing employee retention and engagement.

The programme's primary objective was to cultivate and enhance the leadership capabilities of our management. By delving into the concept of authentic leadership, participants were encouraged to embody integrity, transparency, and a genuine concern for their team members. This approach not only fosters trust and respect but also establishes a solid foundation for fostering a positive work environment.

55 hours of training per employee

Emphasis on knowledge sharing

Monthly internal trainings

Cultivate and enhance the leadership capabilities

Aligning competence management with Care Property Invest's mission and values

At Care Property Invest, we have fully integrated competence management into the employee journey.

Starting from the recruitment process, we pay meticulous attention to ensure that our procedures are entirely free from any discriminatory bias based on an individual's age, race, gender, nationality, religion, sexual orientation or any other personal characteristics that are unrelated to job performance. To maintain this focus on competence while ensuring diversity in expertise, experience, age, and background, Care Property Invest developed formal evaluation processes with clear employee targets in 2022. Our evaluation processes are built on the principle of competence management, and we have developed job competency maps for each employee. These maps present the skills, knowledge and abilities required for each position within our organisation. They provide an overview of the competencies that an employee should possess to perform their job effectively and can also be used to identify areas for training and development. By providing clear and concrete targets for our employees, we believe this approach effectively contributes to each employee's personal development within the company.

We organise a formal performance evaluation at least once a year, in addition to regular informal feedback moments throughout the year. Furthermore, the Board of Directors evaluates the Executive Directors at Care Property Invest on a yearly basis.

Employee engagement

Employee engagement is crucial to our success, as it ensures a positive attitude among our employees towards the critical elements of our work culture. In 2022, we conducted our inaugural employee survey, which received a 100% response rate. The survey measured the organisation's perception and the employees' experience within Care Property Invest, identifying strengths and areas for improvement. The results of the survey concluded in various actions that were implemented, including the development of job competency maps, optimisation of the onboarding programme, and the appointment of a buddy for new employees. In addition, we appointed an external trust person to whom employees can turn for advice and support in matters related to harassment, discrimination, or other sensitive issues. The trust person provides a safe and confidential space for employees to discuss their concerns and receive guidance.

With these initiatives, Care Property Invest aims to foster a working environment in which employees feel valued, and their concerns are heard and understood. We plan to conduct employee surveys every two years to monitor progress and identify new actions when necessary.

Employee surveys every two years

100% response rate on the employee survey

Chapter 4

Governance

Leading through ethical practices

We are committed to establish and maintain a strong culture of ethical behaviour, transparency and accountability throughout the organisation and our activities.

HOW?

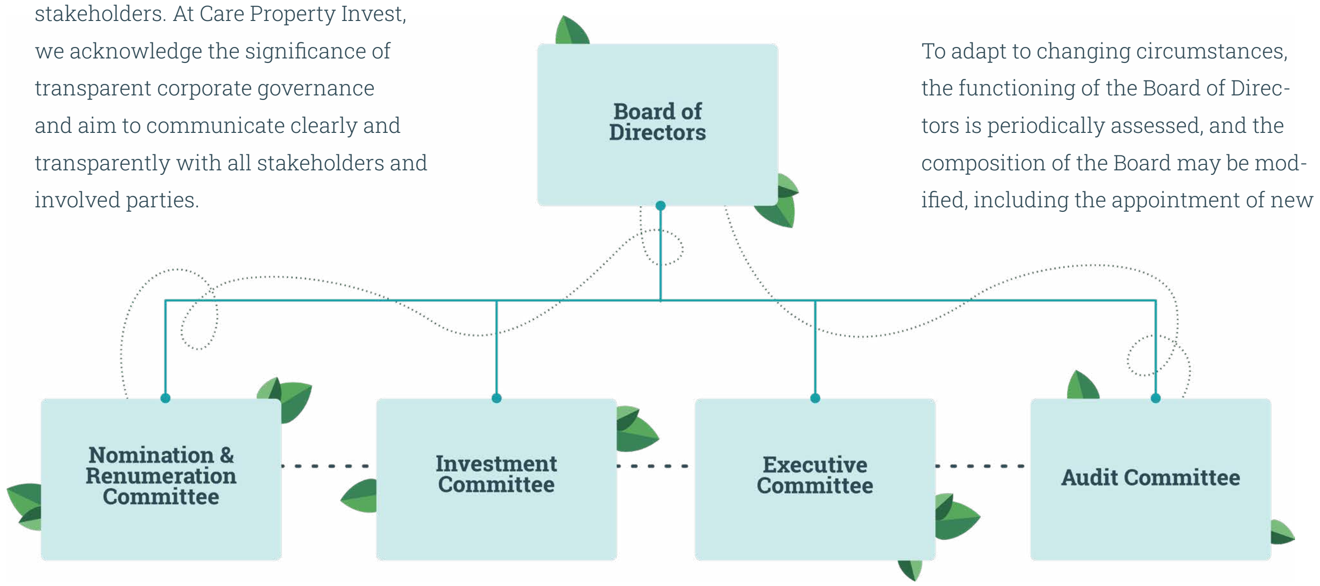
- Organise corporate culture and business conduct training
- Migrate to cloud-based environment
- Provide cyber security awareness training

Corporate Governance

Effective governance structure is essential to steer an organisation's strategic direction and responsible monitoring while ensuring ethical and responsible conduct towards shareholders, regulators and other stakeholders. At Care Property Invest, we acknowledge the significance of transparent corporate governance and aim to communicate clearly and transparently with all stakeholders and involved parties.

Our Board of Directors comprises a diverse group of experts with specific expertise in the sector to ensure that the organisation's societal purpose is accomplished. The Board makes strategic decisions and is accountable for monitoring the organisation, including ensuring transparency through the corporate governance report and governance charter. Furthermore, the directors ensure accuracy and transparency in communication with stakeholders.

To adapt to changing circumstances, the functioning of the Board of Directors is periodically assessed, and the composition of the Board may be modified, including the appointment of new Board members. The Nomination and Remuneration Committee, which was established in February 2018, assists the Board in this evaluation process. For more information about the nomination and selection process of the Board of Directors, please refer to chapter 11 in the report of the Board of Directors of our 2022 annual report, titled 'Corporate Governance Statement.'



The Board of Directors is supported and advised by three specialised Board Committees in their specific areas of expertise. The Nomination and Remuneration Committee advises on variable remuneration, performance premiums, the remuneration policy and remuneration of directors. Through the Nomination and Remuneration Committee the Board of Directors has been systematically monitoring the Executive Committee's sustainability responsibilities since 2021. To encourage the execution of sustainability ambitions, the Nomination and Remuneration Committee has added 25% qualitative criteria such as sustainability to the bonus management system. This system will provide an additional incentive to integrate sustainability considerations in investment cases. By incorporating ESG considerations into our remuneration policy, we emphasise the increasingly important role sustainability aspects play in our current and future remuneration schemes.

20% of the total pay-out of the long-term incentive is subject to ESG criteria and is paid out if the company's sustainability roadmap milestones are achieved. Given the significant importance we attach to the 'environmental' aspect as a real estate investor, 60% of the criteria consist of environmental targets, 20% of social and 20% of governance targets. The environmental targets include the reduction of CO_2 emissions per employee and the achievement of a better than average GRESB score. For the social and governance dimensions, SMART targets are set regarding training, stakeholder engagement, IT security and compliance. Additionally, the management's short-term bonus also depends on SMART targets derived from its sustainability roadmap (to an amount of 25%).

The Investment Committee supervises financial decision-making regarding investments and divestments in accordance with our integrity policy.

The Audit Committee is tasked with ensuring accurate and reliable financial information to internal and external stakeholders, providing a fair and clear picture.

In June 2020, the Executive Committee was formed. This committee comprises of five members of the Executive Management team, who also hold positions as Board members. Its primary responsibility is to oversee the daily management and representation of the organisation. The CEO presides over the Executive Committee and has a specific mandate to lead, monitor, and evaluate employee performance. Our CEO places great emphasis on maintaining a strong connection with the daily operations of the business, as accessibility to clients and shareholders contributes to awareness of emerging issues and opportunities. The CEO, CFO, and COO's actions and leadership are subject to review and control by two additional Managing Directors.

> 'To encourage the execution of sustainability ambitions, sustainability criteria were added to the bonus management system.'

Sustainability Governance

Sustainability is a multi-faceted issue that has an impact on all aspects of our organisation. It is instrumental in implementing our sustainability strategy across our operations, managing our environmental, social, and governance (ESG) objectives, enhancing stakeholder relationships and ensuring overall accountability. The establishment of the Executive Committee presented an opportunity to integrate sustainability into Care Property Invest's governance.

Since 2021, the Executive Committee has gradually incorporated the discussion and monitoring of sustainability themes into its range of responsibilities. As a result, sustainability risks and opportunities, and their translation into Care Property Invest's strategy, action plan, budget and risk management, are now systematically included as agenda items in executive meetings. Furthermore, the Executive Committee can establish targets and monitor their achievement. The CEO, CFO, and COO are ideally placed to take on this responsibility, as they can ensure that decisions are translated into their respective domains and communicated effectively to the Board of Directors. Similar to their traditional duties, the Executive Committee will report to the Board of Directors on sustainability themes. Consequently, the Board of Directors is now systematically informed on sustainability developments, strategy, achievement of targets and can validate material sustainability topics, decisions and reporting.

To facilitate communication on sustainability towards the Executive Committee and the Board of Directors, an ESG working group has been established. Care Property Invest's sustainability manager coordinates the working group, which comprises members of each team, including the finance, legal, technical and investment teams. The CFO is also a member of the ESG working group to ensure a direct link between the ESG working group's activities and the Executive Committee and the Board of Directors.

Diversity

Diversity is a crucial aspect of good governance as it fosters balanced decision-making by incorporating multiple points of view. Therefore, the diversity of the Board of Directors is of utmost importance to us. The Board of Directors comprises of both Executive and Non-Executive (Independent) members, who offer diverse perspectives based on their unique expertise and experience. The Board takes into account gender diversity, as well as diversity in general, while defining the long-term values, core policies, standards and objectives. Additionally, the Board strives for complementarity in terms of skills, experience, background, and knowledge among its members.

To ensure that diversity remains a priority, the Nomination and Remuneration Committee takes into consideration diversity ambitions while providing advice regarding the appointment of directors, members of the Executive Committee, and other leaders.

> 'The Board of Directors is systematically informed on sustainability developments, strategy, achievement of targets and can thus validate material sustainability topics and decisions.'

Integrity policy

Our integrity policy constitutes an essential element of our corporate culture, prioritizing honesty, integrity, trustworthiness, credibility, and adherence to ethical standards and relevant regulations. It encompasses a range of regulations and procedures relating to conflicts of interest, incompatible mandates, the company code of ethics, rules for preventing market abuse and misconduct, dealing codes, and regulations against abuse of corporate assets, corruption, and bribery.

The Board of Directors is responsible for appointing a compliance officer who monitors compliance with laws, regulations, and conduct codes applicable to Care Property Invest. The compliance officer's role is to oversee the various risks arising from our statute and activities, particularly with regard to the integrity of our operations. We maintain a close watch on any breaches of our integrity policy and code of ethics. For more details on our integrity policy, we refer to our **website**.

Corporate culture and business conduct

The Board of Directors of Care Property Invest supports the principles, regulations and agreements stipulated in the Corporate Governance Charter. These guidelines determine the management and control of our organisation and outline our corporate structure, which is founded on the principles of transparency and accountability. The transparency and accountability of these principles foster confidence among shareholders, investors and stakeholders in our organisation. The Charter includes a Dealing Code, which sets out the rules and code of conduct to prevent market abuse, and Care Property Invest adheres to the Code 2020 for listed companies.

As part of the annual report's Corporate Governance Declaration preparation, the Audit Committee scrutinises the Executive Committee's internal control and risk management systems at least once a year. This is done to ensure that key risks are properly identified, managed and reported to the Board of Directors to guarantee the continuity of operations.

As from 2022, we provide compliance training and communication to all employees to ensure effective risk management and implementation of compliance procedures throughout the organisation. We also plan on providing annual training to the employees on corporate culture and business conduct. This will ensure compliance with legal and ethical standards, encourage ethical decision-making, reduce the risk of conflicts of interest and improve stakeholder relations.

For more information on governance and our corporate governance statement, please refer to chapter 11 in the report of the Board of Directors of our 2022 annual report, 'Corporate Governance Statement'. Our **Dealing code** and **Corporate Governance Charter** can also be found on our website.

Cyber security & data protection

Care Property Invest aims to instil a security culture that is ingrained in every aspect of the organisation. This involves establishing a comprehensive and proactive approach to identifying, assessing and mitigating cyber risks and fostering a mindset among employees that prioritises security as a core value. In 2022, Care Property Invest began conducting regular cyber security risk assessments to identify vulnerabilities and potential threats. The company has also implemented and regularly updates security controls and protocols to safeguard against known and emerging threats. In order to raise awareness and enhance employees' understanding of cyber risks and best practices, regular security awareness training is provided.

Additionally, in order to ensure business continuity, Care Property Invest has migrated all of its business applications and data to a secure and scalable cloud-based environment that maximises business agility and reduces operational costs. This enables employees to work remotely from any location, providing the necessary flexibility for home working. Furthermore, this approach provides a higher level of security than what could be achieved with the organisation's own IT infrastructure.

By taking these actions and initiatives, Care Property Invest not only creates a security culture that protects its own data and assets, as well as those of its customers and partners, but also prepares itself for the upcoming NIS 2 Directive, which aims to establish a higher level of cyber security across the European Union.

External recognition

Care Property Invest's commitment to sustainability is reflected in its annual evaluations of ESG performance based on industry best practices. With the results and feedback from these evaluations, the company aims to improve its sustainability practices in 2023 by focusing even more on sustainability within its activities.

To achieve this goal, Care Property Invest has participated in a number of sustainability assessments. The company's sustainability report was evaluated by EPRA sBPR and for the first time awarded the EPRA sBPR Gold Award in 2022. The company has also participated in S&P Global's Corporate Sustainability Assessment and GRESB, which provided valuable insights into its ESG performance and allowed it to benchmark against its peers. These assessments helped us identify risks, opportunities and impact areas in its portfolio.

The company's sustainability efforts have also been recognised by Triodos Bank, which selected Care Property Invest as a sustainable investment for its Sustainable Investment Funds and private banking clients. In addition, the company has been included in Belfius Equities Bel=Go, a fund that focuses on investing in companies that create and maintain sustainable quality jobs in Belgium.

Furthermore, Care Property Invest's sustainability efforts have been recognised by Kepler Cheuvreux, which awarded the company an ESG score of 3.2/5 in 2021. Kepler Cheuvreux recognised the company's efforts and transition, expecting a shift in ESG performance in the upcoming years.

We also continue to support the UN Global Compact in all our activities. This commitment involves endorsing ten principles that are essential to four core areas, namely human rights, labour, environment, and anti-corruption. We are dedicated to supporting, respecting, and safeguarding human rights that are internationally recognised, and we ensure that we do not participate in any way in human rights abuses. We are also committed to upholding freedom of association, recognising the right to collective bargaining, eradicating forced and child labour, and promoting equality by eliminating any form of discrimination.

Furthermore, we pledge to take a precautionary approach to tackle environmental challenges, by proactively initiating corporate responsibility initiatives and supporting the development and diffusion of eco-friendly technologies. Finally, we take an active stance against all forms of corruption, extortion and bribery.

Appendices

Appendix I – EPRA Overarching Recommendations

This sustainability report is based on the EPRA sBPR guidelines and is in accordance with the Euronext ESG Guidelines and the Global Reporting Initiative's (GRI) standard. Consideration has been given to the GRI's industry-specific supplement for the construction and real estate sector.

Organisational boundaries

This sustainability report covers our healthcare real estate properties owned by the organisation, in accordance with the principles of the Greenhouse Gas Protocol. 100% of our portfolio is indirectly managed (controlled by the tenant) with no operational control and the published data is calculated based on information retrieved by Care Property Invest from energy monitoring systems installed in our investment properties. As we do not have the possibility to retrieve data from our assisted living apartments, these are systematically excluded from the scope. Only our investment portfolio, 56 sites (336,652 m²), out of 136 sites in our total portfolio in operation, excluding projects under development (539,467 m²), is included in the monitoring scope. This represents 62% of our whole portfolio based on surface. The initial portfolio of apartments in leasehold to local governments are not taken into account, since each flat has its own individual private energy and water meter which are fully controlled by the resident. These private meters cannot be monitored by Care Property Invest, due to complicated data collection and privacy considerations of the tenant. Per exception, for the indicators 'asbestos', 'soil pollution' and 'flooding zones', the entire portfolio excluding projects under development, is included in the scope (539,467 m²).
The identification of EPC certificates covers 100% of Care Property Invest's total portfolio as well, excluding the projects under development (539,467 m²). The certified percentage is calculated based on the m² for which a certificate is identified versus the m² of the operational portfolio (total portfolio excl. projects under development).
Corporate data covers our daily activities within our administrative head offices (505 m²). This data is directly retrieved from our Human Resources (HR) department.

Coverage

Coverage is expressed as % m² versus the total m² and indicated in the tables for each indicator. Coverage for EPRA environmental indicators (energy, water and waste) is calculated based on the investment portfolio (336,652 m²). This excludes the assisted living apartments, all having individual meters directly controlled by each individual resident. This represents 62% of our whole portfolio based on surface. Coverage for the indicators 'total certificates', 'asbestos', 'soil pollution' and 'flooding zones' are based on m² versus the entire portfolio excluding projects under development (539,467 m²) as, here, data were available.
Reported environmental data concerning our head offices (energy, water and waste) are covering 100% of our own operations.
Human Resources data are reported for our head offices. The scope of HR data collection in terms of headcount, turnover and trainings is 100%.
The distinction between landlords and tenants in not applicable to Care Property invest.

Estimation on landlord-obtained utility consumption

No estimations were performed on landlord-obtained utility consumption. Only actual data covering a full year were reported to ensure reliability of the reported data.
For Care Property Invest head offices, no estimations were conducted on the published data.

Third Party Assurance

No third party assurance has been conducted on EPRA performance indicators.
EY Bedrijfsrevisoren srl provided a limited assurance conclusion on the use of proceeds for the issuances of sustainable finance instruments included in the section 'Sustainable Finance Framework and Allocation of Proceeds' of Care Property Invest's Sustainability Report 2022.

Boundaries – Reporting on landlord and tenant consumption

All data on our portfolio's energy consumption was obtained via the operator's integrated energy monitoring system, energy accounting system or utility suppliers.

Normalisation

Care Property Invest calculates energy and water intensity ratios by dividing with the portfolio's floor surface. This enables a like-for-like comparison of energy and water consumption between different periods. Intensity ratio's for our head offices our calculated by dividing with total FTE's at year-end
In the present report, we have made the decision to discontinue the practice of normalising gas consumption and instead provide actual figures. This adjustment is prompted by the growing prevalence of energy meters that measure both weather-dependent (such as heating) and non-weather-dependent (e.g., lighting, equipment, etc.) energy consumption as a combined entity. Using normalised figures in such cases may result in erroneous and misleading outcomes.

Segmental analysis

Care Property Invest only owns one property type, healthcare real estate. It is clearly stated when a distinction is made between our investment portfolio and our assisted living portfolio. We do not report ESG information at country level, but this is available upon request. The impact of Care Property Invest head offices is also communicated in separate tables.

Disclosure on own offices

Disclosure on ESG performance for our own operations is clearly reported in separate tables. Care Property Invest owns its head offices in Belgium. There are no offices abroad.
The social indicators cover all employees (26 employees) in Belgium (25 employees) and The Netherlands (1 employee).
No estimations have been made and the coverage is 100% for each indicator.

Narrative on performance

The results on environmental performance covering both our investment portfolio and our head offices are explained in detail in the sections 'Measuring our environmental impact' and 'Environmental impact of our own operations'.
We note a significant decrease in energy intensity (-26%) and greenhouse gas emissions intensity (-22%) in our investment portfolio. These are the main reasons to explain this evolution (besides the disclosures detailed in the core of the report):

- Integration of high energy-efficient technologies and practices in the recently constructed buildings;
- Heightened consciousness in light of the energy crisis;
- Unusually warm weather in 2022;
- Onsite renewable energy production or choice of green energy supplier.

On the other hand, there was a significant increase in water intensity (+22%). This rise can be primarily attributed to the gradual increase in occupancy rates within the care homes, following a decline caused by the COVID-19 pandemic. As occupancy rates rebounded, the water consumption also rose accordingly.
In terms of waste production, we observed a 12% reduction in like-for-like figures. This positive trend can be attributed to the implementation of targeted awareness campaigns across several of our operators, which have played a role in driving this improvement.
The rise in energy intensity figures (+23%) can be attributed to the utilisation of the recently constructed annex at our head offices, which consumes a greater amount of electricity due to the installation of a heat pump, in addition to our expanding workforce. However, our electricity consumption is entirely sourced from our own energy production through PV panels or through a green electricity provider.
Moreover, the absence of a gas supply has resulted in a noteworthy reduction (-33%) in the gas consumption of our head offices. This reduction can be attributed to the enhanced insulation

and the implementation of a heat pump within the annex.
Our greenhouse gas emissions have witnessed a substantial increase (+202%) owing to the expansion of our fleet (to accommodate our rising work force) and the growing need for business travel.
Moreover, water consumption at our head offices has also experienced a notable rise (+127%) due to the amplified usage of both drinking water, instead of bottled water, and sanitary water, primarily driven by the inclusion of two new showers in the annex, on top of an expanding workforce and the decline of home working after the long lockdowns in 2021.
Regarding the social indicators, detailed figures can be found in **'Appendix II'**. The gender diversity within Care Property Invest remains quite stable compared to previous years. Our policy on diversity is described in the 'Diversity' section of the 'Leading through ethical practices' chapter.
Concerning the gender pay ratio, there has been a consistent level of gender pay disparity observed among the various governing bodies and employees, in comparison to the previous year. The significant gender pay gap within the Executive Committee can be attributed to the considerably higher remuneration of the CEO in comparison to other members. However, both the COO and the CFO receive equal remuneration.
As for the board, directors holding the same position are provided with identical fixed remuneration, with the exception of the board chairman. This exemplifies our company's dedication to addressing the issue of gender pay inequality. For more comprehensive information, we refer to the remuneration report of 2022, available in the annual report of the same year.
Care Property Invest has made significant progress in terms of offering training hours to its employees, increasing the figure with 95%. More details on the company's training policy can be found in the core of this sustainability report.
Moreover, in line with the integration of competence management into our employee journey, 100% of our employees have received formal performance appraisal.
In 2022, we welcomed four new hires in the Company. One employee left the firm voluntarily.
There were no work related accidents in 2022 and we observed a low absentee rate of 1.13%.

Location of EPRA sustainability performance measures in companies' reports

This sustainability report complements the Annual Financial Report, available on Care Property Invest's website.

Reporting period

Information and indicators published in this sustainability report and more specifically in the ERPA performance tables cover the financial year January 1, 2022 to December 31, 2022.

Materiality

Our strategic framework, which defines our impact areas, commitments, and targets, is based on a double materiality exercise recently conducted, which is described in detail in the 'Double materiality' section of this sustainability report.
Resulting from the double materiality assessment, the following topics have been identified as not being material. Below table has been drafted in line with the CSRD requirements(1).

Topic	Reason for omission
Water	Care Property Invest has limited impact on natural water resources. The financial materiality of water resources on Care Property Invest is low because all responsibility resides with the operator. Issues regarding flood risks are limited and mitigating actions are described in the chapter on risk management.
Waste	Care Property Invest has limited impact on waste production within its portfolio. The financial materiality of waste production on Care Property Invest is limited because all responsibility resides with the operator or developer (the latter in case of construction waste).
Biodiversity	There is some impact on biodiversity during the construction phase of buildings. However, for each new development guidelines from public environmental agencies (e.g. 'Natuur en Bos' in Belgium) are taken into account. In case of damage, the necessary is done to restore to the initial state. The financial materiality of biodiversity is low for Care Property Invest. The financial performance of an asset could somewhat be influenced due to a positive impact on experience and quality of life of the residents, when the building is constructed taking into account local biodiversity.
Air/Water/Soil pollution	Our activities have minimal impact on air, water, and soil pollution, both during the construction phase and the operational phase. In the rare occurrence of pollution, particularly soil pollution, most of the time the pollution was already present and not a result of our activities. Concerning the financial materiality, as a property owner, Care Property Invest is not liable for either air, water or soil pollution (liability lies with the operator during the operational phase, or developer during the construction phase). There's a minimal risk when existing soil contamination (not caused by Care Property invest) wouldn't be detected during the due diligence phase. However, this is a crucial attention point during acquisitions, so likelihood of this happening is quite limited.
Human rights	The legislative framework in the countries we are active in, is robust making Care Property Invest's impact on human rights limited. The financial materiality of human rights on Care Property Invest is low since there's a low likelihood of breaches within the countries we are operating in.
Working conditions in the value chain	We are active in a sector with little child or forced labour. However, there is a low risk of illegal employment. Working conditions at the operators depend strongly on the local management. Financial materiality could become high when terminating business relationships in case of reputational damage due to negative practices with our operators or construction developers. However, the likelihood is quite low.

(1) According to draft ESRS 1 General Requirements (November 2022)

Topic	Reason for omission
Health, safety and wellbeing of end-users	Care Property Invest's impact is limited to the way the design of the building contributes to the residents' well-being. Financial materiality is more relevant with operators and less with Care Property Invest.
Aesthetics & respect for public space	There is some impact on aesthetics and public space. However, most of the impact lies with the developer. The financial materiality of aesthetics and respect for public space is low for Care Property Invest. The financial performance of an asset could somewhat be influenced due to a positive impact on experience and quality of life of the residents, when the building is constructed taking into account aesthetics and respect for public space.
Political engagement and lobbying activities	Overall, Care Property Invest has limited impact regarding political engagements and lobbying activities. It does not finance any political parties or political organisations, and does not make any payments to their representatives. It does not have any memberships of political parties. Through a membership with sector associations EPRA and BE REIT and their lobbying activities the company has a little impact. Care Property Invest's financial position could be influenced a little by the lobbying activities of EPRA and BE REIT. Through conversations with the Belgian Ministry of Finance on the GVV/SIR statute there could be some impact on the company's financial position.
Supplier relationships	There is some impact on supplier relationships influenced by the quality of our relationship with suppliers such as building developers and contractors. Negative events related to our suppliers might hinder restoration of the relationship with our suppliers. When the relationship with our suppliers deteriorates, this can have some negative impact on our financial performance. However, from our experience the likelihood of such events happening is low.
Animal welfare	Care Property Invest's activities have very little impact on animal welfare. There might be some impact during the construction phase of a building. However, Care Property Invest always seeks advice from environmental or animal associations to preserve or restore any natural habitat if necessary. Financial materiality of animal welfare is very low to Care Property Invest.
Corruption and bribery	Care Property Invest's impact is limited to the way the design of the building contributes to the residents' well-being. Financial materiality is more relevant with operators and less with Care Property Invest.

Additional information

Direct and indirect carbon emissions

Measurement of our CO_2 emissions was based on the guidelines of the Greenhouse Gas Protocol, the UK Government GHG Conversion Factors for Company Reporting and AIB European Residual Mixes. Geography is taken into account when selecting conversion factors.

Care Property Invest has no operational control over consumption in its portfolio. These buildings are directly managed by our care providers. GHG emissions are considered as indirect emissions (scope 3).

Appendix II – EPRA Performance Indicators

EPRA indicators - Environmental

The tables below summarise all environmental indicators according to the EPRA sBPR guidelines for our investment properties portfolio[1]. Indicators reflecting the impact of our own operations are also presented. Coverage is expressed as the percentage of m² versus the total m². More detailed information related to the scope and coverage can be consulted in **'Appendix I'**.

INVESTMENT PROPERTIES – ENERGY & GREENHOUSE GASES

EPRA Indicator	Unit	Coverage	2021[2]	2022	Difference %
Elec-Abs	Annual kWh	58%	4,624,931	7,463,378	61%
Elec-Abs	% Renewable energy (purchased and self-generated)	58%	83%	80%	-4%
Elec-LfL	Annual kWh	36%	4,624,931	4,585,225	-1%
DH&C-Abs	Annual kWh	n/a	-	-	-
DH&C-LfL	Annual kWh	n/a	-	-	-
Fuel-Abs[3]	Annual kWh	59%	12,189,543	12,679,241	4%
Fuels-Abs	% Renewable Fuel consumption	59%	0%	0%	-
Fuel-LfL	Annual kWh	36%	12,189,543	10,948,742	-10%
Energy-Int	kWh/m²	59%	137	102	-26%
GHG-Indir-Abs (Location based)	Annual $kgCO_2e$	59%	2,925,093	3,663,169	25%
GHG-Indir-LfL (Location based)	Annual $kgCO_2e$	59%	2,925,093	2,588,822	-13%
GHG-Int	$kgCO_2e/m^2$	59%	24	19	-22%

INVESTMENT PROPERTIES - WATER

EPRA Indicator	Unit	Coverage	2021[4]	2022	Difference %
Water- Abs	Annual m³	56%	55,859	107,093	92%
Rainwater	Annual m³		2,267	2,973	
Municipal water supplies	Annual m³		53,592	104,120	
Water-LfL	Annual m³	36%	55,859	75,278	35%
Water-Int	m³/m²	56%	0.47	0.57	22%

(1) Excl. the assisted living apartments for which there are individual meters per flat directly controlled by each individual tenant.
(2) Due to more robust data monitoring, corrections have been made to 2021 data published in our sustainability report 2021 for electricity consumption (corrections have been communicated by operators for 2021 data).
(3) In the present report, we have made the decision to discontinue the practice of normalising gas consumption and instead provide actual figures. This adjustment is prompted by the growing prevalence of energy meters that measure both weather-dependent (such as heating) and non-weather-dependent (e.g., lighting, equipment, etc.) energy consumption as a combined entity. Using normalised figures in such cases may result in erroneous and misleading outcomes. This change has consequences for the 2021 fuel and GHG figures.
(4) Due to more robust data monitoring, corrections have been made to 2021 data published in our sustainability report 2021 for water consumption (corrections have been communicated by operators for 2021 data).

INVESTMENT PROPERTIES - WASTE

EPRA Indicator	Unit	Coverage	2021[1]	2022	% by disposal route	Difference %
Waste-Abs Total	Annual (t)	49%	541	935		73%
Waste-LfL Total	Annual (t)	33%	541	474		-12%
Waste-Abs Non-hazardous waste (NH)	Annual (t)	49%	540	932		73%
NH - Composting	Annual (t)		17	104	11%	
NH - Recycling	Annual (t)		25	86	9%	
NH - Combustion (with energy reco-very)	Annual (t)		498	485	52%	
NH - Landfill			0	257	28%	
Waste-LfL Non-hazardous waste (NH)	Annual (t)	33%	540	475		-12%
NH - Composting	Annual (t)		17	8	2%	
NH - Recycling	Annual (t)		25	56	12%	
NH - Combustion (with energy reco-very)	Annual (t)		498	414	87%	
NH - Landfill	Annual (t)		0	0	0%	
Waste-Abs Hazardous (H)	Annual (t)	49%	1	3		296%
H - Combustion with energy recovery)	Annual (t)		1	3	100%	
Waste-LfL Hazardous (H)	Annual (t)	33%	0	3		300%
H - Combustion (with energy recovery)	Annual (t)		1	3	100%	

HEAD OFFICES - ENERGY

EPRA Indicator	Unit	Coverage	2021	2022	Difference %
Elec-Abs	Annual kWh	100%	20,683	56,334	172%
Elec-LfL	Annual kWh	100%	20,683	56,334	172%
Elec-Abs	% renewable energy (purchased and self-ge-nerated)	100%	100%	100%	0%

(1) Due to more robust data monitoring, corrections have been made to 2021 data published in our sustainability report 2021 for waste production (corrections have been communicated by operators for 2021 data).

EPRA Indicator	Unit	Coverage	2021	2022	Difference %
DH&C-Abs	Annual kWh	n/a	-	-	-
DH&C-LfL	Annual kWh	n/a	-	-	-
Fuel-Abs	Annual kWh	100%	42,863	28,912	-33%
Fuel-LfL	Annual kWh	100%	42,863	28,912	-33%
Energy-Int	kWh/FTE	100%	2,739	3,369	23%
GHG-Dir-Abs	Annual $kgCO_2e$	100%	65,245	114,825	76%
GHG-Dir-LfL	Annual $kgCO_2e$	100%	65,245	114,825	76%
GHG-Indir-Abs (market based)	Annual $kgCO_2e$	100%	16,118	48,744	202%
GHG-Indir-LfL (market based)	Annual $kgCO_2e$	100%	16,118	48,744	202%
GHG-Int	$kgCO_2e$/FTE	100%	3,507	6,465	84%

HEAD OFFICES - WATER

EPRA Indicator	Unit	Coverage	2021	2022	Difference %
Water-Abs	Annual m^3	100%	113	257	127%
Water-LfL	Annual m^3	100%	113	257	127%
Water-Int	m^3/FTE	100%	4.87	10.16	109%

HEAD OFFICES - WASTE

EPRA Indicator	Unit	Coverage	2021	2022	% by disposal route	Difference %
Waste-abs	Annual (t)	100%	1.70	1.54		-10%
Waste-abs Non-hazardous waste	Annual (t)	100%	1.70	1.54		-10%
Waste-abs Composting	Annual (t)	100%	0.24	0.16	10.4%	
Waste-abs Recycling	Annual (t)	100%	0.20	0.21	13.3%	
Waste-abs Combustion (with energy recovery)	Annual (t)	100%	1.26	1.18	76.3%	
Waste-abs Hazardous	Annual (t)	100%	0	0	-	-

Type and number of certificates (Cert-Tot)

Based on the surface of the impacted buildings, we calculated the percentage of our portfolio that is covered by an Energy Performance Certification or energy label. EPCs are acquired to enhance our understanding of the energy efficiency of our portfolio. Care Property Invest ensures that an EPC is obtained for each new development.

Due to the specific needs of senior residents (e.g. constant temperature needs to be maintained in the premises), issuance of BREEAM certificates are quite rare in Belgium, The Netherlands, Spain and Ireland for healthcare real estate. However, we have observed an evolution in recent years regarding the acquisition of such labels within our sector. Consequently, we will explore the advantages and benefits of obtaining these labels for our portfolio.

EPRA Indicator	Unit	Label[1] (# of buildings)	% of the portfolio's total floor area certified by a label (%)
Cert-tot Portfolio			
Belgium	Energy labels (PEB/EPC)	Label A: 8 buildings	9.2%
		Label B: 10 buildings	9.9%
		Label C: 3 buildings	4.1%
The Netherlands	Energy labels (EPC)	Label A++++: 1 building	0.5%
		Label A+++: 3 buildings	1.7%
		Label A++: 4 buildings	1.2%
		Label A+: 4 buildings	1.7%
		Label A: 3 buildings	2.4%
		Label C: 2 buildings	0.7%
		Label D: 2 buildings	0.4%
		Label G: 1 building	0.3%
Spain	Energy labels (EPC)	Label A: 2 buildings	3.6%
		Label B: 1 building	1.2%
		Label D: 1 building	6.9%
Ireland	Energy labels (BER)	Label B1: 1 building	1.7%
		Label B2: 2 buildings	0.9%
		Label B3: 1 building	1.3%
Cert-tot Headquarters			
Belgium	Energy labels	Meeting EPB requirements	100%

(1) Labels as attained in each country. The value of the label is according to local thresholds.

EPRA indicators - Social

Employee gender diversity (Diversity-Emp)

Diversity-Emp	2021		2022	
	Headcount	%	Headcount	%
Board of Directors				
Women	4	36%	4	36%
Men	7	64%	7	64%
Executive Committee				
Women	1	20%	1	20%
Men	4	80%	4	80%
Employees				
Women	11	48%	14	54%
Men	12	52%	12	46%

Gender pay ratio (Diversity-Pay)

Diversity- Pay	2021	2022
Ratio of the basic remuneration of male and female directors on the Board of Directors	1.09	1.02
Ratio of the basic remuneration of male and female directors on the Executive Committee	1.53	1.58
Ratio of the basic remuneration of male and female employees	1.11	1.12

Training and development (Emp-Training)

Emp-Training	Training hours	
	2021	2022
Training hours total	**670**	**1,312**
Women	385	725
Men	285	587

Employee performance appraisals (Emp-Dev)

Emp-Dev	Evaluation	
	2021	2022
Evaluation total	**100%**	**100%**
Women	100%	100%
Men	100%	100%

Employee turnover and retention (Emp-New Hires & Emp-Turnover)

Emp-New Hires & Turnover	2021		2022	
	Number	Rate	Number	Rate
New hires	5	20%	4	15%
Employee turnover	2	8%	1	4%

Employee health and safety (H&S-Emp)

H&S Emp	2020	2021
Work-related accidents	0 work related accidents	0 work related accidents
Lost day rate	0%	0%
Absentee rate	0.6%	1.13%

Asset health and safety assessments (H&S-Asset)

H&S-Asset	Care Property Invest does not have any influence on the health & safety within the daily operations of our care providers. Reporting on such indicators is therefore not relevant.

Asset health and safety compliance (H&S-Comp)

H&S-Comp	Care Property Invest does not have any influence on the health & safety within the daily operations of our care providers. Reporting on such indicators is therefore not relevant.

Community engagement (Comty-Eng)

Comty-Eng	100%, only our headquarters are under our operational control. Carbon emissions linked to our headquarters are offset by supporting development programmes and projects in local communities. Care Property Invest also sponsors the annual Mayor Ball of the city of Schoten, supporting the Belgian Cancer Foundation (Stichting tegen Kanker).

Collective Bargaining agreements

Collective Bargaining agreements	
Percentage of employees covered by collective bargaining agreement	100%

In line with Belgian legislation, all employees are covered by collective bargaining agreement.

EPRA indicators - Governance

Composition of the highest governing body

Gov-Board	2021	2022
Number of Executive Board member	6	6
Number of Non-executive Board members	5	5

Gov-Board	2021
Board of Directors	**Mr. Mark Suykens;** Non-Executive Director – Chairman **Mr. Peter Van Heukelom;** Managing (Executive) Director – Chief Executive Officer **Mr. Dirk Van den Broeck;** Managing (Executive) Director **Mr. Willy Pintens;** Managing (Executive) Director **Mrs. Valérie Jonkers**; Managing (Executive) Director **Mr. Filip Van Zeebroeck**; Managing (Executive) Director **Mr. Michel Van Geyte**; Non-Executive Director – Independent Director **Mrs. Ingrid Ceusters**; Non-Executive Director – Independent Director **Mrs. Caroline Riské;** Non-Executive director – Independent director **Mrs. Brigitte Grouwels;** Non-Executive director – Independent director **Mr. Paul Van Gorp;** Non-Executive director – Independent director
Executive Committee	**Mr. Peter Van Heukelom;** Chief Executive Officer (CEO) and Managing (Executive) Director, Chairman of the Executive Committee **Mr. Dirk Van den Broeck;** Managing (Executive) Director and Risk Manager **Mr. Willy Pintens;** Managing (Executive) Director and Internal Audit Manager **Mrs. Valérie Jonkers;** Chief Operation Officer (COO) and Managing (Executive) Director **Mr. Filip Van Zeebroeck;** Chief Financial Officer (CFO) and Managing (Executive) Director

In June 2020, the Management Committee became an Executive Committee and Mr. Filip Van Zeebroeck and Mrs. Valérie Jonckers became part of the Board of Directors. The Executive Committee is composed of the CEO, CFO, COO, Risk manager and Internal Audit Manager. The Board of Directors consists of 5 executive directors and 6 non-executive directors, including the Chairman of the board.

Process for nominating and selecting the highest governance body

Gov-Select	2022

The Nomination and Remuneration Committee is an advisory body within the Board of Directors and will assist and advise it. It will make proposals to the Board of Directors with regard to the composition and evaluation of the Board of Directors and its interaction with the Executive Committee, the remuneration policy, the individual remuneration of the directors and the members of the Executive Committee, including variable remuneration and long-term performance premiums, that may or may not be linked to shares, in the form of stock options or other financial instruments, and of severance payments, and where applicable, the resulting proposals to be submitted by the Board of Directors to the shareholders.
More information is available in the section 'Nomination and Remuneration Committee' in the 2022 Annual Financial Report, on p. 89.

Process for managing conflicts of interest

Gov-Select	2022

Each director and effective manager is encouraged to arrange his/her personal and business affairs so as to avoid any direct or indirect conflicts of interest with the Company. With regard to the regulation of conflicts of interest, the Company is subject to the legal rules, being articles 7:86 BCCA and 36 to 38 of the RREC Law and the rules in its Articles of Association and in the Charter.
More information is available in the section 'Prevention of conflicts of interest' in the 2022 Annual Financial Report, on p. 101.

Appendix III - GRI content index

Statement of use	Care property Invest has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021

AR refers to the annual report 2022. The annual report can be consulted via this **link**.
Other chapters mentioned refer to the sections in this sustainability report.

GRI 2: General disclosures 2021		Page	Comment
2-1	Organisational details		Care Property Invest NV - Public limited liability company; Public Regulated Real Estate Company (public RREC) under Belgian law. Horstebaan 3, 2900 Schoten, Belgium Care Property Invest operates in Belgium, The Netherlands, Spain and Ireland.
2-2	Entities included in the organisation's sustainability reporting	AR p 231	The sustainability report of the Company as at 31 December 2022 comprises the Company and its subsidiaries. For an overview of the subsidiaries, we refer to note 'T 5.36 Information on subsidiaries' on page 231 of the Annual report.
2-3	Reporting period, frequency and contact point		The reporting period covers the financial year 1 January 2022 to 31 December 2022 and aligns with the financial reporting. The sustainability report is published annually. Current report was published on 31.05.2023. The sustainability manager is the contact point and can be contacted via info@carepropertyinvest.be
2-4	Restatements of information		In the present report, we have made the decision to discontinue the practice of normalising gas consumption and instead provide actual figures. This adjustment is prompted by the growing prevalence of energy meters that measure both weather-dependent (such as heating) and non-weather-dependent (e.g., lighting, equipment, etc.) energy consumption as a combined entity. Using normalised figures in such cases may result in erroneous and misleading outcomes.
2-5	External assurance		The sustainability report is not externally assured. EY Bedrijfsrevisoren srl provided a limited assurance conclusion on the use of proceeds for the issuances of sustainable finance instruments included in the section 'Sustainable Finance Framework and Allocation of Proceeds' of Care Property Invest's Sustainability Report 2022
2-6	Activities, value chain, and other business relationships	AR p. 42	Care Property Invest actively participates as a real estate player and had the objective of making high-quality projects available to care providers as provided for in the Residential Care Decree. These include residential care centres, service centres, groups of assisted-living apartments and all other housing facilities for people with disabilities. Care Property Invest can develop, realise, and finance these facilities itself, or can refinance existing buildings, with or without a renovation or expansion.
2-7	Employees	p. 67	
2-8	Workers who are not employees		As at 31.12.2022, Care Property Invest relies on 2 external contractors.
2-9	Governance structure and composition	p. 52	
2-10	Nomination and selection of the highest governance body	p. 70	
2-11	Chair of the highest governance body	p. 70	
2-12	Role of the highest governance body in overseeing the management of impacts	p. 52	

GRI 2: General disclosures 2021		Page	Comment
2-13	Delegation of responsibility for managing impacts	p. 53	
2-14	Role of the highest governance body in sustainability reporting	p. 54	
2-15	Conflicts of interest	p. 70	
2-16	Communication of critical concerns		Care Property Invest has a whistleblowing policy describing the procedure to communicate critical concerns. No critical concerns were raised during the reporting period.
2-17	Collective knowledge of the highest governance body		
2-18	Evaluation of the performance of the highest governance body	AR p.110	Additional information can be consulted in the remuneration policy published in the Remuneration report 2022 in the Annual Report.
2-19	Remuneration policies	AR p.110	Additional information can be consulted in the remuneration policy published in the Remuneration report 2022 in the Annual Report.
2-20	Process to determine remuneration	AR p.110	The remuneration process is described in the Remuneration report 2022 in the Annual Report
2-21	Annual total compensation ratio	p. 67	
2-22	Statement on sustainable development strategy	p. 6	
2-23	Policy commitments		Since 1 January 2020, Care Property Invest applies the new Belgian Corporate Governance Code (the 'Code 2020'), in accordance with the Royal Decree of 12 May 2019 specifying the corporate governance code to be complied with by listed companies. The Code 2020 is also available on the website of the Belgian Official Gazette and on www.corporategovernancecommittee.be. Therefore, this Statement also refers to our intentions regarding the application of the recommendations of the Code 2020 as from 1, January 2020. The Board of Directors of Care Property Invest subscribes to governance principles based on transparency and accountability. This enhances the shareholders' and investors' trust in Care Property Invest. From establishment onwards, Care Property Invest has considered fair and correct business conduct as a main priority. In addition, Care Property Invest attaches great importance to a good balance between the interests of the shareholders and those of the other parties that are directly or indirectly involved with the undertaking. The Board of Directors guarantees frequent updating of the Charter. On 18 March 2020, the Charter was updated and adapted to the Code 2020. We also continue to support the UN Global Compact in all our activities. This commitment involves endorsing ten principles that are essential to four core areas, namely human rights, labour, environment, and anti-corruption.
2-24	Embedding policy commitments	p. 55	
2-25	Processes to remediate negative impacts	p. 55	
2-26	Mechanisms for seeking advice and raising concerns	p. 50	
2-27	Compliance with laws and regulations		No instances of non-compliance with laws and regulations were identified during the reporting period
2-28	Membership associations		EPRA BE REIT UN Global Compact
2-29	Approach to stakeholder engagement	p. 18	
2-30	Collective bargaining agreements	p. 69	

GRI 3: Material Topics 2021		Page	Comment
3-1	Process to determine material topics	p. 14	
3-2	List of material topics	p. 17	
3-3	Management of material topics		The management of the material topics is explained throughout this report within the Chapters 'Environment', 'Social' and 'Governance'

GRI 201: Economic performance		Page	Comment
201-1	Direct economic value generated and distributed	AR p.50-57	
GRI 302: Energy			
302-1	Energy consumption within the organisation	p. 64	EPRA: Elec-Abs, Elec-LfL, DH&C-Abs, DH&C-LfL, Fuels-Abs, Fuels LfL In accordance with sector practices, energy consumption is expressed in kWh
302-2	Energy consumption outside of the organization	p. 63	In accordance with sector practices, energy consumption is expressed in kWh
302-3	Energy intensity	p. 63	EPRA: Energy-Int. In accordance with sector practices, energy consumption is expressed in kWh
302-4	Reduction of energy consumption	p. 63	In accordance with sector practices, energy consumption is expressed in kWh
302-5	Reductions in energy requirements of products and services	p. 63	In accordance with sector practices, energy consumption is expressed in kWh
GRI 303: Water and effluents			
303-1	Water withdrawal by source	p. 63	EPRA: Water-Abs, Water-LfL
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	p. 63	EPRA: GHG-Dir-Abs, GHG-Dir-LfL
305-2	Energy indirect (Scope 2) GHG emissions	p. 63	EPRA: GHG-Indir-Abs, GHG-Indir-LfL
305-4	GHG emissions intensity	p. 63	
305-5	Reduction of GHG emissions	p. 63	
GRI 306: Effluents and waste			
306-2	Waste	p. 64	EPRA: Waste-Abs, Waste-LfL
GRI 307: Environmental compliance			
307-1	Non-compliance with environmental laws and regulations		There were no cases of non-compliance
GRI 401: Employment			
401-1	New employee hires and employee turnover	p. 68	EPRA: Emp-New hires, Emp-Turnover

GRI 402: Labour management relations		Page	
402-1	Minimum notice periods regarding operational changes		Care Property Invest applies the Belgian legislation on legal notice periods
GRI 403: Occupational health and safety			
403-1	Occupational health and safety managament system	p. 49	
403-2	Hazard identification, risk assessment, and incident investigation	p. 68	EPRA: H&S-Emp
403-9	Work-related injuries	p. 68	EPRA: H&S-Emp
GRI 404: Training and education			
404-1	Average hours of training per year per employee	p. 68	EPRA: Emp-Training
404-2	Programmes for upgrading employee skills and transition assistance programmes	p. 49	
404-3	Percentage of employees receiving regular performance and career development reviews	p. 68	EPRA: Emp-Training

GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	p. 67	EPRA: Diversity-Emp
405-2	Ratio of basic salary and remuneration of women to men	p. 67	EPRA: Diversity-Pay
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken		There were no cases of discrimination
GRI 413: Local communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	p. 69	EPRA: Comty-Eng
GRI 419: Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area		There were no cases of non-compliance

Sector-specific disclosures

CRE: Construction and real estate		Page	Comment
CRE1	Building energy intensity	p. 63	EPRA: Energy-Int
CRE2	Building water intensity	p. 63	EPRA: Water-Int
CRE3	Greenhouse gas emissions intensity from buildings	p. 63	EPRA: GHG-Int
CRE8	Type and number of sustainability certification, rating and labelling schemes	p. 66	EPRA: Cert-Tot

Appendix IV - TCFD content table

TCFD		Page	Comment
1. GOVERNANCE			
Disclose the organisation's governance around climate-related risks and opportunities.			
a)	Describe the Board of Director's oversight of climate-related risks and opportunities.	p. 52	
b)	Describe management's role in assessing and managing climate-related risks and opportunities	p. 52	
2. STRATEGY			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.			
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	p. 28	
b)	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	p. 28	
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		By 2023, we aim to increase coverage of our energy monitoring system to 80%. Gathering more objective data will allow us to carry out scenario analysis in the future.
3. RISK MANAGEMENT			
Disclose how the organisation identifies, assesses, and manages climate-related risks.			
a)	Describe the organization's processes for identifying and assessing climate-related risks.	p. 28	
b)	Describe the organization's processes for managing climate-related risks.	p. 28	
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p. 28	
4. METRICS & TARGETS			
a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.		
b)	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 22	

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