



GLOBAL MEDICAL REIT

CORPORATE SOCIAL RESPONSIBILITY REPORT 2022

MAY 2023

ALIGNMENT

ACCESS

AUTHENTICITY



GLOBAL
MEDICAL REIT

LETTER FROM THE CHAIR

Dear Stakeholders,

During 2022, Global Medical REIT Inc. continued to build on our successful track record throughout 2022, despite an increasingly uncertain macroeconomic backdrop. Our portfolio of medical real estate continues to perform well, a testament to the quality of our tenants, our employees and our assets. Although last year's difficult and often shocking world events generated adverse macroeconomic conditions, we maintained substantial, sustainable, risk-adjusted returns by investing in high-quality healthcare real estate.

We are committed to producing superior long-term results for our stakeholders, and that goal is the driving force behind our environmental, social and governance (ESG) approach. As we navigate new ESG initiatives, our guiding beacon remains the ESG framework we inaugurated last year, which ensures that our efforts not only contribute to our overall goals of sustainability and resilience, but remain in balance with our corporate objectives and those of our stakeholders.

At its core, our ESG framework is a holistic, forward-looking approach to investing in our assets, managing our properties and operating our business. We focus on the interests of our stakeholders, be they investors, employees, tenants or communities. To maximize efficiency and impact, we have made a concerted effort to integrate our ESG initiatives and activities into our regular business operations, and to make them a part of our growth and improvement. As we acquire, manage and account for our properties, our decisions reflect our commitment to

our corporate sustainability values: alignment, access and authenticity.

We remain humbled and inspired by the dedication of our employees. In 2022, they continued to apply their considerable talents and efforts to improving our operations, while also showing nimbleness and creativity in the face of changing market conditions and economic uncertainty. Their adaptability is matched by the quality and resilience of our tenants, the engagement and leadership of our Board of Directors, and the support of our partners and advisors.

Together, we are doing great things. I'm proud that in such a short time we have achieved so much to further our ESG goals, and I'm excited to see what we can continue to do in 2023 and beyond.

Sincerely,



Jeffrey M. Busch
Chairman & CEO
Global Medical REIT Inc.

ABOUT US



Global Medical REIT Inc. is a net-lease medical office REIT that owns and acquires healthcare facilities and leases those facilities to physician groups and regional and national healthcare systems. We take a steadfast approach to investing, seeking out opportunities and markets that others overlook. Our strategy is supported by favorable demographic trends and by the shift in healthcare delivery to local markets and to the outpatient and specialized facilities in which we invest.

Our principal business objective is to provide attractive, risk-adjusted returns to our stockholders through a combination of sustainable and increasing rental income – which allows us to pay reliable dividends with the added potential for long-term appreciation in the value of our healthcare facilities and common stock.





Investing in the Future of Quality Care

Demand For Healthcare Is Ubiquitous.

It is this axiom that guides our investment strategy. We offer flexible capital solutions to leading care providers at the forefront of healthcare delivery, freeing up the resources they need to expand and invest in the future of their operating businesses. By monetizing the real estate of thriving physician groups and healthcare systems, we provide the capital they need to grow their operating businesses and invest in technology and other resources to ensure long-term success and high-quality healthcare delivery, particularly in secondary markets and suburbs of primary markets. We favor longer leases with a single dominant tenant. By bolstering these strong healthcare providers through investing in their real estate, GMRE helps fortify communities at large.



Our Team

The key to GMRE's success is our diverse, dedicated and passionate team, which is led by an experienced Board of Directors and executive management with deep expertise in healthcare, real estate, investing, asset management and finance. The contributions of our talented employees are what distinguishes us and has enabled our steady growth. In the seven years since our founding, we have fostered a culture of comradery and results, one that fosters both a commitment to the good of our stockholders and teamwork as core values. We are devoted to ensuring that GMRE is not only a highly effective professional organization but also a fun and congenial place to work.



JEFFRY BUSCH

Chief Executive Officer,
Chairman and President



ALFONZO LEON

Chief Investment Officer



ROBERT J. KIERNAN

Chief Financial Officer
and Treasurer



DANICA HOLLEY

Chief Operating Officer



JAMIE BARBER

General Counsel and
Corporate Secretary

Our Results

\$1.5B

in gross real estate assets

Invested in nearly \$1.5 billion in gross real estate assets at a weighted-average cap rate of 7.8 percent, with annual base rent of approximately \$114 million and average annual contractual rent escalations of 2.1 percent

5M

square foot portfolio

Amassed a stable portfolio of nearly 5 million square feet that is 96.5 percent occupied and is diversified by market, operator and medical use

35 STATES

Built a network across 35 states

Built a portfolio with high-quality, operationally profitable tenants consisting primarily of national and regional healthcare operators located in secondary markets and suburbs of primary markets across 35 states, with tenants that, as of December 31, 2022, have an average rent coverage ratio of 4.4x

\$114.5M

Annualized Base Rent as of December 31, 2022

Aligned our interests with those of our stockholders through delivery of a sustainable dividend and strong governance policies





OUR CORPORATE SUSTAINABILITY VALUES

We view our corporate sustainability program not only as a way to incorporate ESG values into our business goals, but as a key opportunity to build resilience and mitigate risk. That's why our holistic approach to investing, asset management and operation integrates ESG at every step.



We base our ESG strategy on three pillars:
Alignment, Access and Authenticity.

ALIGNMENT

**with stakeholder interests
and employee wellbeing.**

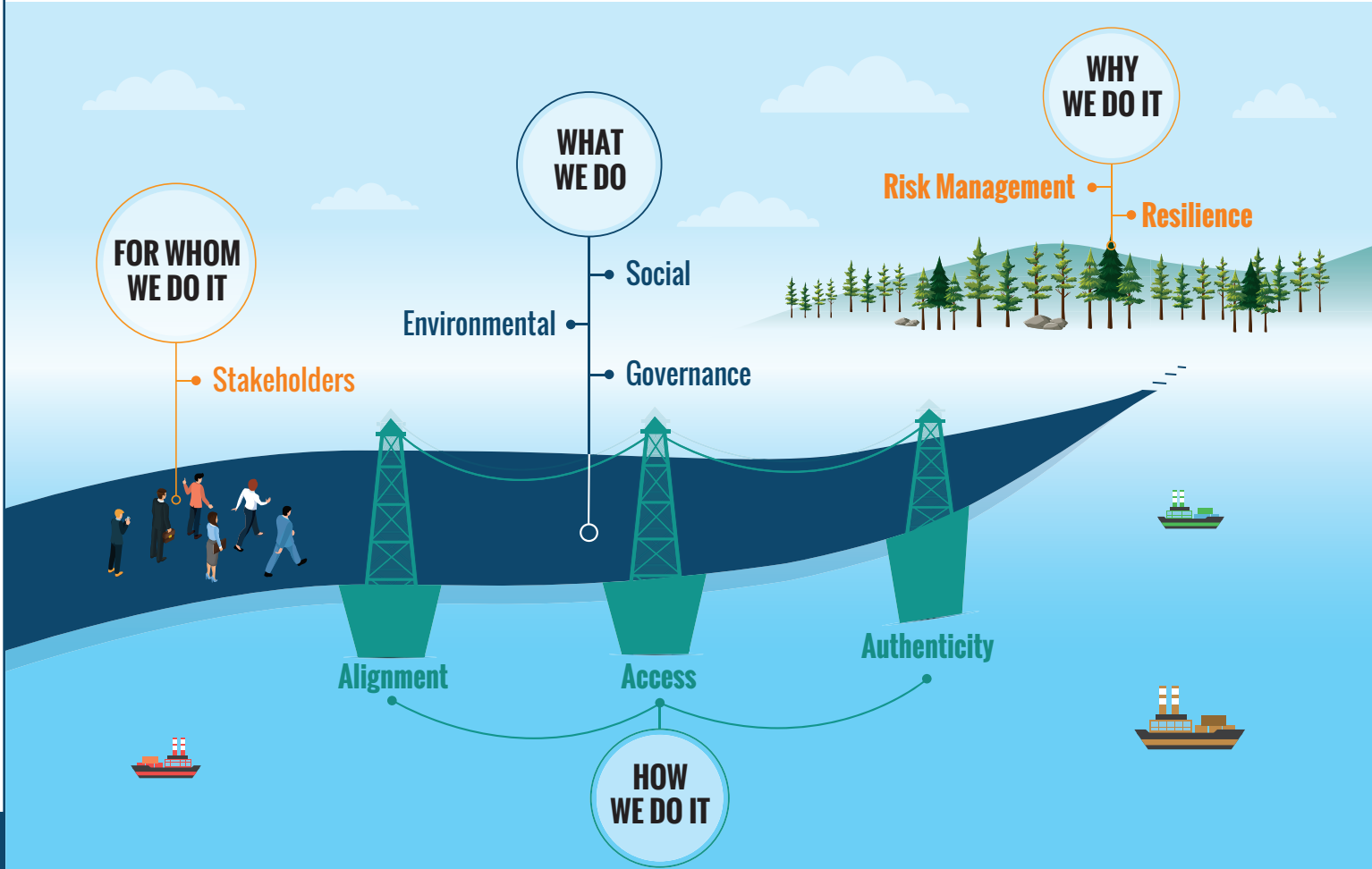
We pursue forward-looking ESG strategies that move the needle on our sustainability goals while maximizing long-term investment results for our stockholders and the growth and retention of top talent.

ACCESS

in our communities and our industry. We seek to improve healthcare access in the communities where we invest and to expand opportunity for a diverse workforce, both within our own company and in the healthcare sector at large.

AUTHENTICITY

in all our endeavors. We make our ESG initiatives an authentic extension of our approach and our core business strategy, not an artificial afterthought. We pursue them with a sincerity of purpose, and we are forthright in what we say and do.





ENVIRONMENTAL

Reducing environmental impact – limiting emissions, conserving energy, and reducing consumption – is one of the globe's most urgent imperatives, and GMRE believes that sustainability is a critical and moral obligation for any company operating responsibly in today's world. But that deep-held principle is not the only reason we pursue strategies with positive environmental effects. We implement sustainability efforts in a thoughtful, forward-looking way because the outcomes are in **alignment** with the best interests of all our stakeholders: our tenants, our communities and our stockholders.

Our tenants are committed to providing healthier, more productive workplaces for their staff and better medical facilities for their patients. By pursuing our environmental objectives, GMRE also helps them maintain and improve their facilities, boost energy efficiency to reduce their costs, use renewable resources and track and reduce their consumption. These actions help our tenants make progress on the environmental initiatives that matter to them and, ultimately, achieve their overall goals.



The communities where we operate benefit as well. We choose to invest in assets and locations that deliver quality healthcare where patients are located, which not only reduces transportation distances – and thereby emissions – but meets demand, helping patients **access** the healthcare they need. By supporting our tenants to operate their facilities in a cleaner, greener way, we assist them in promoting clean air and water for the surrounding communities. And by supporting them to improve their buildings, we help ensure that patients receive the highest quality care in updated facilities.

Our environmental initiatives are a key aspect of our strategy to achieve our overriding business objective: producing superior long-term returns for our stockholders. In this way, our sustainability efforts are an **authentic** extension of our business plan. We advocate for energy-saving practices and invest in building infrastructure that supports both carbon reduction and operational savings. We look for ways to source renewable energy to reduce our carbon footprint and our energy costs at the same time. We collect data that will guide us to make wise and efficient capital investments in our properties.

What these initiatives have in common is that they improve return on investment, net operating income, tenant retention and shareholder value. We are deliberate in our selection and pursuit of environmental objectives, choosing initiatives that not only represent good business practice and responsible stewardship, but also serve as a means to mitigate risk, boost resilience and improve our long-term outlook.

We are actively pursuing our environmental goals. In 2022, we continued collecting utility and consumption data across our portfolio, and our environmental efforts were rewarded by objective assessors. As we detail below, we expanded the due diligence criteria we apply during property acquisition to include utility and energy audits and climate risk assessments.

We also expanded our reporting to include more robust ESG disclosures. Additionally, in the last credit facility upsizing, we included to be determined green credit provisions that will incentivize us to be determined to continue our environmental improvement. We will have the opportunity to decrease our debt costs as we increase certain sustainability efforts.



MANAGING OUR ASSETS:

Monitoring and Scoring Utility Consumption

As we continue to strengthen our benchmarking and tracking of energy-related building improvements, we have received encouraging evidence that we are on the right track. The independent GRESB™ assessment provides companies with an objective measure of how well they are doing on ESG. On a one-year delay, GRESB™ collects, scores and independently benchmarks ESG data, and compares the scores of peer organizations. For the past three years, GMRE has submitted our portfolio's utility consumption data to this annual assessment.

In 2021 (scored in October 2022), GMRE moved up in its GRESB peer group, leapfrogging from 10th to 4th place. Because our baseline year, 2020, fell during the height of COVID restrictions, we saw only a moderate increase in our absolute score; however, the change in our ranking among our peers demonstrates that we are making enormous progress against the average.

10th to 4th place

A second analysis, from the Georgetown University Steers Center of Real Estate, ranked companies on their success in collecting environmental data. Among comparable REITs,¹ GMRE topped the list – more evidence that its ESG efforts are paying off.

These results are particularly gratifying because our triple-net lease structure complicates our ability to easily collect utility data. GMRE leases to reputable and reliable medical tenants, the majority of whom are responsible for management, operations, maintenance and improvements for the property. This model is efficient for both GMRE and our tenants, and it produces stable, long-term, risk-adjusted returns for our stockholders. However, it does mean that utility data is not readily accessible to us.

1. Our GRESB peer group included seven real estate companies of several types, with market caps between \$730 million and \$25 billion. The Steers Center peer group of 10 companies included only REITs, with smaller market cap variation; all but one had a healthcare focus.



Last year, we continued to overcome this challenge, and our portfolio collection coverage reached 51 percent, a significant improvement from 11 percent only two years ago. Extending that upward trend is a priority for our ESG efforts. To meaningfully decrease the carbon footprint of our buildings, we need to know how well our portfolio performs overall and the amount of water and energy our buildings consume. Only then can we target efficiency improvements and energy reduction initiatives where they will have the greatest effect. For example, potential mitigation efforts may include replacing incandescent or fluorescent lights with LED versions, or identifying inefficient systems, equipment or appliances that can be replaced for improved cost and energy efficiency over time.

Our goal is to expand the breadth of our data while also improving its quality. We aim to collect all electricity, gas, water and waste data for every one of our buildings, with no gaps. We have made an excellent start this year as we are monitoring energy use at our headquarters and tracking our workforce's commuting and travel data, so we will be able to report to GRESB on all assessment scopes.

In 2022, we also worked with the Georgetown University Steers Center of Real Estate to conduct a study on our carbon emissions data quality. The exercise was designed to vet our process and confirm that we will be able to comply with future reporting requirements (from, for example, the SEC and TCFD). It was also the first step in thinking through how to best assure the validity and consistency of the data we collect. Ensuring data integrity will support our future decisions by providing a level of confidence for trend and consumption

51%

data collection coverage

a significant improvement from 11% only two years previously.

information. We will be able to compare similar building types, understand medical use impact and develop geographic comparisons. We are at the forefront of many of these categories, and as such require thoughtful, thorough consideration.

To help us track systems, equipment and fixtures at each property, we have begun implementing Yardi's Facility Manager module, a digital system designed to help companies oversee maintenance across their property portfolio. The system will aid us in better understanding what equipment we have, which properties have updated and energy-efficient systems, and how those factors influence overall energy consumption. We are also beginning research into the energy sources of all of our buildings, and we hope to be able to report on this data in the future.

In the meantime, we are committed to doing more than just collecting information. We are actively seeking ways to become a carbon-neutral company (see feature on page 25). We are initiating green and energy conservation lease language whenever possible, and we have identified locations where we can effectively use solar panels. Ultimately, these endeavors will benefit our tenants, our property values, our shareholders and the fellow inhabitants of our fragile planet – making them a true representation of our pillar of **alignment**.

GMRE TOPPED THE LIST – MORE EVIDENCE THAT OUR ESG EFFORTS ARE PAYING OFF.



ELECTRICITY DATA



65 SITES WITH AN AREA OF
2.1717 MILLION SQUARE FEET



67,780,700 KILOWATT-HOURS OF
ELECTRICITY



31.053 KILOWATT-HOURS PER
SQUARE FOOT



27,996.49 TONS OF TOTAL E-CO₂
GREENHOUSE GAS EMISSIONS, OR
0.01 TON PER SQUARE FOOT *

* Emissions include natural gas usage.

WATER DATA



50 SITES WITH AN AREA OF
1.7357 MILLION SQUARE FEET

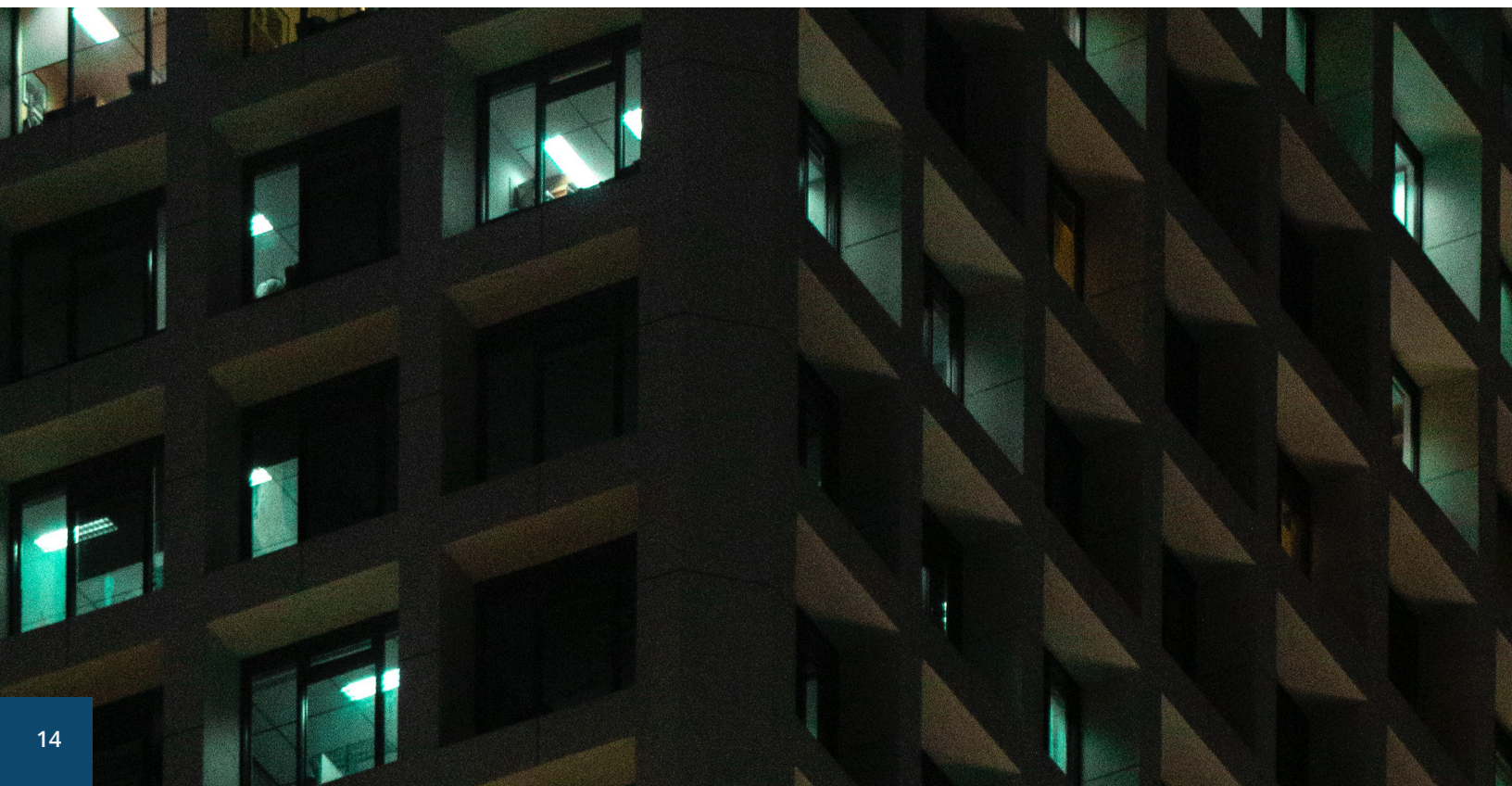


166,135 CUBIC METERS OF
WATER USAGE

We were unable to separate water usage inside the building from external usage for landscape irrigation, as some sites use one water meter to monitor the water flow for both.

WASTE DATA

Waste data was collected from 11 sites, but most of them have only one monthly bill that covers the charge for both trash collection and recycling removal.



REACHING FOR THE STARS

ENERGY STAR CERTIFICATION



Two of GMRE's facilities earned an ENERGY STAR certification in 2022. The EPA's ENERGY STAR program scores commercial buildings from 1 to 100, with each number representing a percentile. To earn a certification, a building must attain a score of 75 or higher, meaning that it is more energy efficient than at least 75 percent of similar buildings across the United States.

We earned an ENERGY STAR certification for Select Medical in Omaha, Nebraska, which scored an astounding 99, and for the Brown Clinic in Watertown, South Dakota, which attained an 84. The excellent performance of these buildings is a benchmark for us to aspire to across our entire portfolio.



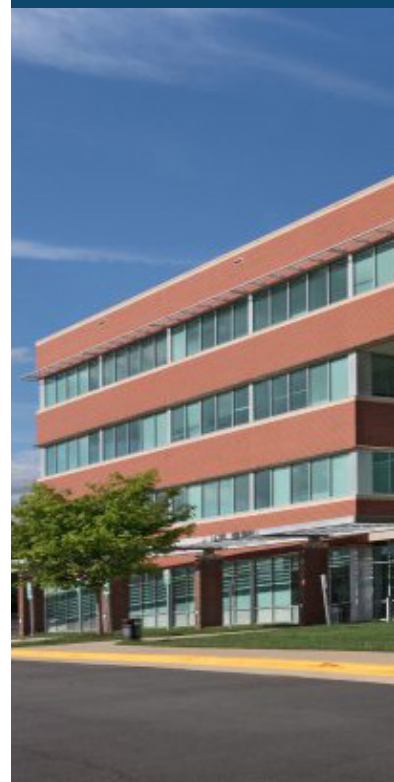
ACQUIRING ASSETS: Capturing Value and Mitigating Risk

We enhanced the due diligence phase of our acquisition process by integrating a comprehensive energy audit and climate risk evaluation throughout 2022. Following through on a recommendation the Steers Center made the year prior, our Acquisition and Asset Management teams researched and selected utility and energy audits (performed by third-party engineering consultants) and began to implement them during the acquisition process.

The audits generate information that we can incorporate into our utility tracking platform, allowing us to flag anomalies and identify properties that are good candidates for energy-efficiency initiatives. The audits empower us to track a property's energy consumption from the acquisition date, and they recommend energy conservation measures for the short to long term. Ultimately, they give us the data we need to make efficient, targeted and profitable capital improvements and to create value across our portfolio.

Alongside the utility and energy audits, we have also introduced climate risk evaluations. Currently, we are using insurance-based products that show catastrophic loss estimates (RMS model) and climate-related risk scores (Moody's 427) that indicate the likelihood that a given facility will be exposed to climate risk.

These climate evaluations may help to inform our decision to purchase buildings as well as our strategies to manage them in a way that extends their lifecycles and limits the potential of damage or the need for unexpected capital investment. In that sense, they are an **authentic** extension of our mission to produce strong returns for our shareholders over the long term, and they are in **alignment** with the interests of our tenants, who can use this data to operate more efficiently and cost-effectively.



CASE STUDY: Solar Panels on Lakeside Medical Suites

In September 2022, we purchased Lakeside Medical Suites in Canandaigua, New York, and installed solar panels on the roof. An analysis from Alternative Solar Energy Systems Inc., a renewable energy engineering and installation firm, showed that the solar panels will generate significant energy and financial savings over the asset's lifecycle. The building will be able to reduce its purchase of electric energy by an estimated 79 percent. Over 25 years (the building's expected lifespan), utility savings are anticipated to average more than \$40,000 annually – a total savings of over \$1 million.



SOCIAL

What does it mean to value **access**? It means we believe that everyone deserves equal opportunity for employment and for benefits; that no one should be forced to go without health care; that those of us in real estate should be in the business not only of building walls but of breaking down barriers. These beliefs guide how we engage with others – within our own company, with our tenants and with the communities around us.



Commitment to Our Workforce

As our rapid growth has called for dedication and agility from our workforce, their talents have been key to our success. We know that a positive culture and attractive policies lead to higher productivity and greater profit for our shareholders, which is why our employee-centric policies hold the team accountable to results while emphasizing work-life balance and flexibility. To that end, we offer unrestricted paid time off, hybrid and remote work arrangements and personalized professional development opportunities, and we uphold our core value of **access** to opportunity. We are devoted to giving our employees an unsurpassed work environment.

That allegiance has translated into great results. In 2022, we conducted an employee engagement survey that revealed remarkable enthusiasm among the GMRE team. One hundred percent of survey respondents agreed or strongly agreed with the statement that the company has a welcoming culture; 95 percent would describe the culture as productive. That positive work culture has won both their approval and their loyalty. Over 80 percent of responding employees see themselves remaining at GMRE for more than three years.

Our workforce is pleased with our progress on ESG issues and keen to see that progress continue. Two-thirds think that GMRE is already doing enough to address its environmental impact, while 14 percent are eager to see us do more. Over 80 percent think that the company appropriately addresses diversity, equity and inclusion. Indeed, the self-reported identities of those who completed the employee survey denoted a relatively diverse workforce. Of respondents, 32 percent identified as female and 28 percent as Black, African-American, Hispanic, Latin American or Asian. This diversity extends beyond our employees: our Board of Directors has been recognized by Women on Boards and our executive team reflects our demographically diverse staff. Going forward, we will be able to disclose employees' self-reported classifications, which helps with investor criteria for ESG reporting.



Nevertheless, we recognize that there is still room for improvement, still more chances to foster our core value of access to opportunity. Diversity is one of our primary strengths, and we will continue to maintain policies that help break down barriers for everyone, at every level of employment, and to implement practices that contribute to a positive organizational culture and team cohesion.

Our sense of solidarity and mutual support helped GMRE come through the COVID pandemic successfully. We adapted and ultimately thrived in a remote environment, and even learned that some aspects of being remote promoted employee productivity and work-life balance. With these considerations in mind, we decided to become a hybrid workplace permanently.

As conditions normalized over the past year, we identified a new office location – a new home for our new way of working: The Avocet, located at 7373 Wisconsin Avenue in Bethesda, Maryland. The building is LEED® certified platinum and has wonderful amenities, including a state-of-the-art gym and a rooftop lounge. As changes continue to take place for both GMRE and the world at large, we will keep pursuing a balance between coming together for collaboration and creativity while maximizing employee productivity and work-life balance. We hope that our new home at the Avocet will foster the perfect combination of both.





GMRE'S NEW HQ: The Avocet Office Building in Bethesda, MD

The Avocet's sustainability attributes and employee health-focused design features include:

- LEED Platinum Certification for the building core and shell — the highest possible sustainability rating
- WELL® Health and Safety Certification, evidence of a design focus on employee health, safety and wellbeing
- A state-of-the-art, high-efficiency dedicated outdoor air system (DOAS) that regularly flushes the building with fresh air
- View Smart Windows that transmit natural light while blocking glare and heat, improving both HVAC efficiency and employee health



Commitment to Our Communities

Last year marked the conclusion of our pilot Ride United project with United Way and Lyft in the Greater Phoenix metro area. The pilot enabled patients in and around Phoenix – an area where GMRE has a notable real estate presence – to call the 2-1-1 community resource phone service and receive transportation to and from medical appointments, free of charge. The Ride United project offers transportation to any medical facility in the Greater Phoenix Metro Area, not just our facilities.

In total, we sponsored 1,070 non-emergency medical rides over the course of the pilot, exceeding our goal of 1,000. Those rides made up a third of all Ride United rides dispatched in Maricopa County. In human terms, our participation meant that more than a thousand disadvantaged patients had better access to healthcare – and, in turn, better health outcomes.

For GMRE, where **access** (including access to healthcare) is one of our core values, the project was a resounding success. Not only will we continue to sponsor the project in the Phoenix area, but we are expanding the initiative to another region: Orlando, Florida, where we also have a concentration of properties. United Way has indentified a need for medical-related transportation in Orlando, making the city an apt second geography for this program. We expect our participation in Ride United to have continued positive impact on the lives of people in our communities.



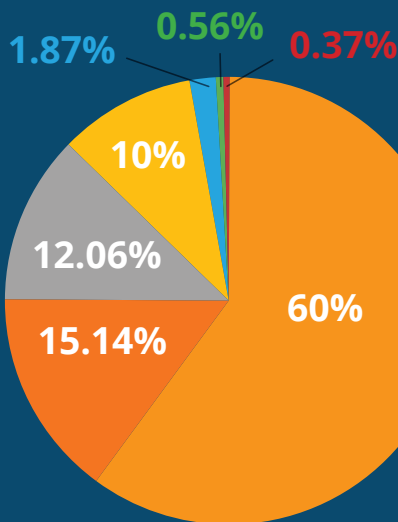
 ACCESS

RIDE UNITED

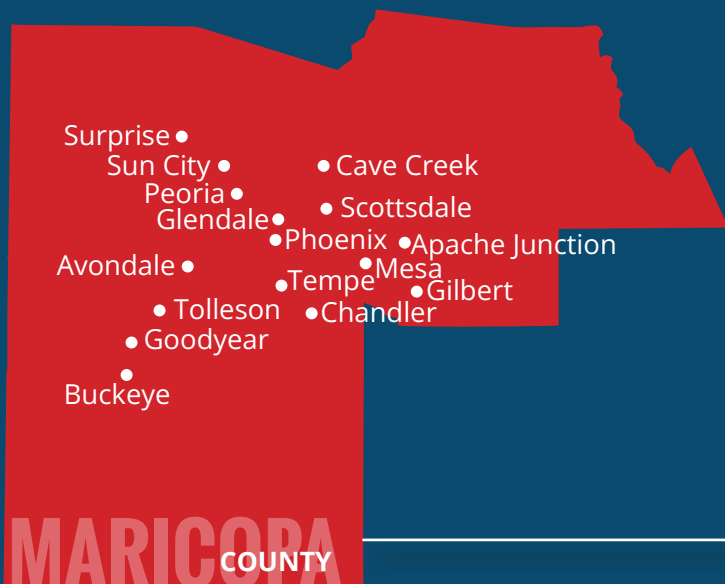
Of the 1,070 Ride United rides sponsored by GMRE,

60%

took patients to or from medical, dental and eye appointments



- Medical/Dental/Eye Appt & Testing
- Pharmacy Services
- Substance Use Support
- Mental Health Support/Community Support
- Return Home from ER
- Veterans Affairs Services
- Apply for Medicare/Medicaid/CHIP Services



Of the **27 cities** and towns in Maricopa County,

17 were served by GMRE-sponsored rides.

Commitment to Our Stakeholders: Engagement and Access



...For Patients

- Our assets are located in communities that are typically overlooked by other investors, supporting healthcare access for patients and increasing the local availability of quality healthcare providers.
- The Ride United pilot project aims to make care more accessible and help the vulnerable stay healthy.



...For Investors

- We follow transparent and responsive governance policies.



...For Tenants

- We provide access to facilities that support the delivery of quality care and function well for healthcare professionals, with appropriate technology and environmentally sustainable systems.



...For Real Estate Sellers

- Our company offers access to a public source of capital that extends liquidity to non-gateway geographic locations, strengthening local communities.
- We give healthcare providers more capital to improve healthcare for patients, expand operations and invest in personnel, new technology and equipment.



...For Employees

- Our inclusive structure and orientation toward personal growth contribute to greater opportunities for executives and employees from historically under-represented groups to be vital contributors.

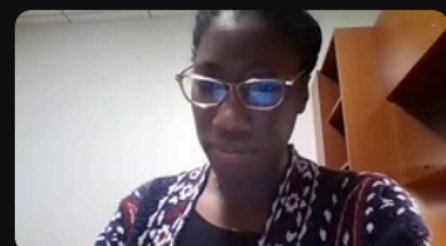
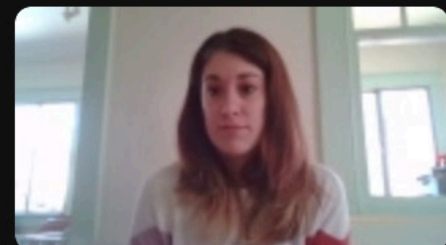
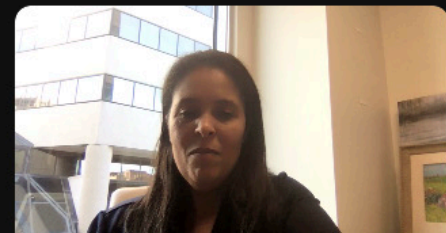
The Great Carbon-Cutting Contest of 2022

Last year, GMRE's Great Carbon-Cutting Contest brought the entire organization together in a spirited competition to devise the best way to achieve carbon net zero with the most positive business impact. Teams were cross-disciplinary, comprising employees who might rarely, if ever, work with one another, and their diverse skill sets and disparate ideas synthesized some truly innovative concepts.

The competition was as much an investment in team-building as in sustainability solutions. Teams were given a budget and encouraged to find ways to boost team spirit and cohesion, and the contest gave employees a way to engage with one another outside of their normal business tasks. The experience brought out precisely what makes GMRE team members so special: teamwork, passion and the willingness to throw themselves into any challenge.

Employees at every level were involved in assessing the resulting ideas, which were wildly unique and often displayed astounding creativity. One team recommended developing a smart Building Energy Management System that uses machine-learning technology to make building operations more efficient. Another team pointed out that water treatment and transportation is a significant source of CO₂ emissions, and argued for focusing on water conservation as a way to cut costs and reduce GMRE's carbon footprint. A third team, showing true out-of-the-box thinking, suggested oyster farming, since oyster reefs are natural carbon and nitrogen sinks – not to mention that the project would help GMRE give back to its community through a partnership with the Chesapeake Bay Foundation.

Five teams competed in the elimination-style contest, which is currently on round 3 of judging. The winner will be announced on or before our annual meeting, and their plan will be put to the test!



Significant GHG emission reduction from the sources in US after Paris Climate Agreement



Carbon dioxide emissions from energy consumption in the United States from 1975 to 2021

Electricity generation vs CO2 emission

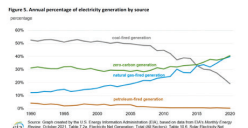


Figure 5. Annual percentage of electricity generation by source

	million kWh	pounds CO2 per kWh
Coal	792,763	2.29
Natural gas	1,402,438	0.92
Petroleum	13,665	2.33

SWARM E CARBON CUTTING PROJECT

Brandon Cole
Stuart Duke
Jay Jackson
Scott Bolen

Project Overview

Our Goal
Reduce GMRE carbon footprint by focusing on energy efficiency within our portfolio. Energy efficiency delivers several environmental benefits. It notably reduces GHG emissions, both direct emissions from fossil fuel combustion or consumption, and indirect emissions reductions from electricity generation.

Our Strategy
We have identified two methods to promote energy efficiency within our portfolio:
1. Identifying problematic HVAC systems within our portfolio and updating to more energy efficient models
2. Implementing LED light bulbs across our portfolio

5 TEAMS competed to devise the best way to achieve carbon net zero with the most positive business impact.

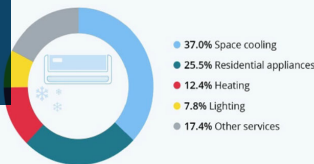
Light bulbs

Technology	Ballast Factor	Operational Wattage	Annual Consumption (24/7 operation, 1 bulb)
Ballast T8 fluorescent	0.88	43 Watts	376.68 kWh
Ballast T8 standard LED	1	16 Watts	140.16 kWh

- If the cost of energy is \$0.11 per 1 kWh, with just one bulb the building would save approximately \$26.00.
- LED lights also maintain brightness throughout their duration and have superior light efficiency compared to fluorescent lights
- Typical ROI is less than 3 years
- GMRE should replace fluorescent light bulbs with LED bulbs throughout their portfolio

Air Conditioning Biggest Factor in Growing Electricity Demand

Global electricity demand growth from 2018 to 2050, by energy use category



Source: International Energy Agency



OYSTER FARMING: NEW FINDINGS

INITIAL ESTIMATES
\$100,000 for 450 TONS per year
100 oysters x \$100,000 = 10 million oysters
50 gal / 1 oyster/day x 10 million oysters = 500 million gal water filtered/day
100 oysters x 10 million oysters = 50 hectares
500 million gal water filtered/day x 100 oysters = 500 million gal carbon sequestered/year

THE NEED FOR RESEARCH
• The exact carbon sequestration potential of oyster reefs is still unknown
• The University of Maryland is currently researching oysters & carbon sequestration
• With support, the Chesapeake Bay Foundation could pilot a study to create verifiable protocols quantifying the carbon sequestration benefits of oyster reefs
• Doug Myers is a Senior Scientist at the Chesapeake Bay Foundation and could help create this study

COMMUNITY RELATIONSHIPS
• A partnership with the Chesapeake Bay Foundation will allow us to curb emissions while giving back to our community
• The Chesapeake Bay Foundation is a nonprofit dedicated to reducing pollution and saving the Chesapeake Bay

indispensable first step toward achieving GHG targets.

Efficiency is Cost Effective

Efficiency is Achievable

Efficiency Enhances any GHG Reduction Effort

GOVERNANCE



For our ESG work to be truly effective, it must be a part of our broader business strategy, and it must have the support of leadership behind it. Recognizing this, our directors have prioritized ESG and incorporated it into our governance structure.

More importantly, our corporate governance practices go beyond the surface-level inclusion of ESG initiatives to embody its core principles: integrity, transparency, accountability and risk reduction. GMRE has designed its governance structure to be equitable, to value and promote diversity, to create **access** to opportunity across the organization and ensure **alignment** with stakeholder interests. We set a high standard of conduct for our employees, management and Board, and we hold them to it. How we run our company is how we live our commitment to ESG, a true measure of the **authenticity** of our fidelity to those values. Governance is where all of our ESG pillars come together.



Managing Risk

Last year, we worked with Deloitte Risk and Financial Advisory, a division of Deloitte & Touche L.L.P., to complete an Enterprise Risk Management (ERM) exercise. We explored our operational exposure to risk, including ESG-related threats like environmental and climate risk, cyber risk and labor and continuity risk. We also looked at opportunities to grow our resilience and improve our preparedness. Since risk and resilience remain central to how we conceive of our overall ESG objectives, the ERM framework is an essential guidepost as we continue to track and manage our ESG activities going forward. Integrating ESG concerns into the ERM will ensure that we are measuring and monitoring our progress and that we are responsive to how our ESG initiatives serve to mitigate our specific business risks.

Our Board of Directors is organized around several standing committees, each with its own charter that lays out the qualifications for committee membership and sets forth the committee's purposes, goals and responsibilities. In February 2022, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee were joined by a new body: the ESG Committee. The Board established this formal chartered committee – chaired by Matthew Cypher, the Director of the Steers Center for Real Estate at Georgetown University – from the members of the former ESG Working Group.

Per its Charter, the ESG Committee's mission is to assist the Board in providing oversight and support of the Company's commitment to ESG. The committee oversees GMRE's general ESG strategy and policies; communications with employees, investors and other stakeholders that touch on ESG; and compliance with certain ESG-related legal and regulatory requirements. The committee also supervises ESG developments and helps improve GMRE's understanding of ESG, and coordinates with other Board committees on ESG matters of common import.

The ESG Committee



The formation of the ESG Committee codifies ESG as one of our highest priorities and demonstrates to all stakeholders, both inside and outside the company, that ours is a organization-wide commitment. The committee's existence is tangible proof of our belief that ESG must be both a top-down and a bottom-up effort. It means that ESG principles will help guide our growth, our decisions and our future actions, ensuring that we will remain operationally strong in the years to come.



Aligning Action with the World's Greatest Challenges

The United Nations' 17 Sustainable Development Goals (SDGs) are universal call to action, a blueprint for a sustainable and inclusive future. They recognize that global challenges are interlinked, and that progress on any one problem requires progress on many others. The goals include eliminating poverty and hunger, ensuring educational opportunities, reaching gender equality, reducing greenhouse gas emissions, saving our oceans and more. Together, the SDGs represent the toughest, most important and most urgent challenges that the world must strive to overcome by 2030.

GMRE has identified the SDGs that are most directly applicable to our business, and we're using them to help shape our ESG policies and long-term goals. We're working to advance the following SDGs:

GOAL
3

Ensuring healthy lives and promoting wellbeing – by promoting our employees' wellbeing and offering comprehensive wellness programs and benefits packages.

Achieving gender equality and reducing overall inequality – by maintaining our focus on diversity and inclusion throughout the organization, at all levels.

GOAL
5 & 10

GOAL
8

Promoting inclusive economic growth and decent work – by providing equitable employment opportunities within our key markets, and by offering employee development opportunities.

Making cities inclusive, safe, resilient and sustainable – by acquiring resilient, sustainable properties that incorporate strategies for improved resident health and wellness. Through our Ride United sponsorship, we're also lessening the barriers to quality healthcare access for disadvantaged patients, making urban and semi-urban areas more livable and inclusive.

GOAL
11

GOAL
12

Ensuring responsible production and consumption – by benchmarking our portfolio's consumption data, and by reducing the amount of waste sent to landfills through recycling programs and responsible purchasing.

Taking urgent action to combat climate change and its impacts – by acquiring and developing sustainable, resilient properties; supporting our tenants to increase efficiency and use green power; and considering climate-change factors in our business operations.

GOAL
13

Good Governance, Ethics, and Integrity

GMRE takes good corporate governance seriously, and we have created a slate of corporate policies and procedures designed to promote it. Our directors, executive officers and employees are expected to review and abide by these policies, which include:

- a Code of Business Conduct and Ethics (including an enhanced code of ethics for our CEO and financial officers);
- corporate governance guidelines;
- a corporate disclosure policy;
- an insider trading policy;
- a clawback policy;
- a whistleblower policy; and
- a policy on related-party transactions.

Our Board also provides a robust peer review program, rigorous oversight through a lead independent director and continuing professional development through the National Association of Corporate Directors.

We emphasize probity and professionalism in all we do. GMRE's Code of Business Conduct and Ethics is intended to meet the requirements for a code of ethics under the Sarbanes-Oxley Act of 2002 and the listing standards of the New York Stock Exchange. The Code is designed to encourage not only letter-of-the-law compliance with relevant laws and regulations, but honest, principled conduct in everyday business affairs. It makes employees, directors and executives accountable for acting honorably – dealing with conflicts of interest ethically, for example, or making required disclosures clearly, fairly and on time.

The Code is specifically applicable to the company's principal executive officer, principal financial and accounting officer and controller (or persons performing similar functions). All employees, officers and directors must sign a statement of compliance with the Code, and all employees and directors have a duty to promptly report any known or suspected violation to the Chief Executive Officer, the General Counsel or the company's whistleblower ethics hotline.

Our policies capture a commitment to ethical behavior that permeates GMRE's culture – in part because our executive leadership models this attitude for the entire organization on a daily basis. They see integrity both as a good business approach and as a moral imperative, and they embody our values in all they do.

Compensation

We view compensation as an investment in value creation. We aim to offer competitive compensation and benefits packages that can entice and retain top-tier employees whose talent, drive and dedication will secure high returns over the long term. One benefit that sets us apart as an employer is our inclusive equity granting strategy, which makes every team member – not just executives or upper management – eligible for our equity incentive plans, because we recognize that every GMRE employee makes a vital contribution to achieving spectacular results. We know that attracting and retaining top talent is crucial to our success. At the same time, we keep in mind a balance between competitive compensation and strong returns for our stockholders in the immediate term.

We implement this philosophy by providing attractive salaries and bonus opportunities, but linking these bonus opportunities to short-term (annual) and long-term (three-year) goals around operations and stockholder returns.

What We Do

- Tie annual incentive compensation to the achievement of pre-established corporate and individual performance goals
- Provide long-term incentive compensation in the form of performance-based long-term incentive plan (LTIP) units, with performance tied to total stockholder returns and relative stockholder returns
- Use comparable peer groups when setting compensation
- Maintain guidelines on director and executive stock ownership
- Include “double-trigger” change-in-control provisions in our employment agreements and severance plan
- Retain an independent compensation consultant to ensure that compensation is consistent with peers and in keeping with industry and sector best practices
- Include ESG goals in executive performance criteria

What We Do Not Do

- Provide excessive perquisites to our executive officers
- Allow “single-trigger” change-in-control cash payments
- Provide tax gross-ups
- Allow hedging of the company's stock
- Allow pledging of the company's stock as collateral for loans

Diversity

GMRE deeply values the diversity of the unique individuals who make up our team. As an equal opportunity employer, we do not discriminate on the basis of an individual's race, gender, age, color, religion, national origin, disability, sexual orientation, ancestry, genetic information, military service, creed, pregnancy or marital status.

We are proud that our commitment to diversity and **access** to opportunity for all is evident in the composition of our Board of Directors. Of the seven members, three are women and one is a historically underrepresented minority. The professional backgrounds of our Board members are complementary and span a range of expertise critical to our operations, including healthcare, real estate, finance, development and public health. The diversity of experiences, expertise and perspectives makes GMRE stronger and better prepared for what the future may hold.

WHAT'S NEXT

We are proud of the strides we've made on ESG in only two years. But more important than any improvement in our data is that our progress has been made in a holistic way, capturing the spirit and drive that has become a hallmark of GMRE. ESG is not an activity undertaken by one person or even one department. It is a mindset of possibility that must be embraced by everyone.

As we move forward, we will continue to prioritize the kind of incremental but substantial actions that have brought us success so far: behaviors that are in the flow of our business objectives and that enable us to look at our goals with a long time horizon and as a means of mitigating risk. In the environmental sphere, we will continue to collect utility data and to pursue environmentally sensitive building improvements and achieve ENERGY STAR scores for our properties. On a deeper level, we intend to strengthen our engagement – with our workforce, our community and our tenants. We plan to follow up on the Employee Engagement Survey, expand our sponsorship of Ride United to the Orlando area and foster stronger, more productive relationships with our tenants through a tenant satisfaction survey, a Tenant Conduct Pledge and/or a survey on their ESG practices. Our ESG goals have been incorporated into our criteria for performance on an individual leadership level and we will continue to strength that connection.

The value we seek is in building a sustainable company that is constructed for the long haul and designed to weather uncertainty and adversity. We strongly believe we can obtain these goals and provide strong, long-term, risk-adjusted returns for our stockholders.



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