

# ALIGNMENT. ACCESS. AUTHENTICITY.

## 2023 Corporate Social Responsibility Report



JUNE 2024



GLOBAL  
MEDICAL REIT

# LETTER FROM THE CHAIRMAN

Dear Stakeholders,

As Global Medical REIT Inc. (GMRE) continues on our sustainability journey, the context and market conditions through which we travel may change underfoot, but our commitment remains steadfast and our progress methodical. We hold fast to the goal with which we began our environmental, social and governance (ESG) pursuits: to manage the unknown risks of the future, and to make progress in areas that contribute to and improve our overall business performance and resilience, adhering to our three pillars of alignment, access and authenticity.

This holistic, forward-looking approach has proven to be the key to targeting the most beneficial and appropriate areas of concentration for our business. In 2023, GMRE saw capital improvements of \$9.6 million, which included tenant improvements of \$2.4 million, building and site improvements of \$4.3 million and construction in progress of \$2.9 million. These achievements demonstrate our continued commitment to putting all our stakeholders first and to producing superior long-term results for our shareholders. Like all our successes, our accomplishments in 2023 are a direct reflection on our dedicated team, our resilient tenants and our trusted partners and advisors.

This year, we continued to assess and benchmark energy consumption, efficiency and carbon

emissions. This data serves as a crucial foundation from which to support our tenants to improve their environmental practices in ways that contribute to their long-term business goals. As a triple-net landlord, GMRE has limited ability to directly affect energy measurement and consumption, since tenants are responsible for building operations. By working with our tenants on improved environmental practices – making sure that our efforts are in alignment with their vision for growth and success – we turn this constraint into an opportunity to live our values.

2023 brought a change in our physical and social office environment as we moved into new headquarters. Located in a LEED™-certified platinum green building, our new offices have sustainability at their core. They have also been the center of a rejuvenated effort to support our positive corporate culture while reinforcing the values that drive our performance. We believe that employee productivity and efficiency go hand in hand with workforce cohesion and connectedness, and that where and how employees work has a great impact on the creativity and energy they bring to their roles. We want to lean into the aspects of our work environment that have enabled us to historically have very low turnover. With these principles in mind, we engaged a cutting-edge consultant to help us assess and enhance employee engagement.



As always, our valued Board provided strong and thoughtful leadership throughout 2023. With the Nominating and Governance Committee at its head – and now as part of the National Association of Corporate Directors, whose members aim for greater strategic awareness and continuous improvement – the Board ensured that best practices and long-term growth were the foundation of every decision.

Now more than ever, all over the world, there is risk everywhere we turn – from climate change, an economy racked by inflation, and political headwinds to globally seismic events. The question is not whether GMRE will confront systemic challenges as we pursue our strategic objectives, but how we will tackle them when they do arise, and how we can prepare ourselves for that moment. We try to take a clear-eyed approach, evaluating

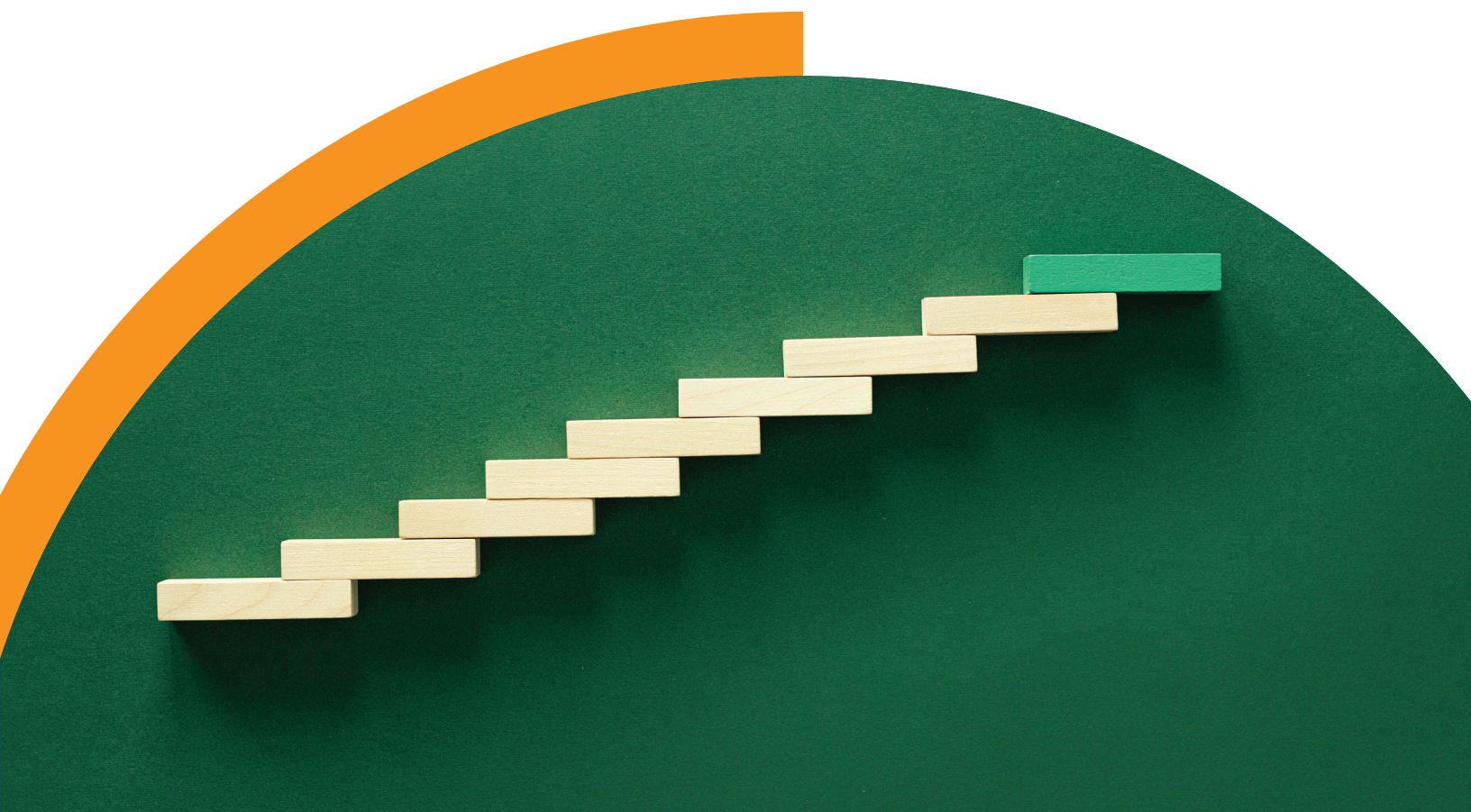
our risk environment in a comprehensive, common-sense way and then taking steps to transparently manage those risks and mitigate our vulnerabilities in every sphere. We hope that the actions we take on our environment, social and governance regime will not only mean a less risky future for GMRE, but for us all.

Sincerely,



**Jeffrey M. Busch**

Chairman & CEO  
Global Medical REIT Inc.





# ABOUT US



Global Medical REIT Inc. is a net-lease medical REIT that 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. Because GMRE is a capital provider for their real estate needs, our tenants are able to focus their efforts on their operating businesses 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

ABOUT US

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 distinguish us and have enabled our steady growth. In the eight years since our founding, we have fostered a culture of camaraderie and results, one that enshrines both commitment to the good of our stockholders and convivial teamwork as core values.



**JEFFREY 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

ABOUT US

Our distinctive strategy, deliberately curated portfolio and experienced team are a strong foundation for success. By remaining nimble and forward-thinking, we can continue to capitalize on our scale and the dynamic demand drivers of our industry. Since our founding, we have built a network of high-quality, operationally profitable tenants located in secondary markets and bedroom communities of larger cities across 34 states.

**\$1.4B**

invested in gross real estate assets

**4.8M sqft**

portfolio, diversified by market, operator and medical use

**7.9%**

weighted-average cap rate

**96.4%**

occupation rate

**2.2%**

contractual rent escalations

**90%**

ABR from national & regional providers

As of March 31, 2024



# CORPORATE SUSTAINABILITY VISION



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 engage in risk management while contributing to a brighter future. We take a holistic approach to investment (acquisitions), asset management and operation. We remain alert to the possible financial, regulatory, social, technological and environmental risks that lie ahead and face them clear-sightedly. Together, these tenets enable us to produce attractive returns while contributing to a sustainable future, evolving and growing a company that achieves strong results over the long term.





# Our Commitments

## ...to the planet.

Climate change threatens our physical assets, the communities in which our properties operate and our tenants and other stakeholders. As an ethical business and a member of the communities in which we invest, we have both a desire and an obligation to help mitigate climate change and its effects. We believe we can contribute to this goal in three ways: first, by buying existing facilities instead of developing new facilities (which is carbon intensive); second, by being thoughtful and deliberate about what properties we acquire, ensuring that they're aligned with our environmental goals; third, by reducing the environmental impact of those assets by incentivizing our tenants to adopt sustainable practices and making capital improvement investments that use environmental best practices.

One of the ways we tackle this challenge is by broadening our acquisition analysis to include greater detail around environmental concerns. In the past few years, we have expanded our due diligence process to include climate risk and environmental sustainability assessments, rather than solely evaluations of the condition of the physical plant and property. The climate and sustainability assessments improve our analyses throughout the entirety of the business cycle. They guide our purchase choices and inform our asset management strategies and approaches; they also help asset management identify potential environmental improvements that will lead to long-term benefits, enabling us to better use capital improvement funds and empowering our tenants to operate more efficiently and cost-effectively.

CORPORATE  
SUSTAINABILITY  
VISION







## CORPORATE SUSTAINABILITY VISION



### ...to our workforce.

We strongly support diversity, equality and inclusion in our workforce. We offer a competitive pay and benefits package, and nearly all of our employees participate in equity incentive plans. We invest deeply in our employees – the greatest asset we have – by fostering the development of their expertise and skillsets, and encouraging them to grow and evolve professionally. For instance, our professional development efforts have incorporated knowledge related to environmental topics (like energy-use reduction and climate-change impact), cybersecurity risk mitigation and communication effectiveness. Because we know that employees do their best work when they are empowered with flexibility and agency, we also support a healthy work-life balance by offering hybrid work arrangements as appropriate where productivity and effectiveness are demonstrated.

We have established policies and training to provide a safe, harassment-free work environment and have fostered a corporate culture based on fair treatment. As a result, we believe our employees are committed to building strong, innovative and lasting relationships with our tenants and with each other – a commitment that strengthens our business and drives us toward our strategic goals.

### ...to good governance.

When it comes to leadership, we emphasize professional business conduct and ethics, transparency and accountability. Our Board of Directors is continuously pushing themselves to greater heights, seeking ways to hone their effectiveness, sharpen their strategic thinking, and improve their practices – from establishing an ESG Committee of the Board to joining the National Association of Corporate Directors to invest in professional development. Our leadership takes seriously their ethical obligations to our values, our share-holders, our workforce, our tenants, and our communities.





# Our Corporate Sustainability Values

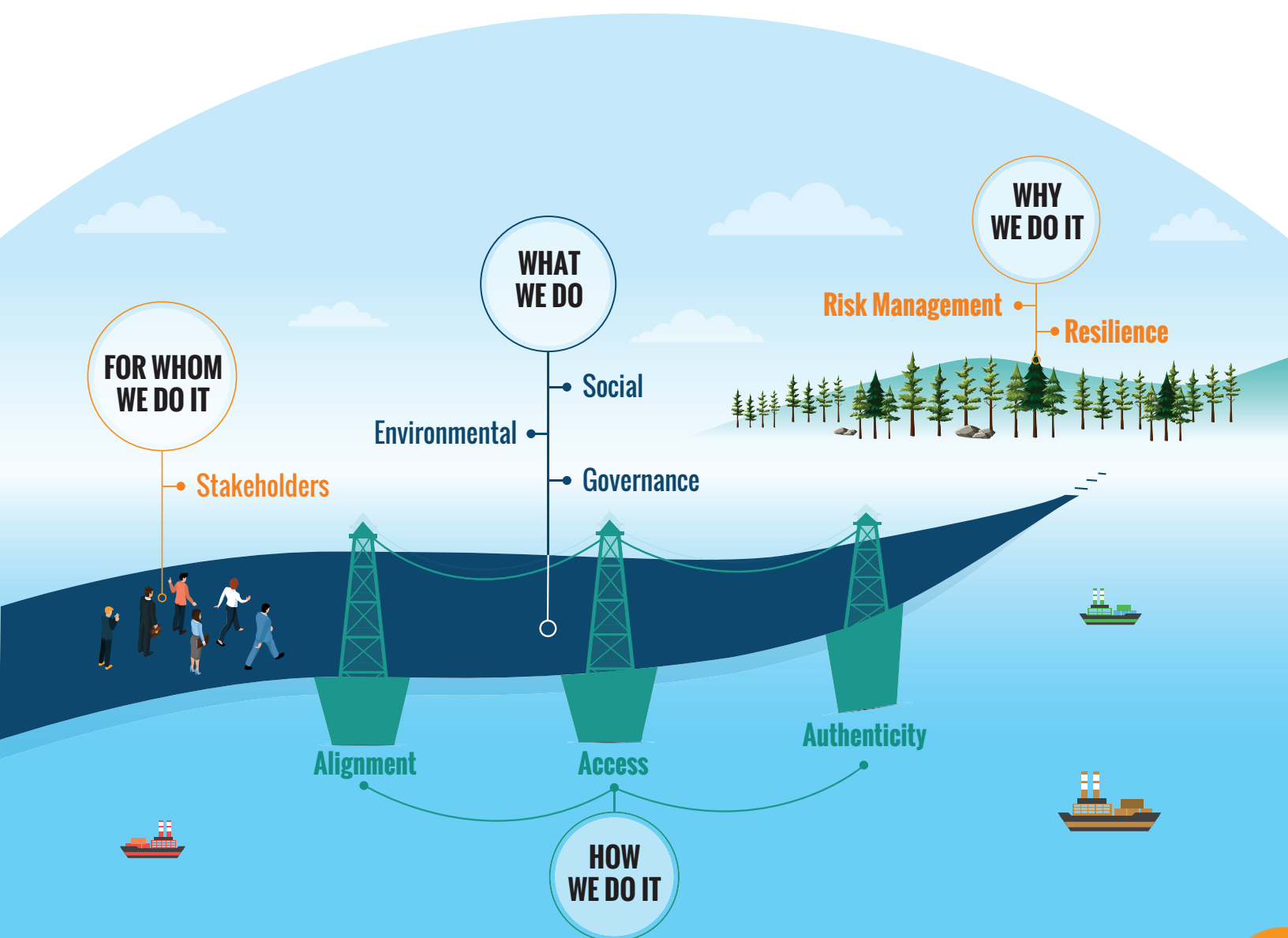
We continue to make progress on our ESG goals. We have adhered to a pragmatic approach and have continued to center measurement and data collection as the basis for our efforts. We view the ESG context as an opportunity to widen our lens on risk and resilience by incorporating larger and longer-term influences on the business environment. To provide structure to this perspective, we have developed an ESG framework. It encompasses a forward-looking, inclusive context on our obligations to our stockholders, tenants, employees and the communities in which we invest and live.

We base our ESG approach on three pillars:

Alignment

Access

Authenticity



# ALIGNMENT

## CORPORATE SUSTAINABILITY VISION

**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.**

Alignment with stakeholder interests and employee wellbeing is a key goal of GMRE's ESG program. Our ESG activities are of value *because* they benefit the communities and individuals to whom we are committed. The idea of alignment means that the full spectrum of environmental, social and governance initiatives are in harmony with our ultimate strategic goal – providing attractive, risk-adjusted returns to our stockholders through a combination of sustainable dividends and long-term stock price appreciation. We believe that this focus on alignment is what drives successful performance.

Our investment strategy is aligned with the best interests of communities and our tenants. Quality healthcare is in demand outside of gateway markets, and medical providers who offer healthcare in these communities can thrive – which is why we believe there is long-term value in acquiring facilities with strong tenant-operators in bedroom and secondary markets and managing these assets in a way that contributes to the success of our tenants' healthcare operations. This means selecting experienced property managers, ensuring prudent maintenance and making capital improvements that foster a positive environment for tenant stakeholders, physicians, healthcare workers, patients and the communities at large. These are forward-looking, smart strategies designed to maximize long-term investment results for our stockholders – but they also have positive results in the environmental and social realms. This is alignment at work: business and ESG activities rowing in harmony, improving and strengthening one another as they propel GMRE forward.

We also are intentional in aligning employee and workforce growth with GMRE's goals and long-term vision. We strive to attract and retain talented and devoted employees whose commitment and results are rewarded in congruence with the company's success. We make a tangible effort – for instance, by conducting and responding to employee engagement surveys – to do all that we can to improve employee satisfaction. Through professional development and skill building, positive corporate culture, performance feedback and reviews, we aim to support our employees in a way that makes their growth and development synonymous with GMRE's.







# ACCESS

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.

We approach the concept of access from two fronts: in our communities and in our industry. As we invest in facilities that house high-quality medical services, we are aware that the barriers for some community members to receive medical care are significant, and can range from transportation issues to financial roadblocks. We therefore seek to contribute to improving healthcare access, focusing on smaller, lesser-served secondary markets.

Access also means opening doors and expanding opportunity. We aim to bring down barriers in both the business and social spheres, serving as an employer of choice for a diverse workforce, helping healthcare providers expand their operations and providing transparency to our shareholders through a well-constructed governance regime.





# AUTHENTICITY

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.

We undertake both our ESG activities and our core operations transparently and sincerely, aiming to earn trust and build credibility. Our ESG initiatives are an authentic extension of our business approach, leveraging our strengths and addressing our challenges with solutions that enable us to continue to prosper and grow. By incorporating our core business values of discipline, nimbleness and tenacity into our ESG program, we ensure that our ESG objectives will benefit the entire company and all its functions.





# ENVIRONMENTAL



Sustainability is good business. By contributing to reducing and mitigating climate change, we're contributing to a future that is less risky for GMRE and our assets. The effects of a fragile planet and the climate change crisis go beyond the risks that wildfire, flood, or hurricane winds pose to our properties, beyond the threat of weather-induced power grid failure or the pressure exerted on our tenants by high energy prices. An unstable economy, disrupted supply lines affecting our tenants, upheavals in the global labor market – all are consequences that we may face if we fail to be mindful of environmental concerns.







Fortuitously, a business approach that is sensitive to environmental concerns is also in full **alignment** with GMRE's short- and long-term goals: to produce sustainable returns for our shareholders, to provide healthcare **access** to communities across the country, and to help our tenants succeed in their objectives and offer the highest quality facilities to their patients. By helping our tenants boost energy efficiency, we help them reduce costs. By supporting them to track and reduce their consumption and use renewable resources, we help them create a better environment for their patients, with cleaner air and water. By assisting them in maintaining and improving their buildings, we help them create more productive workplaces for their staff and healthier facilities for their patients.

We have also begun including sustainability strategies in the terms of lease renewals, and we're using this contractual agreement as a basis for establishing mutually beneficial arrangements with our tenants – a practice that has earned us a Silver designation by the Green Lease Leaders.

We pursue environmental initiatives that are in alignment with our tenants' goals in this way because, just as a healthier planet means a healthier business, stronger tenants mean stronger returns. Across 396 leases and 185 buildings, we are helping tenants make progress on the initiatives that matter to them.





# Earning Stars— and Earning Our Stripes

ENVIRONMENTAL

We use the ENERGY STAR® platform to collect and track our energy consumption data. 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.

Last year, we reported that 2022 had seen us earn an ENERGY STAR certification for two properties: our Select Medical facility in Omaha, Nebraska, which scored a 99, and our Brown Clinic facility in Watertown, South Dakota, which scored an 84. In 2023, those properties were joined by three more. GMRE facilities located in Dumfries, Virginia; Hialeah, Florida; and Dallas, Texas, became ENERGY STAR certificate recipients.

This national-level recognition proves that, although GMRE may not be a large company, our environmental initiatives are far from small-scale. With another eight buildings under consideration for 2024, we aim for even more of our properties to earn certifications in the future as we continue to seriously and conscientiously pursue emission reduction and energy efficiency.



Brown Clinic



Physician Associates



Davita Central Dallas Dialysis Center



# Data Driven

GMRE began collecting and tracking utility consumption data for our portfolio in 2019. This crucial information helps us identify properties that are prime candidates for energy reduction and efficiency improvement so that we can continue to increase the sustainability of our assets.

For the past several years, we have submitted our properties' utility consumption data to the annual GRESB™ assessment. 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 – which in our case means that our performance is compared to that of other real estate owners globally.

In 2023, we improved our overall GRESB score from 46 (in 2022) to 54.



Our relative rankings are equally as gratifying, showing that our environmental efforts are having tangible payoff. Last year, we reported that GMRE rose from 10th to 4th place in our peer group; in 2023, not only did we maintain those gains, but some of our scores were significantly higher than the GRESB benchmark.

In risk management, where the benchmark score was 3.97 (out of 5), GMRE received a 4.25. In the performance sector of the Risk Assessment, GMRE received a score of 6.46 (out of 9), nearly a full point higher than the benchmark average of 5.66. Those high scores in risk-related categories illustrate our belief that fostering a resilient posture is essential to our business, and they are tangible evidence of our commitment to exploring methods to assess our climate-related risks and mitigate the impacts.

**In 2023, we improved our overall GRESB score from 46 (in 2022) to 54.**



# BY THE NUMBERS

## Sustainability Data for 2023



Data for 2023 was collected and validated via GRESB assessment by ISOS, our third-party ESG project partner. The data covers the period from January 1, 2023, to December 31, 2023, and includes all of the assets acquired before December 31, 2023.

### Environmental Performance

	2023	2022	2021	2020
<b>GHG emissions</b>				
total emission e-CO <sub>2</sub> (metric tons, location-based, scope 3)	26,962	29,645	27,996	17,131
total emission e-CO <sub>2</sub> (metric tons, location-based, scope 1.2)	0	0	0	0
business travel/commute GHG (metric tons, scope 3)	35.1	50.5	N/A	N/A
HQ office GHG total (metric tons, location-based, scope 3)	5.5	5.3	5.0	5.0
total floor area (M sqft)	4.91	4.93	3.90	3.65
<b>Energy consumption</b>				
energy data buildings	82	84	65	51
total energy consumption (M kWh)	82.05	69.33	67.78	41.67
energy intensity (kBtu/sqft)	107.8	120.3	123.5	102.0
energy intensity (kWh/sqft)	30.5	28.8	33.0	29.9
energy floor area coverage with total	55%	50%	54%	47%
energy data buildings floor area (M sqft)	2.705	2.486	2.100	1.707
<b>Water consumption</b>				
total water usage (cubic meters)	264,035	209,692	166,135	123,975
total sites/buildings	190	189	167	139
water data buildings	66	68	50	40
water intensity (cubic meters/sqft)	0.11	0.09	0.09	0.10
water data buildings floor area (M sqft)	2.338	2.344	1.767	1.268
<b>Waste / recycle</b>				
total waste/recycle (tons)	6,437	4,677	671	N/A
waste/recycle buildings	57	52	11	N/A
waste/recycle buildings floor area (M sqft)	2.08	1.84	0.20	N/A
<b>Other</b>				
GRESB benchmark score	54	46	42	21
ENERGY STAR certificate buildings	5	2	0	0
clean energy (solar, kWh)	266,820	77,487	0	0

Our GRESB improvements are particularly notable because GMRE operates at a disadvantage when it comes to collecting utility data. The top-quality, reliable medical tenants to whom we lease are largely responsible for operating and maintaining the facilities they rent. This net-lease structure benefits all parties: it gives tenants agency over their own facilities; it results in well-kept, efficiently managed facilities that are maintained to a high standard for patients; it means that GMRE does not need the resources for day-to-day asset management; and it produces stable, long-term, risk-adjusted returns for our stockholders. However, since tenants are responsible for facility operations, it is more challenging for us to collect utility data and make environmental improvements.

Despite this challenge, our data coverage ratio also improved dramatically over time, from 11 percent of our portfolio in 2019 to 55 percent in 2023. That we have worked with our tenants for several years now to collect utility data and incentivize green improvements is a testament to the quality of our tenants and our dedication to our environmental goals.

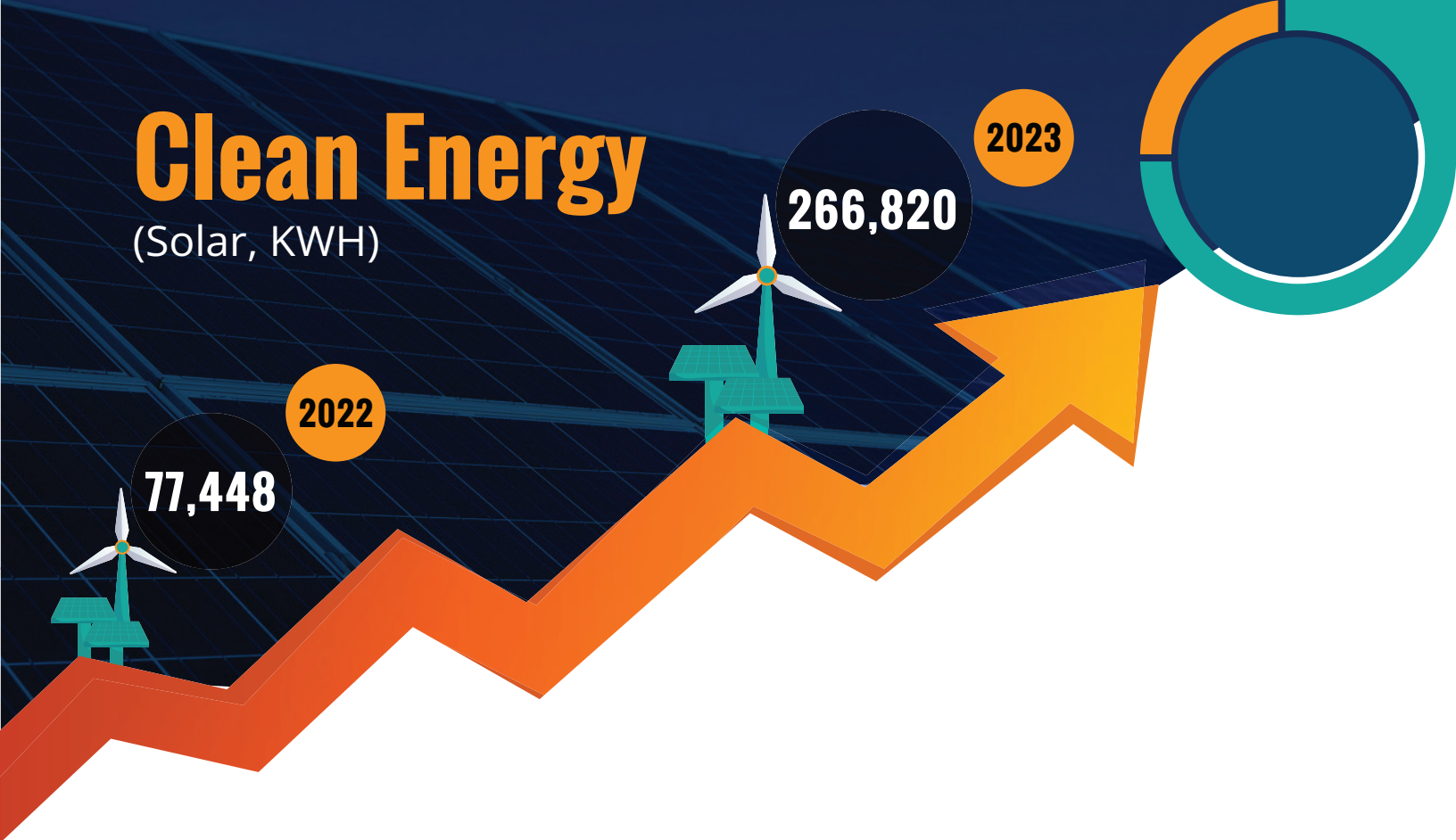
**We aim to meaningfully contribute to decreasing the carbon footprint of our buildings, ensuring lower operating costs and a cleaner, healthier, more stable world for everyone.**





# Clean Energy

(Solar, KWH)



We are now aiming to improve not only the breadth but the detail of the data we collect. In recent months, we have broadened our consideration from only Scope 3 reporting to include reporting on Scopes 1 and 2, even though these areas remain very minimal for us. We have also expanded the types of energy and consumption we track to include more than electricity, incorporating water, gas and other power sources.

To provide a richer picture of our overall impact, we also learn about the environmental initiatives that our tenants and vendors undertake themselves. We capture the information they release publicly about these efforts, and in some cases work in collaboration with tenants' sustainability professionals, building not only sustainability but stronger relationships, as well.

In collaboration with our tenants, we've explored a variety of approaches to reducing carbon emissions. We've replaced older equipment with high-energy-efficient products that reduce utility usage and lower operating costs. In 2023 alone, GMRE also implemented 20 HVAC upgrades and five roof replacements across 21 buildings, an investment totalling approximately \$1.92 million. Whenever possible, we're installing liquid-applied white membranes on our properties' roofs – an approach that not only reflects sunlight away from the building, reducing cooling needs, but also eliminates the typical landfill waste, since it doesn't require that the old roofing materials be torn off and thrown away.

Additionally, GMRE has started investigating partnership opportunities with a few national labs. These facilities require access to field-test properties in order to research and develop technologies and products that can help small and mid-size commercial buildings to manage their energy consumption more efficiently. We have already signed partnership agreements with Pacific Northwest National Laboratory and Oak Ridge National Laboratory. Field work in at least three of our properties will begin in 2024.

The aim of all of these efforts – to quantify and, where possible, reduce our facilities' energy consumption – is to meaningfully contribute to decreasing the carbon footprint of our buildings, ensuring lower operating costs and a cleaner, healthier, more stable world for everyone.



# Acquiring and Managing Assets

When evaluating investment opportunities, we prioritize energy efficiency and sustainability. In 2022, we introduced climate risk evaluations into our due diligence. We use 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. In 2023, we also used Moody's 427 Risk Management platform to help us identify and measure the potential climate risk exposure for our current properties. The analysis summarizes the climate change-related risks, groups them by onset potential and identifies opportunities for risk mitigation. It has been clear for some time that climate impacts are unavoidable. For GMRE to meaningfully pursue a risk mitigation and resilience strategy, we must understand our portfolio's risk profile. The Moody's 427 scores empower us to do so.

**Our utility and energy audits are designed to:**

- ➔ Benchmark our utility rates and identify energy expenditure by end use
- ➔ Review existing asset information, design drawings and data from Building Automation Systems
- ➔ Conduct an onsite inspection of major energy-consuming equipment and systems
- ➔ Identify available no- or low-cost and capital-intensive energy conservation measures
- ➔ Calculate costs, savings, incentives, payback periods and ROI for all energy conservation measures





2023 also marked the second year in which the due diligence phase of our acquisitions process included utility and energy audits performed by third-party engineering consultants.

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. These assessments provide a specialized look at an asset, helping us further identify areas of potential concern or hidden value when it comes to building systems or construction quality.

Being aware of these attributes not only helps us improve the quality of our acquisitions but also makes us better, more informed asset managers. The information we receive allows us to track a property's energy consumption starting from the acquisition date. Not only do the utility and energy audits provide the data needed to make and underwrite capital improvements with high return on investment, but they also recommend energy conservation measures for the short to long term.

Ultimately, the utility and energy audits give us the data we need to make efficient, targeted and profitable capital improvements and to create value across our portfolio.

These due diligence efforts are a prime example of how we're using ESG initiatives as a catalyst for risk mitigation. We're moving far beyond an insurance and insurability approach, thinking in the long term. Together, the energy and utility audits and the climate risk assessments allow us to determine our assets' physical resilience, their ability to withstand future climate events, their ability to perform under changing conditions and their value as community resources.





# SOCIAL



What we choose to do each day has ripples of influence: on the team at GMRE, on our shareholders, on our tenants, on the communities where they provide health care, on those in the real estate and health care sectors, and on our culture at large.

We take these impacts seriously. We aim for our legacy in society to be a positive one, grounded in our core value of **access** for all. Our vision is for the actions we take as a company to improve access to opportunity, to quality health care, to equality and to justice for every life we touch through our business operations.





## Valuing Our Workforce

With the dedication of a small but mighty team, GMRE's asset base has increased significantly in a very short time, from \$100 million in assets under management at IPO to over \$1.4 billion currently. But our greatest resource remains our employees, whose talent and hard work have been the cornerstone of our success.

Every employee's contribution is critical, which is why we focus our energy on attracting and retaining top talent. We not only respect and deeply value every member of our workforce, but we also aim to set ourselves apart as an employer through policies putting that appreciation into practice. Our employee-centric policies – including unrestricted paid time off, hybrid and remote work arrangements and personalized professional development opportunities – hold the team accountable to results while emphasizing work-life balance and flexibility.





These policies help foster one of GMRE's core strengths: our diversity.

As of December 31, 2023



**46%**

of our workforce is women



**38%**

of our workforce is ethnically diverse.

We value diversity not only because teams that benefit from a broader range of experiences and perspectives consistently perform better, but because it is a realm where we can act on our core value of **access** to opportunity. We are committed to ensuring inclusivity and equity, to breaking down barriers and expanding possibility. The result has been a positive workplace culture that underlies our success – including on ESG initiatives, which are largely driven our enthusiastic and highly engaged staff.

We devote meaningful effort to fostering team spirit. Our leadership rewards hard work and creativity, and they conscientiously model positive, affable attitudes. As a company, we carve out time for connection, from happy hours to team dinners to employee outings. We believe that these team-building social activities strengthen relationships across the organization and contribute to positive working conditions that lead to exceptional results.

This positive atmosphere is something we are proud of and actively cultivate, and when it comes to team culture, we aim to continually raise our game. This year, we engaged BalancedWork, a consultancy that works with remote and hybrid teams to pinpoint places where cohesion may be weakening and find ways to better achieve our collective goals. In the post-pandemic work environment, companies have elected a variety of approaches designed to address the preferences and productivity of employees. While navigating the pandemic, we learned a lot about how to be an effective organization in the midst of uncertainty. We evolved our communication tools, systems and procedures in a lasting and impactful way. Through our engagement with BalancedWork, we are conscientiously continuing this development, with the goal of being an organization that magnetizes rather than mandates our workforce. In collaboration with BalancedWork, we were able to identify areas for attention and develop a program for 2024 to further boost employee engagement.





# ACCESS AT WORK

## Stakeholder Engagement

GMRE is committed to upholding and implementing our value of **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.

### ...for 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 Tenants



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

### ...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.

# GOVERNANCE



ESG is not solely about outcomes – a healthier planet, a more equitable society, a brighter future. It is about choosing to act in accordance with a set of values: integrity, transparency, accountability and risk reduction.

It is those values that GMRE lives out in our governance structure. Our dedication to ESG is not measured by utility usage and carbon reduction alone, but by how we run our company. That is the true testament to our **authenticity** in committing to the framework of ESG. Our governance structure is designed for equality, diversity, access to opportunity and alignment with stakeholder interests. Our employees, management and Board are all held to a high standard of conduct in which we take pride.

Our management team and Board members have extensive collective experience in healthcare and real estate, and they both support and deeply understand the value of an ESG program – a key to success for ESG initiatives. In recent years, we have incorporated ESG-specific bodies and policies into our governance structure, such as the ESG Committee of the Board of Directors. By doing so, we have aimed to authentically integrate ESG initiatives into our operations and processes, making short-term decisions that support our long-term results.





# Good Governance

GMRE is overseen rigorously by our Board of Directors, which benefits from a robust peer review program, continuing professional development through the National Association of Corporate Directors and the service of a lead independent director. The Board is organized around four 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. These groups include the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and, most recently, the ESG Committee, established in February 2022.

The ESG Committee grew out of the prior ESG Working Group and is chaired by Matthew Cypher, the Director of the Steers Center for Real Estate at Georgetown University. 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 is charged with GMRE's general ESG strategy and policies, and its goals include improving GMRE's understanding of ESG overall. It oversees communications with employees, investors and other stakeholders that touch on ESG, as well as compliance with certain ESG-related legal and regulatory requirements. The committee also supervises ESG developments and coordinates with other Board committees on ESG matters of common import. It exists to ensure that ESG principles will help guide our growth, our decisions and our future actions so that we remain operationally strong in the years to come.

In 2023, the Audit Committee, chaired by Lori Wittman, took on official oversight responsibility for cybersecurity. Ms. Wittman received her CERT Certificate in Cybersecurity Oversight from NACD in October 2023. Led by the Audit Committee, GMRE has developed, and the Board has adopted, a Cybersecurity Response Plan that includes a notification, escalation and reporting framework. The framework correlates the nature and severity of a cyber incident with the appropriate levels and timing of notification and disclosure. GMRE also participated in a tabletop exercise of a simulated cyber attack to help ensure that the plans and procedures we have drafted have salience in the event of an actual emergency. As cybersecurity incidents become more frequent and reach beyond traditional targets, our risk mitigation and good governance will help us prepare for attacks and prevent major damage or disruption.

# 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.



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. Every team member – not just executives or upper management – is eligible for our equity incentive plans, because we recognize that every GMRE employee makes a vital contribution to achieving strong 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

## GOVERNANCE

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. 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



As we look ahead to the next stage of our journey, we see our course hewing to the path we have already mapped out and have now been walking for three years. This means continuing what we've started: collecting and acting on utility data, working with our tenants to help them become simultaneously more sustainable and more successful, managing and improving our assets to make them more environmentally sensitive, and ensuring at every turn that we are thoughtful stewards of our planet's resources, our communities' wellbeing and our stakeholders' trust.

What is important is that we continue to travel this path together, with everyone – from the GMRE workforce, to our leadership, to our tenants, to our shareholders – walking in stride and benefiting from each milestone along the way. Far from restricting our decision-making, thinking in terms of ESG opens myriad possibilities and catalyzes creative strategies. The lens of ESG and risk mitigation reveals a landscape of opportunity for better performance, better business and a better world.



Our progress in 2024 will be made by building on the foundation we have laid, especially in the area of property performance and value preservation. We're focusing on leveraging our building improvement budgets to raise property values and improve operating efficiency. These efforts increase energy efficiency and lower costs for tenants – and, in some instances, for us as landlord operators. By appropriately targeting building improvements, we can therefore strengthen both tenant retention and our financial results.

During this coming year, we will also renew and re-lease thousands of square feet, giving us a host of opportunities to keep working with our tenants to come up with mutually beneficial sustainability initiatives. In the meantime, we continue to expand our data collection efforts and are now meticulously focusing on the quality and consistency of our data. Additionally, we have expanded the number of properties that we submit for ENERGY STAR evaluation and intend to continue doing so. We see this certification as a way to benchmark our assets' performance against other similar properties, and to provide a tangible indication to our tenants of the value we place on energy efficiency and environmental sustainability.

More holistically, we are amassing an understanding and developing an approach around how we fit into the global effort to arrest and reverse climate change. We're beginning to comprehend how we can support our portfolio's potential for greenhouse gas emission reduction and how to set goals with that in mind. There has been a meaningful learning curve, in a rapidly changing context, but we have progressed to a stage where we can explore what information we should assess and how, as well as how we can forecast trends and target future goals. Though this work is far from complete, 2024 will prove to be a milestone for GMRE's grasp of its climate risk mitigation efforts.

It is always good practice to look toward the horizon, to imagine and prepare for not only the objectives we aim to achieve, but the risks we may face and the challenges we may encounter along the way. This is long-term strategic thinking at its finest, and it is the goal of our ESG program as we continue to practice our values of alignment, access and authenticity. We have made GMRE into a home for our dedicated, talented employees and for all of our tenants and the patients who rely on them. Our task now is to ensure that this is a sustainable home. It must be a home that rests on rock-solid foundations, a home resistant to changes in the landscape, a home that can weather uncertainty and withstand the headwinds of adversity. Making it so ensures that we can provide strong, long-term, risk-adjusted returns for our stockholders for years to come.



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