

---

# Healthpeak Green Financing Framework

---

June 2021



## **1. Commitment to Sustainability**

### **1.1 Company Overview**

Healthpeak Properties, Inc. (NYSE: PEAK) is a fully integrated real estate investment trust (REIT) and S&P 500 company. Healthpeak owns and develops high-quality real estate in the three private-pay healthcare asset classes of Life Science, Medical Office and CCRCs. At Healthpeak, we pair our deep understanding of the healthcare real estate market with a strong vision for long-term growth. For more information regarding Healthpeak, visit [www.healthpeak.com](http://www.healthpeak.com).

### **1.2 Sustainability: Core to Healthpeak's Strategy**

Environmental, social and governance (ESG) initiatives continue to be a critical component of Healthpeak's corporate responsibility and strategy. We undertake ESG initiatives that increase long-term stakeholder value.

We strive to advance our building performance and resilience through efficient measures by identifying projects that mitigate environmental impacts, deliver return on investment, and reduce operating costs.

Social responsibility furthers our mission to be an upstanding corporate citizen, allowing employees and business partners to take pride in our relationships. Our human capital initiatives, stakeholder engagement and strategic community partnerships are vital to our organizational health.

Corporate governance is an important component of achieving our business objectives and properly managing risk. We are committed to corporate governance practices that promote long-term value creation, transparency and accountability to our stakeholders.

Our ESG program continues to produce meaningful results and receive esteemed industry and global recognition.

## Reporting Initiatives & Awards

Healthpeak has been an ESG leader and innovator for over a decade, with our most recent awards featured below.

	 Environmental	 Social	 Governance
 <b>Recognized Industry Leader</b>	CDP Leadership Band <b>8<sup>th</sup> consecutive year</b>	Bloomberg Gender-Equality Index <b>2019 &amp; 2020</b>	Corporate Secretary/IR Magazine <b>Best Proxy Statement Nominee 2020</b>
 Nareit Leader in the Light <b>9-Time Award Recipient</b>	North America Dow Jones Sustainability Index (DJSI) <b>8<sup>th</sup> consecutive year</b>	Nareit Diversity & Inclusion Recognition Award (Silver) <b>2019</b>	Newsweek America's Most Responsible Companies <b>2019 &amp; 2020</b>
 Global Real Estate Sustainability Benchmark (GRESB) Green Star <b>9<sup>th</sup> consecutive year</b>	The S&P Global Sustainability Yearbook <b>5<sup>th</sup> consecutive year</b>	Great Place to Work Certified <b>2020</b>	50/50 Women on Boards <b>Gender-Balanced Board Certification 2020</b>
 FTSE4Good Index <b>9<sup>th</sup> consecutive year</b>		Orange County Business Journal Best Place to Work <b>2020</b>	Women's Forum of New York Corporate Champion <b>3 Times</b>
 3BL's 100 Best Corporate Citizens <b>3<sup>rd</sup> consecutive year</b>			CDP Supplier Engagement Rating <b>A-</b>
			ISS ESG Corporate Rating <b>Prime</b>
			MSCI Rating <b>AA</b>

We collect environmental data for our properties through our integrated environmental management system in collaboration with our tenants, operators, property managers, and third-party environmental engineers. When climate mitigation projects are identified to enhance resilience and help achieve our reduction goals, we calculate financial metrics including return on investment, payback period, and net present value. Further, we assess dedicated green budget categories annually to account for environmentally efficient equipment. By increasing the energy, water, and waste efficiency at our properties, we not only reduce long-term operating costs but are able to retain and attract green-minded tenants.

We strive to reduce our environmental impact by reducing greenhouse gas (GHG) emissions, energy consumption, water consumption and waste disposal. We advance our building performance and resilience through efficient measures by identifying projects that mitigate environmental impacts, deliver return on investment, and reduce operating costs. For additional information on our related strategy, risks, mitigants, goals and performance, please see the information presented in our annual ESG Report.<sup>1</sup>

We actively pursue LEED or ENERGY STAR certification for our new developments to the greatest extent possible. As of June 2021, we had attained 4.9 million cumulative square feet of LEED properties and 233 cumulative ENERGY STAR certifications.

<sup>1</sup> <https://www.healthpeak.com/esg>

### 1.3 Long-term goals

In 2019, Healthpeak became the first healthcare REIT in North America to adopt long-term (15-year) science-based GHG emissions reduction targets aligned with 2°C scenario planning in collaboration with the Science-Based Targets Initiative. These ambitious targets are “stretch” targets for our company to align with climate-related scenario planning. The targets are measured against our 2018 baseline. We also seek to implement meaningful short-term emissions reductions targets that align to our business and strategy.

We previously set long-term GHG emissions, energy, water, and waste reduction goals of 15% by 2020 in our boundary (from our 2011 baseline), and short-term goals of 1-2% annually during the 2011-2020 period.

### 1.4 Governance

Corporate governance is a vital component of achieving our business objectives and properly managing risk. We are committed to corporate governance practices that promote long-term value creation, transparency, and accountability to our stakeholders. We review corporate governance best practices and trends on an ongoing basis and look to proactively improve our governance framework. Notably, our Code of Business Conduct and Ethics<sup>2</sup> applies to all of our directors, officers, and employees, and our Vendor Code of Business Conduct and Ethics<sup>3</sup> is applicable to our vendors and business partners. Our Corporate Governance Guidelines<sup>4</sup> provide our executives and directors with consistent, upstanding performance expectations. The Nominating and Corporate Governance, Audit, Compensation and Human Capital, and Investment and Finance Committees are comprised entirely of independent directors.

#### ESG Governance

The Board of Directors, through the mandate in its Nominating and Corporate Governance Committee Charter, oversees ESG matters and receives regular quarterly updates regarding strategy, goals, metrics, performance, opportunities and risks, and initiatives from our ESG Committee, which is comprised of employees across various functional areas and professional levels. The Board also reviews feedback from engagement with investors, tenants and employees to assess ESG performance and set strategic direction.

Management works with our segment leaders to monitor ESG performance and implement our annual strategic agenda. Management reviews feedback from stakeholder engagement to shape our overall climate, social, governance and risk assessment strategy, and regularly discusses with the Board. ESG performance factors into financial compensation for members of management responsible for our ESG initiatives, including

---

<sup>2</sup> <https://www.healthpeak.com/app/uploads/2021/02/Code-of-Business-Conduct-and-Ethics-02.04.21-2.pdf>

<sup>3</sup> <https://www.healthpeak.com/app/uploads/2021/02/Vendor-Code-of-Business-Conduct-and-Ethics-01.30.20.pdf>

<sup>4</sup> <https://www.healthpeak.com/app/uploads/2021/02/Corporate-Governance-Guidelines-02.04.21-1.pdf>

our Chief Operating Officer, Chief Legal Officer and Chief Human Resources Officer, as well as non-executive members of our ESG Committee.

## 2. Green Financing Framework

Healthpeak has developed a Green Financing Framework in alignment with the International Capital Markets Association (ICMA) Green Bond Principles 2021 (GBP) and Green Loan Principles 2021 (GLP and, together with the GBP, the Principles). Healthpeak's Green Financing Framework is based on four core components of the Principles:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

### 2.1 Use of Proceeds

Proceeds from Healthpeak's green financing transactions will be used to finance and/or refinance, in whole or in part, new or existing eligible green projects (Eligible Green Projects) that meet Healthpeak's Eligibility Criteria as outlined in the table below.

Eligible Project Category	Eligibility Criteria	Environmental Objectives	UN SDG Alignment
Green Buildings	Investments related to the construction, maintenance or refurbishment of buildings that have or are expected to receive the following green building certifications: LEED Gold and above or EPA ENERGY STAR 85 and above	Climate change mitigation --- Natural resource conservation --- Pollution prevention and control	11
Energy Efficiency	Investments targeting energy efficiency savings of at least 30%, including: <ul style="list-style-type: none"> <li>• Lighting retrofits</li> <li>• Efficient HVAC systems</li> <li>• Installation, upgrade and expansion of Building Automation Systems (BAS) and Energy Management Systems (EMS)</li> <li>• Roof replacement and coating</li> <li>• Window tinting</li> </ul>	Climate change mitigation --- Pollution prevention and control	11

<b>Eligible Project Category</b>	<b>Eligibility Criteria</b>	<b>Environmental Objectives</b>	<b>UN SDG Alignment</b>
Renewable Energy	Investments in on-site renewable energy projects, including: <ul style="list-style-type: none"> <li>• Wind and solar</li> <li>• Battery storage systems</li> </ul>	Climate change mitigation --- Natural resource conservation --- Pollution prevention and control	7
Waste Management	Investments and expenditures related to recycling programs, including equipment takeback programs and initiatives	Pollution prevention and control	12
Sustainable Water and Wastewater Management	Investments targeting water efficiency savings of at least 30%, including: <ul style="list-style-type: none"> <li>• Efficient fixtures (toilet, faucet, showerheads)</li> <li>• Drought-resistant landscaping, including xeriscape and irrigation projects</li> </ul>	Pollution prevention and control --- Climate change adaptation --- Natural resource conservation --- Biodiversity	6
Clean Transportation	Investments in electric vehicle (EV) charging stations	Climate change mitigation --- Pollution prevention and control	13

## 2.2 Process for Project Evaluation and Selection

Eligible Green Projects financed and/or refinanced with the net proceeds from green financing transactions will be evaluated and selected by members of Healthpeak's Green Finance Committee based on the criteria set out in the framework. The Green Finance Committee consists of members from Healthpeak's Legal, Capital Asset Management, and Treasury & Capital Markets functions.

## 2.3 Management of Proceeds

Healthpeak intends to allocate an amount equal to the net proceeds from green financing transactions to Eligible Green Projects selected in accordance with the Eligibility Criteria

and evaluation and selection process presented above. These projects can include developments, acquisitions, and refurbishments, and may include refinancing of existing projects.

To ensure an amount equal to the net proceeds is allocated in accordance with this Green Financing Framework, Healthpeak’s Green Finance Committee will establish a Green Financing Register to record investments in Eligible Green Projects funded, acquired, refurbished or developed within the period commencing 36 months prior to each green financing transaction and ending on the maturity date of each transaction.

Healthpeak intends to fully allocate all net proceeds within 36 months of each green financing transaction. In the interim, any portion of the net proceeds from the transaction that are unallocated to an Eligible Green Project will be invested in accordance with Healthpeak’s cash investment policy.

In the case of divestment, Healthpeak intends to reallocate the funds to one or more other Eligible Green Projects.

## 2.4 Reporting

### Allocation Reporting

An allocation report will be publicly available to investors and lenders within approximately one year from the date of any green financing transaction, and thereafter once a year until full allocation. Allocation reports will disclose the total amount of proceeds allocated toward Eligible Green Projects. This information will be externally reviewed and will be publicly available on Healthpeak’s Sustainable Finance webpage at [www.healthpeak.com/sustainable-finance](http://www.healthpeak.com/sustainable-finance).

Criteria	Reporting indicators
<b>Eligible Green Projects financed by the Green proceeds</b>	List of projects financed by the net proceeds, including their description (date, location, category, progress) and the corresponding allocated amount (in \$) or total amount allocated to each Eligible Green Project category
	Allocated amount vs. total proceeds amount (in %)
	New financing vs. refinancing (in %)

### Impact Reporting

Where feasible, on an annual basis, until full allocation, Healthpeak plans to report on the Key Performance Indicators (KPIs) of the Eligible Green Projects. Definition, calculation and reporting of KPIs will be at Healthpeak’s sole discretion.

Examples of possible KPIs may include:

<b>Eligible Project Category</b>	<b>Sub-category</b>	<b>Reporting Indicator</b>
<b>Green Buildings</b>	Number and type of buildings	
<b>Energy Efficiency</b>	Type of technology	Estimation of annual energy savings (MWh) Estimation of annual Greenhouse Gas (GHG) emissions reduced or avoided (tCO <sub>2</sub> e)
<b>Renewable Energy</b>	Renewable energy power plants	Estimation of renewable energy produced (MWh) Estimation of annual Greenhouse Gas (GHG) emissions reduced or avoided (tCO <sub>2</sub> e)
<b>Pollution Prevention and Control</b>	Recycling projects	# of items / annual pounds recycled
<b>Sustainable Water and Wastewater Management</b>	Efficient fixtures Landscaping	# fixtures installed Water use savings (gallons)
<b>Clean Transportation</b>	EV charging ports	# ports installed

### **3. External Review**

#### **3.1 Second Opinion**

Healthpeak has appointed Sustainalytics to provide a Second-Party Opinion on the Green Financing Framework.

This Second-Party Opinion will be made available on Healthpeak's Sustainable Finance webpage and published by Sustainalytics at <https://www.sustainalytics.com/sustainable-finance/our-work/>.

#### **3.2 External Verification**

An external verification of the tracking of bond proceeds will be provided, on an annual basis, until the full allocation of proceeds by Healthpeak.