

HEALTHCARE REALTY

2022 Corporate Responsibility Report

ENVIRONMENTAL • SOCIAL • GOVERNANCE

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Letter from the CEO

I am pleased to share Healthcare Realty's fourth Corporate Responsibility Report, highlighting the Company's 2021 Environmental, Social, and Governance (ESG) achievements.

During a time of remarkable growth, I'm proud of the progress we've made to strengthen the Company's ESG program, improving the quality and integrity of our environmental data and expanding our climate risk and resiliency strategies in alignment with the Task Force on Climate-Related Financial Disclosures. I've enjoyed directly engaging with many of our employees to promote our team-driven Company culture, bolstered by recent improvements to our employee engagement programs.

We continue to gain recognition for our ESG efforts through industry case studies, including [Nareit's 2021 and 2022 REIT Industry ESG reports](#) and the [Department of Energy's 2022 Better Buildings Progress Report](#). Notable accomplishments in 2021 include achieving our greenhouse gas reduction and board diversity goals, adding 15 new green building certifications to our portfolio, and earning a Green Star designation with a score of 73 on our 2021 GRESB assessment.

In July 2022, Healthcare Realty completed a transformational merger with Healthcare Trust of America (HTA), creating the largest, pure-play medical office building REIT in the United States. The combined company has unmatched scale in target markets, a promising development pipeline, and a strengthened balance sheet, enhancing our ability to deliver long-term value to our stakeholders.

We are proud of our 2021 ESG accomplishments. Looking to the future, the merger with HTA affords us an incredible opportunity to combine best practices across a much larger portfolio, expanding our ability to positively impact the environment. As we focus on integrating two organizations and strengthening our Company culture, we are excited to demonstrate to our investors, tenants, employees, and partners the benefits of the new Healthcare Realty.



Sincerely,

A handwritten signature in blue ink, appearing to read 'Todd Meredith'.

Todd Meredith
President and
Chief Executive Officer



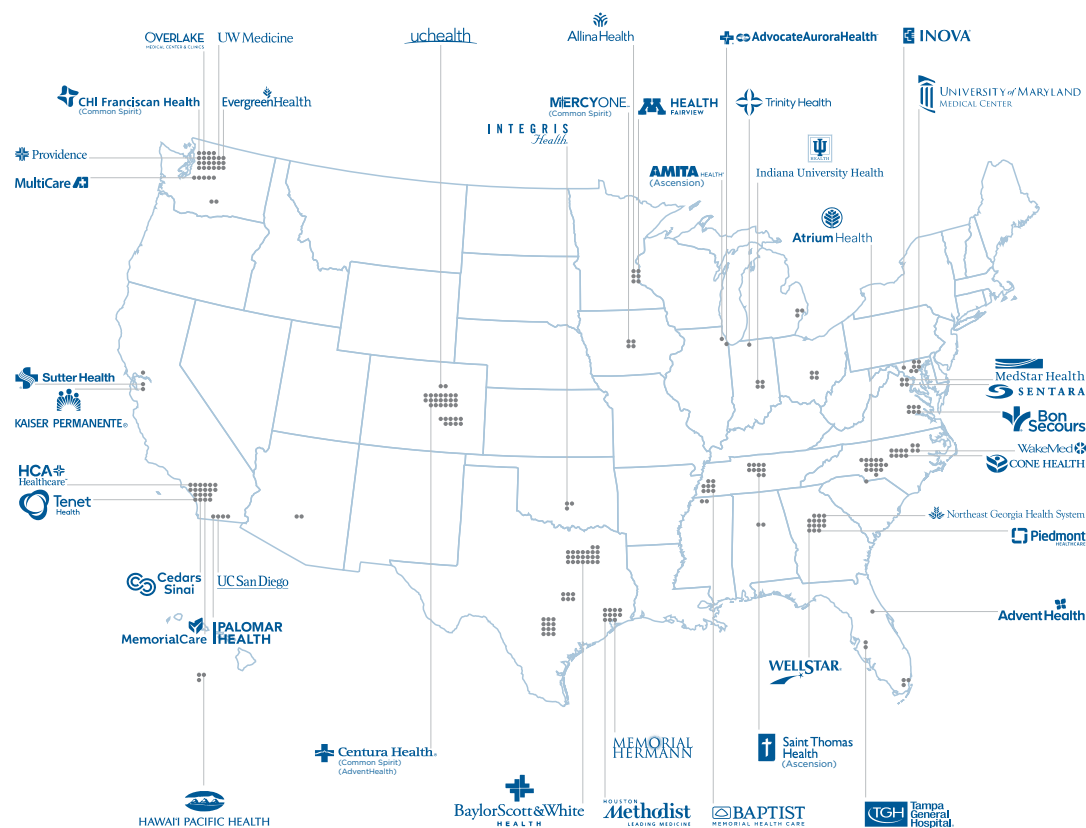
Who We Are

Healthcare Realty (NYSE: HR) is a publicly-traded real estate investment trust (REIT) that focuses on owning, managing, acquiring, and developing outpatient medical facilities throughout the United States.



Company Overview

Since its formation nearly 30 years ago, Healthcare Realty has successfully built a superior outpatient medical office real estate portfolio aligned with market-leading health systems throughout the country. The majority of Healthcare Realty's properties are on the campus of or adjacent to these health systems, where they house essential outpatient services such as surgery, cancer treatment, and imaging and key physician groups who are crucial to the hospital's long-term mission.



AS OF 12/31/2021⁽¹⁾

Pre-merger

258 Properties

23 States

17.9M Square Feet

14.3M Square Feet Managed Internally

\$6.6B Enterprise Value

BBB/Baa2/BBB+ Credit Rating⁽²⁾

96% Medical Office and Outpatient

85% On/Adjacent to Hospital Campuses

95% Multi-tenant

338 Employees

29 Years of Operation



Our ESG Strategy

We seek to create long-term value for all stakeholders, including our employees and investors who expect responsible financial and environmental stewardship, and for our healthcare system partners who rely on us to provide well-operated facilities that allow them to deliver the best care.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Our ESG strategy supports value creation, protection of the environment, and healthier buildings for our tenants and their patients.

Healthcare Realty has embedded ESG best practices into its culture, strategy, and operating performance. Our objectives include implementing our sustainability strategy, improving transparency and reporting, and ongoing stakeholder engagement.

Healthcare Realty's actions are guided by the Company's **Sustainability Principles and Policies:**

INTEGRATION Embed and integrate leading ESG practices in daily operations.

IMPACT Drive positive impact and create long-term value for stakeholders, including our tenants, investors, employees, and the communities in which we live, work, and invest.

INTEGRITY Conduct business with integrity, respect, and excellence.

SUSTAINABILITY MANAGEMENT



We have implemented a Sustainability Management System (SMS) to help create a cohesive ESG program that reduces risk, increases performance, and emphasizes continuous improvement.

Our SMS is in alignment with the International Organization for Standardization ("ISO") 14001 and 5001 standards plus the **ENERGY STAR® Guidelines for Energy Management**.

It follows the "Plan-Do-Check-Act" model:

PLAN Making a commitment, assessing current performance status, setting goals, and creating a comprehensive strategy and action plan

DO Implementation of the action plan that includes training, project pilots, roll out of proven projects, and stakeholder communication

CHECK Evaluating progress to track and monitor performance results, including benchmarking in ENERGY STAR® Portfolio Manager®

ACT Recognizing achievements and celebrating successes while identifying areas for improvement and adjusting course as needed



ESG Disclosure and Guidance Frameworks

Healthcare Realty discloses comparable and consistent ESG information through globally recognized frameworks. To enhance the integrity of our environmental data, we engaged RE Tech Advisors, an AA1000 Licensed Assurance Provider, to provide third party assurance of our energy, water, greenhouse gas, and waste performance data for the calendar year ended December 31, 2021. The assurance statement is found on [page 50](#).



GRESB

Healthcare Realty received GRESB's 3 Green Star ranking, earning a score of 73 on its 2021 GRESB assessment. We also received an "A" Public Disclosure rating, ranking first out of a peer group of 10 healthcare real estate companies with respect to transparency of public reporting of sustainability practices.



NEW! Task Force on Climate-Related Financial Disclosures (TCFD)

We've expanded our climate-related disclosures in alignment with recommendations from the TCFD. These disclosures can be found on [pages 25 - 27](#).



Sustainability Accounting Standards Board (SASB)

The information in our Corporate Responsibility Report is aligned with the Value Reporting Foundation's SASB framework for real estate. A SASB Standards disclosure table can be found on [pages 48 - 49](#).



Sustainable Development Goals

Our ESG Key Performance Indicators (KPIs) are aligned with the United Nations Sustainable Development Goals (SDGs). A summary of our goals and progress can be found on [pages 8 - 9](#).



Our ESG Goals

ENVIRONMENTAL



HEALTHCARE REALTY KPI

2021 STATUS PERFORMANCE

Greenhouse Gas (GHG) Emissions

10% reduction in Scope 1 and 2 emissions by 2026 over a 2016 baseline.

2026 Target
 Achieved

22.8% GHG reduction in 2021 over a 2016 baseline.

Energy Efficiency

10% energy use reduction by 2026 over a 2016 baseline.

2026 Target
 On Track

6.9% energy reduction in 2021 over a 2016 baseline.

Increase the amount of square footage with LED lighting by at least 15% per year.

Ongoing Target
 Achieved

Added LED lighting to 1.0 million square feet in 2021, an increase of 23.2% over the prior year.

Incorporate and maintain direct digital control (energy management system) building technology into 80% of portfolio.

Ongoing Target
 Achieved

Utilizing building automation technology to reduce energy consumption and grid demand in 86.9% of our portfolio square footage at year-end 2021.

NEW! Water Conservation

20% water reduction by 2026 over a 2016 baseline.

2026 Target
 On Track

13.9% water reduction in 2021 over a 2016 baseline.

Green Building Certifications

Achieve at least 45 green building certifications (LEED®, ENERGY STAR®, IREM® Certified Sustainable Property (CSP®), or other similarly recognized third party certification) by 2025.

2025 Target
 On Track

Owned 20 certified green buildings totaling 1.8 million square feet at year-end 2021, including six LEED, nine ENERGY STAR®, and five IREM CSP certifications. This is up from five LEED certified properties totaling 689,000 square feet in 2020.

Certify a minimum of 80% of new development projects to LEED standards.

Ongoing Target
 Achieved

100% of our new developments started and/or completed in 2020 and 2021 were LEED certified projects including:

- A 151,000 square foot development in Seattle, Washington awarded LEED certification in 2021.
- A 106,000 square foot LEED development project in Nashville, Tennessee that began in 2021.



Our ESG Goals

SOCIAL



HEALTHCARE REALTY KPI

2021 STATUS PERFORMANCE

Employee Benefits and Retention

Evaluate our employee benefits package annually to ensure it is both competitive and meeting the needs of employees.

Ongoing Target
 ✓ Achieved Healthcare Realty's benefits package remains competitive and well received by our employees.

Offer at least a \$15 per hour wages to all full-time employees.

Ongoing Target
 ✓ Achieved All full-time employees were paid more than \$15/hour in 2021.

Maintain a desirable workplace so that the voluntary three-year-average annual employee turnover is less than 11% and officer turnover is less than 5%.

Ongoing Target
 ✓ Achieved 2019-2021 average voluntary turnover was 10.6% for all employees and 1.0% for officers.

GOVERNANCE



HEALTHCARE REALTY KPI

2021 STATUS PERFORMANCE

Board Diversity

Enhance diversity by having women and/or minorities represent at least a third of the Board of Directors by 2022.

2022 Target
 ✓ Achieved This goal was met in 2021 with the addition of a new board member, bringing the percentage of women and/or minorities on the board to 33.3% at year-end 2021.



Environmental

Healthcare Realty's sustainability strategy begins with our commitment to sound environmental policies and the pursuit of best practices to increase efficiency, reduce consumption, and mitigate environmental risk. These policies are integrated into our investment strategy and building operations.

Through operational efficiency, strategic capital planning, and data monitoring, we reduce utility costs, one of our largest operating expenses. In turn, our tenants, hospital system partners, and shareholders benefit from cost savings and more sustainable properties.



Industry Partnerships



ENERGY STAR

As a proud ENERGY STAR® partner since 2004, 99% of our buildings where we have operational control were benchmarked in ENERGY STAR® Portfolio Manager® in 2021. The remaining 1% represents three properties where utility services are managed by the health system.



Black Bear Energy

Black Bear Energy provides experienced insight into renewable energy opportunities across our portfolio, identifying and prioritizing properties for solar installations.



Measurabl

Measurabl's sustainability platform assists in the collection, reporting, and benchmarking of our environmental data, efficiency projects, and building certifications. We also use Measurabl to assess physical climate risks in our portfolio.



NEW! U.S. Department of Energy's (DOE) Better Building Alliance

Healthcare Realty joined the DOE's Better Building Alliance and Water Saving Network in 2021, partnering with DOE technical experts to accelerate building efficiency.



Mechanical Resource Group

We partner with Mechanical Resource Group to install EnergyLogiX real-time electricity monitoring technology in buildings throughout our portfolio.



NEW! Nareit's Real Estate Sustainability Council (RESC)

We joined Nareit's RESC in 2021, helping to guide the industry's ESG priorities and increasing our collaboration with peers.



Environmental Performance Highlights

We've set long-term goals to reduce our energy usage and greenhouse gas (GHG) emissions by 10% and water consumption by 20% by 2026 over a 2016 baseline. We surpassed our GHG reduction goal in 2021 and are on track to achieve our energy and water goals.

COVID-19 IMPACT

Healthcare Realty's year-over-year performance was impacted by a return to normalized building utilization in 2021 compared to lower consumption in 2020 due to the COVID-19 pandemic.

LOOKING AHEAD

We have begun gathering environmental data, policies, and practices for the legacy HTA portfolio and plan to evaluate goals for the combined organization. We see this growth as a meaningful opportunity to blend ESG best practices and drive improved performance across a broader portfolio.

OUR GOALS

↓ 10%
in energy usage

↓ 10%
in Scope 1 and 2
GHG emissions

↓ 20%
in water
consumption

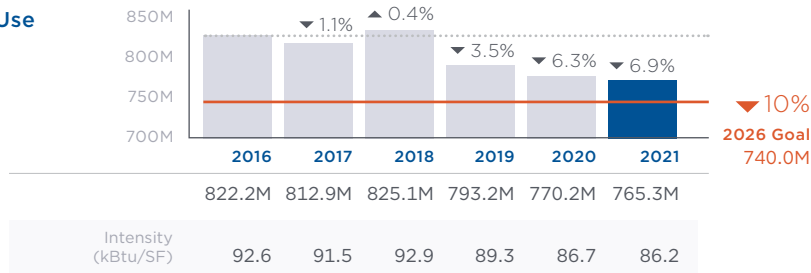
by 2026 over
a 2016 baseline



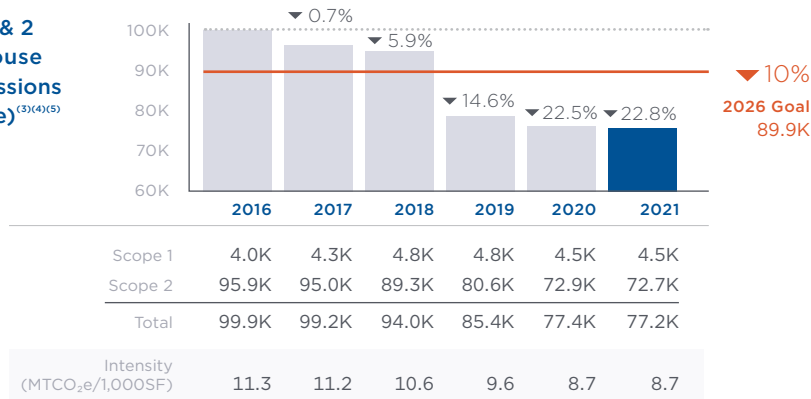
Environmental Performance Highlights

LONG-TERM TARGETS

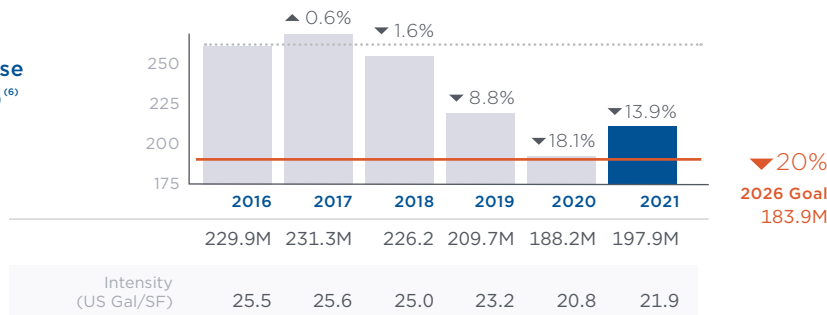
Energy Use
(kBtu)⁽³⁾



Scope 1 & 2
Greenhouse
Gas Emissions
(MTCO₂e)⁽³⁾⁽⁴⁾⁽⁵⁾



Water Use
(US Gal)⁽⁶⁾



YEAR-OVER-YEAR RESULTS⁽⁷⁾

Energy Use
(kBtu)

	2020	2021	Change
Energy Use (kBtu)	1.099B	1.104B	▲0.4%
Intensity (kBtu/SF)	88.5	88.9	

Scope 1 & 2
Greenhouse
Gas Emissions
(MTCO₂e)⁽⁵⁾

	2020	2021	Change
Scope 1 & 2 Greenhouse Gas Emissions (MTCO ₂ e)	8.9K	9.0K	▲0.6%
Intensity (MTCO ₂ e/1,000SF)	8.6	8.6	

Water Use
(US Gal)

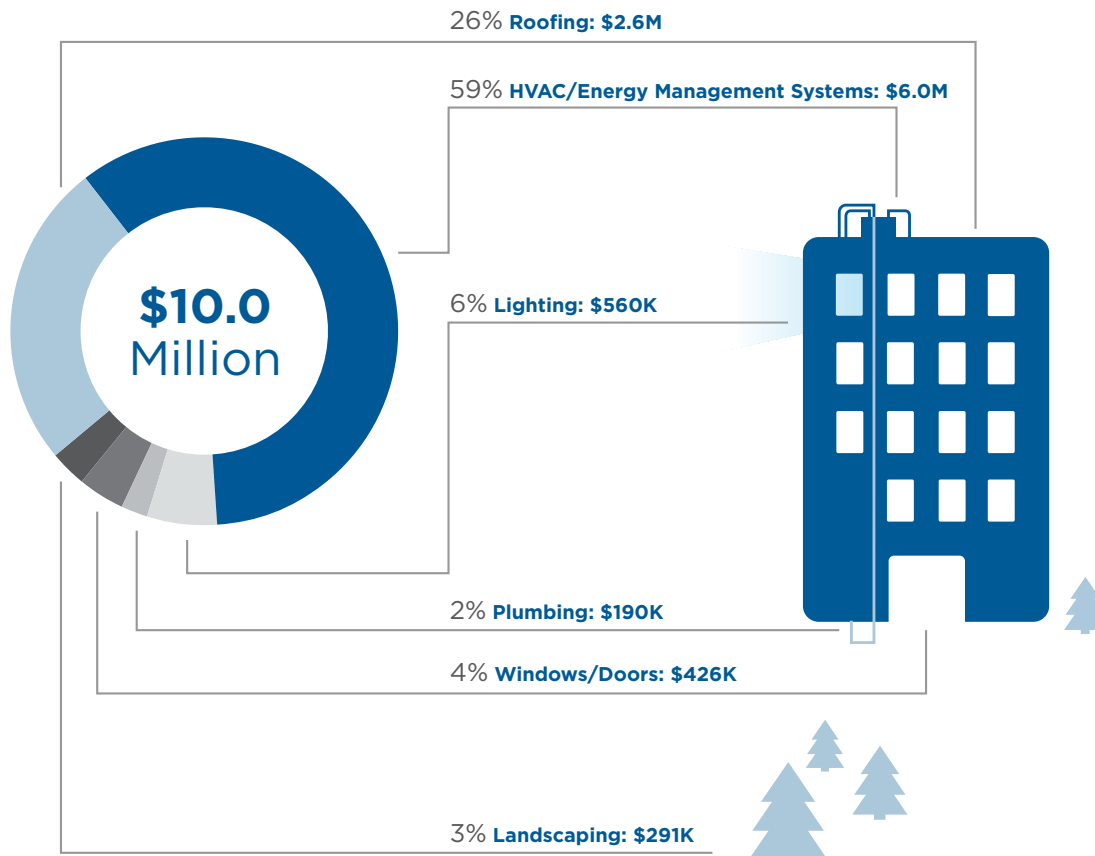
	2020	2021	Change
Water Use (US Gal)	251.5M	258.3M	▲2.7%
Intensity (US Gal/SF)	19.8	20.4	



Reduction Strategies

SUSTAINABLE CAPITAL INVESTMENTS

We strategically deploy capital resources to enhance building efficiency with improved mechanical systems, roofs, and plumbing systems to decrease greenhouse gas emissions, reduce energy and water consumption, and help meet our environmental goals. In 2021, Healthcare Realty invested \$10 million on nearly 200 efficiency projects throughout its portfolio including HVAC updates and replacements, reflective roofing, real-time metering, LED lighting, energy management systems, drip irrigation, and drought-resistant landscaping.



ROOFING

Reflective roofing, increased insulation

HVAC/ENERGY MANAGEMENT

Refrigerant upgrades, digital controls, real-time electricity monitoring, variable frequency drives, cooling tower upgrades/replacements, CO₂ sensors

LIGHTING

LED retrofits, occupancy sensors, lighting controls

PLUMBING

Low flow fixtures, leak detection systems

WINDOWS/DOORS

Window and door replacements, solar film installation

LANDSCAPING

Native and/or drought-resistant plants, drip and smart irrigation systems

Reduction Strategies

Healthcare Realty prioritizes LED lighting and direct digital controls (energy management systems and building automation) as key capital investments to improve building efficiency and reduce energy expenses.

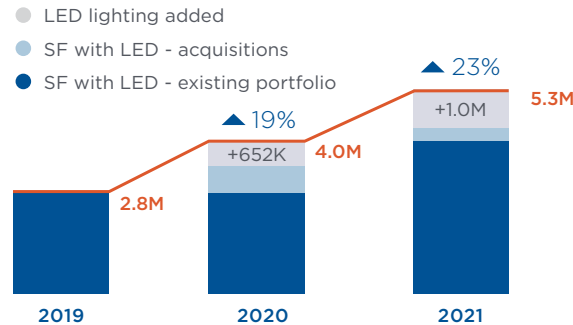


LED LIGHTING

LED lighting fixtures are more durable than halogen or fluorescent lights, reduce energy usage, and offer better quality light.

In 2021, we added LED lighting to one million square feet of our portfolio, up 23% from 2020.

SQUARE FOOTAGE WITH LED LIGHTING



OUR GOALS

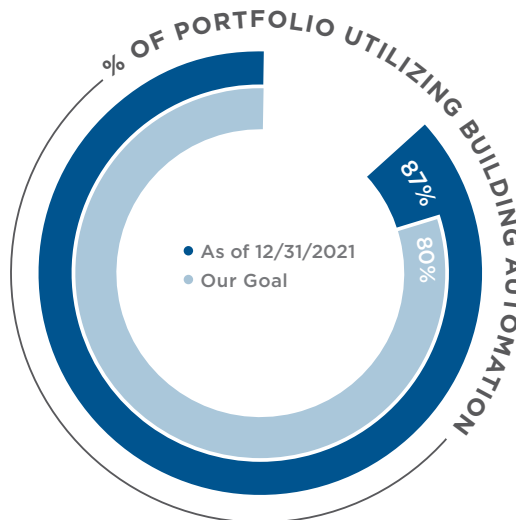
Increase the amount of square footage with LED lighting by at least **15%** per year



BUILDING AUTOMATION

Building automation is a critical tool to reduce energy consumption and grid demand, extend equipment life, and optimize energy scheduling to meet tenant requirements.

At year-end 2021, over 15.5 million square feet contained digital controls, an increase of 815,000 square feet over 2020, representing 87% of our portfolio and exceeding our goal of 80%.



Incorporate and maintain direct digital control technology into at least **80%** of properties



Reduction Strategies

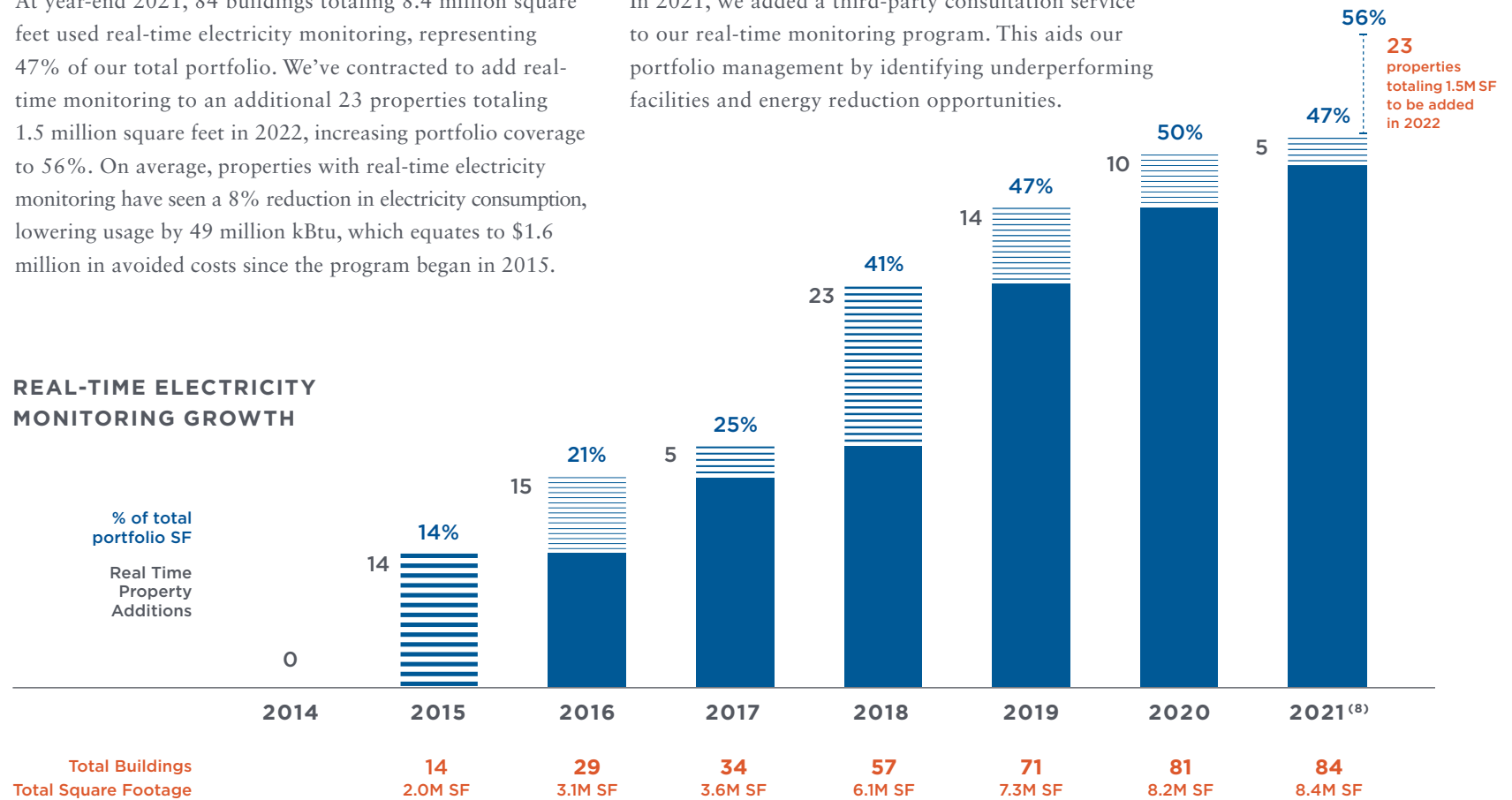
REAL-TIME ELECTRICITY MONITORING

We continue to install EnergyLogiX real-time electricity monitoring in conjunction with digital controls to reduce electricity usage and grid demand during peak operating hours.

At year-end 2021, 84 buildings totaling 8.4 million square feet used real-time electricity monitoring, representing 47% of our total portfolio. We've contracted to add real-time monitoring to an additional 23 properties totaling 1.5 million square feet in 2022, increasing portfolio coverage to 56%. On average, properties with real-time electricity monitoring have seen a 8% reduction in electricity consumption, lowering usage by 49 million kBtu, which equates to \$1.6 million in avoided costs since the program began in 2015.

In 2021, we added a third-party consultation service to our real-time monitoring program. This aids our portfolio management by identifying underperforming facilities and energy reduction opportunities.

REAL-TIME ELECTRICITY MONITORING GROWTH



See [page 51](#) for endnotes.

Reduction Strategies

RENEWABLE ENERGY

Healthcare Realty views renewable energy as a strategic way to minimize environmental impact, reduce GHG emissions and operating expenses, and maximize long-term building and portfolio value.

ON-SITE SOLAR

The Company partners with renewable energy advisor Black Bear Energy to identify ways to build out our solar energy program. We have engaged a third-party company to install and operate carport and parktop solar-arrays at six of our California properties. These projects will generate up to 3.3 megawatts of energy per year, enough to power a 300,000 square foot medical office campus for one year. The energy generated through these projects will be used both on-site through Net Energy Metering (NEM) Power Purchasing Agreements (PPAs) and off-site through a Feed-in-Tariff (FiT) program. A case study highlighting these projects was published in the [U.S. Department of Energy's Better Buildings Solutions Center](#).

Adding on-site solar to our properties supports Healthcare Realty's environmental goals by reducing GHG emissions, provides additional benefits to our tenants including covered parking and decreased utility expenses, and supports decarbonization of the local electric grid through the addition of distributed renewable power generation sources.

We plan to expand this program by prioritizing markets and campuses where we have solar projects underway.

GREEN POWER PROCUREMENT



As part of Healthcare Realty's commitment to reducing our GHG emissions, we've partnered with procurement consultants to secure Green-e Renewable Electricity at several of our Texas properties. As our portfolio grows, the Company remains focused on evaluating opportunities to expand green power procurement.



Rendering: Carport solar arrays



Water Efficiency

Healthcare Realty remains committed to monitoring, benchmarking, and reducing water consumption across our portfolio. At year-end 2021, 97% of our properties where we have operational control were benchmarked for water usage in ENERGY STAR® Portfolio Manager®.

We are on track to reach our water savings goal, with a 13.9% reduction at year-end 2021. To enhance our efforts, we have joined the **U.S. Department of Energy's Better Buildings Water Savings Network**, exchanging water management and efficiency strategies with peers.

The following tools are utilized to help reduce water consumption at our buildings:

- EPA WaterSense-labeled low flow fixtures
- 0.5 gallon per minute aerators in tenant and common area sinks
- Leak detection systems
- Regular inspections and preventative maintenance of water-use systems including irrigation systems, toilets, chilled-water HVAC systems, and cooling towers
- High-efficiency/smart irrigation systems
- Drought-resistant landscaping

OUR GOAL

↓ **20%**
in water usage
by 2026 over a
2016 baseline



Waste Diversion

We continue tracking, monitoring, and benchmarking waste production and diversion rates throughout our portfolio. In 2021, we developed a survey to collect property-level waste stream data, allowing us to expand our data inventory, aggregate vendor information, and identify challenges and best practices. Data collected is used to benchmark landfill, recycling, and composting data in ENERGY STAR® Portfolio Manager®, improving our ability to accurately monitor and report our waste data.

We utilize several waste management strategies:

- Ensure appropriate recycling containers are accessible with visible signage
- Purchase consumable materials with recycled content
- Recycle building materials including lightbulbs and batteries
- Install water bottle filling stations as a building standard to discourage single-use plastic
- Purchase building materials comprised of recycled content for construction projects



Earth Week electronics recycling campaign at Healthcare Realty's corporate office



Sustainable Buildings

GREEN BUILDING CERTIFICATIONS

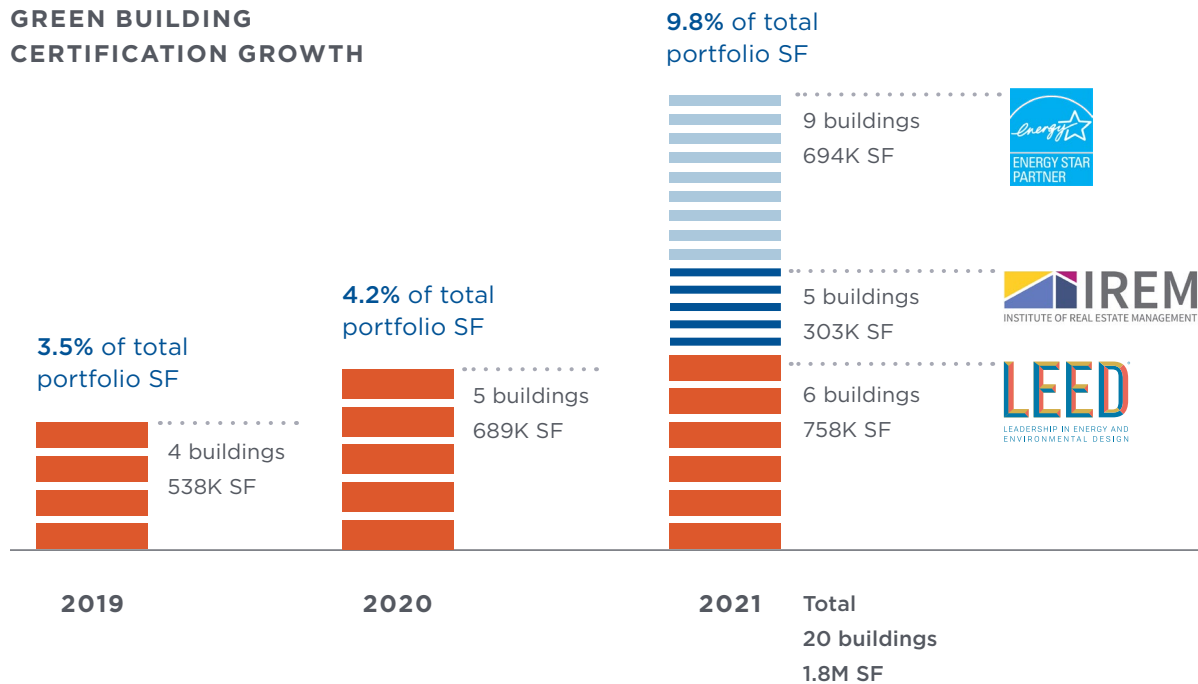
Healthcare Realty believes green building certifications are a means to ensure that sustainability best practices are incorporated at our properties and provide third-party validation for our ESG performance.

The Company began pursuing IREM® CSP® and ENERGY STAR® Certifications in 2021, successfully achieving five new IREM® CSP® designations and nine ENERGY STAR® Certifications, more than doubling the percentage of our portfolio with green building certifications.

OUR GOAL

45 green building certifications by 2025

GREEN BUILDING CERTIFICATION GROWTH



Sustainable Buildings

NEW DEVELOPMENT

Through new-building development, Healthcare Realty improves the quality of our portfolio and deepens relationships with health systems by providing new facilities to match physician and patient requirements.



The Company adopts sustainable best practices and builds to LEED standards when feasible. In 2021, we began a new 106,000 square foot LEED development project in Nashville and achieved LEED certification on a 151,000 square foot medical office development in Seattle.

Aligning our development projects with LEED building guidelines involves evaluating environmental elements including the impact and location of transportation options for patients and physicians, building safety, sustainable site selection, energy and water efficiency, construction materials and resources, indoor environmental quality, and overall innovation. Because our development efforts are focused on physician and hospital tenants, our projects must meet high levels of performance for efficiency, health, and wellness.

Sustainable development best practices include:

- Avoiding materials with known toxic ingredients such as asbestos, formaldehyde, volatile organic compounds, ash, cadmium, mercury, lead, arsenic, and phthalates
- Using sustainable construction materials certified by Forest Stewardship Council (FSC), Rainforest Alliance, Cradle to Cradle, Floorscore, Green Seal, and Greenguard
- Sourcing locally manufactured materials that contain pre- and post- consumer recycled content
- Prioritizing cleaner energy sources
- Evaluating opportunities for on and off-site renewable energy
- Specifying low-flow fixtures, incorporating drought-resistant landscaping, and smart irrigation

OUR GOAL

At least **80%** of new developments will be LEED certified



Sustainable Buildings

TENANT IMPROVEMENTS

In addition to new development, we prioritize sustainability when planning tenant-specific construction, procuring materials, and building space for tenants.

We have developed Sustainability Guidelines for Tenant Improvements, outlining best practices for:

LEASE NEGOTIATION sub-metering, data sharing, cost recovery, benchmarking language in lease agreements

DESIGN finish schemes, materials procurement, efficient equipment selection, lighting controls, biophilic design, filtration

CONSTRUCTION indoor air quality, waste, recycling

GREEN LEASING

Healthcare Realty is working to increase leases with green lease language to further our sustainability objectives. By incorporating green lease provisions, such as cost recovery clauses for efficiency upgrades and utility data sharing requirements, we are able to share operating expense reductions with our tenants.



LEED SILVER
Overlake Medical Pavilion
SEATTLE, WASHINGTON



2100 Exeter Road
MEMPHIS, TENNESSEE



Sustainable Buildings

ACQUISITION DUE DILIGENCE

Building acquisitions present an important opportunity to underwrite capital improvements to enhance building efficiency, performance, and mitigate risk at the onset. Healthcare Realty performs detailed environmental evaluations during due diligence including onsite property inspections, physical climate risk assessments, environmental reports, a review of compliance requirements, and insurance needs.

Ongoing building assessments are performed at least annually and drive capital forecasting including efficiency upgrades and equipment replacements.

HEALTHY BUILDINGS

We seek to maintain good indoor environmental quality by using low-emitting VOC materials and following American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) standards for the operation of our buildings. Many of our properties include bike facilities, electric vehicle charging stations, and preferred parking for carpools and fuel-efficient vehicles. We also prioritize managing water-specific risks by preventing stagnation in pipes and monitoring water quality.



Sustainable Buildings

RE-DEVELOPMENT PROJECT IN MEMPHIS, TENNESSEE

In 2019, Healthcare Realty purchased a 111,000 square foot building from long-time health system partner, Baptist Memorial Health Care, located in a growing Memphis submarket. Healthcare Realty transformed an under-utilized, aging property into a modern medical office building. The \$30 million redevelopment houses a ambulatory surgery center and associated clinical services including orthopedics, pediatrics, and primary care.



Sustainability improvements include:

- 100% LED light fixtures throughout the building and parking lot
- All mechanical systems replaced with energy-efficient equipment
- Energy-efficient windows
- Traditional ballast roof replaced with new reflective roofing and improved insulation
- Common area renovations include low VOC paint and low-flow plumbing fixtures
- 150 new trees planted at the building



Climate Risk and Resilience

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

Healthcare Realty understands that climate change presents risks and opportunities. Our ESG program evaluates physical and transitional risks and seeks long-term opportunities to improve overall portfolio performance.



To ensure our efforts are transparent and meet industry standards, we have enhanced our disclosures to align with the Task Force on Climate-Related Financial Disclosures framework.



Governance

Healthcare Realty's Board of Directors is responsible for overseeing the Company's ESG and climate related risks, strategy, policies, and performance. Julie Wilson, Executive Vice President, Operations, provides ESG updates to the entire Board at least quarterly. In addition, members of senior management are actively engaged in assessing and managing risks, including those as a result of natural disasters, regulatory and market shifts, and environmental compliance.

Strategy

Climate related risks and opportunities are considered throughout the lifecycle of our assets. The Company performs detailed building evaluations during acquisition due diligence, underwriting, post-acquisition, and development as part of its investment criteria.

Industry best practices for property operations, including emergency response, are incorporated into property inspections, budgeting, insurance, and capital planning processes.

We utilize physical climate risk assessments to identify assets in areas susceptible to weather events and environmental stressors. We use this information to manage overall risks and evaluate our portfolio.



Climate Risk and Resilience

Risk Management

Climate-related risks are identified, assessed, and managed by multiple departments including sustainability, insurance, operations, development, and acquisitions. All properties, including potential acquisitions, undergo physical climate risk assessments. We use Measurabl's Physical Climate Risk Exposure (PCR-X) tool to help identify and assess climate-related risk exposures at the property level.

To manage potential transition risks stemming from the cost of transitioning to a low-carbon economy, Healthcare Realty actively monitors environmental regulations and public policy to better anticipate changing requirements. Further, the Company proactively tracks and optimizes building performance as part of our operational best practices to reduce the risk of fines for non-compliance, energy usage, costs, and emissions, and to increase asset resilience.

We also carry comprehensive property insurance to mitigate our financial risk exposure from increasing natural disasters such as floods, wind, earthquakes, and named storms.

Metrics and Targets

In an effort to conserve natural resources, minimize our environmental impacts, and decrease expenses, we've established targets to reduce our properties' energy and scope 1 and 2 GHG emissions by 10% and water by 20% by 2026, compared to a 2016 baseline.

We have implemented strategies to achieve performance goals including increasing LED lighting by at least 15% per year, maintaining direct digital controls in at least 80% of our buildings, incorporating real-time electricity monitoring, as well as on-site and procurement of renewable energy.

TCFD CLIMATE RISKS AND OPPORTUNITIES

POTENTIAL RISKS

- Increasing operating and capital costs to improve efficiency and comply with local and state regulations related to energy, water, and carbon performance standards
- Increasing insurance and utility costs
- Risk of damage to properties and business disruptions
- Change in asset valuation
- Heightened environmental reporting obligations
- Increasing costs to adopt emissions technologies
- Supply chain disruptions
- Carbon neutrality and renewable energy mandates

OPPORTUNITIES

- Increasing tenant and investor demand for efficient and green certified properties
- Cost savings related to reduced utility consumption
- Access to green financing, such as sustainability-linked term loans and green bonds, which may reduce borrowing costs
- Cost savings from renewable energy
- Attracting and retaining investors, tenants, and employees through ESG commitments and initiatives
- Savings on insurance premiums from improved risk mitigation and emergency response plans
- Overall brand enhancement and reduced reputational risks



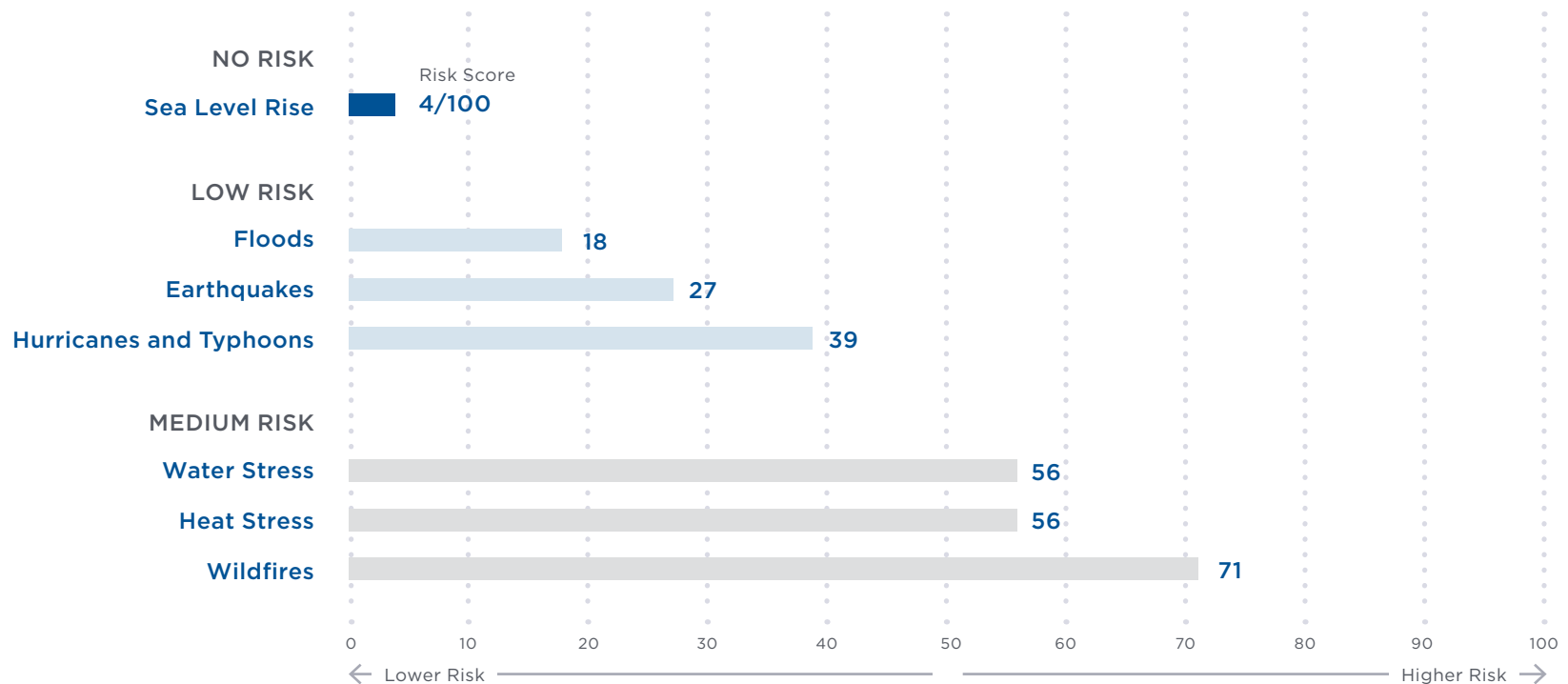
Climate Risk and Resilience

PHYSICAL CLIMATE RISK ASSESSMENTS

Healthcare Realty utilizes Measurabl's PCRX tool in partnership with Moody's ESG to conduct physical climate risk assessments on all properties, including properties in acquisition due diligence. The third-party assessment helps the Company identify potential risks arising from acute hazards, such as weather-related events, flooding and storms, as well as chronic stressors such as heat and water stress and rising sea levels. We utilize this data to identify properties with elevated climate risks and ensure appropriate risk mitigation strategies, emergency response plans, and insurance are in place.

In 2022, we plan to add additional climate scenarios and time horizons to our physical climate risk analysis.

HEALTHCARE REALTY'S PHYSICAL CLIMATE RISK EXPOSURE AT YEAR END 2021



Social

We recognize that supporting and engaging our employees, tenants, and communities is essential to the long-term success of our Company.



Our Employees

Our team of employees is the heart of Healthcare Realty's success, representing the best of our values to one another and to our healthcare provider tenants and their patients. Through supporting, recognizing, and investing in our employees, Healthcare Realty attracts and retains the highest talent.

Looking ahead, we are excited to expand Healthcare Realty's workforce, collaborate with HTA's talented employees, and integrate our cultures. As a larger, stronger company, we offer our employees increased opportunities to grow their careers.



Our Employees

PURPOSE, VISION, AND VALUES

Beginning in 2020, leaders at Healthcare Realty embarked on a comprehensive process to assess and enhance overall employee satisfaction, with a focus on culture and values, health and wellbeing, and workplace environment.



In addition to company-wide employee engagement surveys, our CEO, Todd Meredith, and EVP-Operations, Julie Wilson, met face to face with over 150 employees in small focus groups of 10 to 20 employees at our corporate and property management offices. These meetings allowed our employees to engage in meaningful, interactive discussions, soliciting input and sharing ideas.

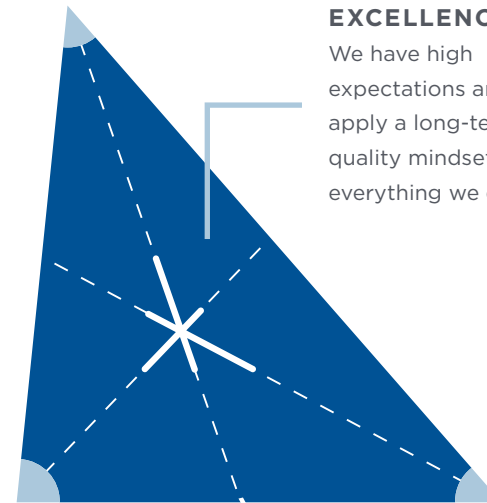
In 2021, the Company shared the employee-driven Purpose, Vision, and Values Mission Statement. Camaraderie, Respect, Entrepreneurship, and Excellence define Healthcare Realty's core values. These values are embedded in our daily jobs and people-specific actions including recruiting, retention, and career development.

RESPECT

We recognize and appreciate the worth of every individual and seek to earn the same from others.

EXCELLENCE

We have high expectations and apply a long-term, quality mindset to everything we do.



CAMARADERIE

We pursue a common purpose with teamwork and mutual trust.

ENTREPRENEURSHIP

We bring initiative, intellect and creative ideas to solve problems and improve results.



Our Employees

EMPLOYEE ENGAGEMENT

Meaningful communication and engagement among employees allows the Company to nourish its strong culture.

The Company created Environmental, Social, and Wellness Committees in 2021, inviting interested team members across the country to participate. The committees provide opportunities for employees to influence and implement Healthcare Realty's initiatives.

We've improved communication channels through enhancements to the Company's intranet, LinkedIn, and electronic bulletin boards in the corporate office, highlighting employee announcements such as birthdays, work anniversaries, wellness challenges, book clubs, and volunteer opportunities.

Employee networking events safely resumed in 2021, including activities such as team outings, tenant events and building socials, monthly birthday and holiday celebrations, plus an annual employee cornhole tournament.

A case study highlighting our enhanced employee engagement efforts was featured in [Nareit's 2022 REIT Industry ESG report](#).



2021 Book Club selections

TRAINING AND DEVELOPMENT

Healthcare Realty is committed to supporting the performance and career development of our employees. Examples include:

- Encouraging employees to engage in relevant training opportunities, including formal training sessions and participation in industry conferences
- Funding the cost of training materials, professional certifications, and education fees
- Providing a tuition reimbursement program
- Offering a variety of internship programs throughout the Company

LEADERSHIP TRAINING

In 2021, leaders in the property operations team attended six leadership development training sessions led by Dr. Andrew Johnston. Sessions focused on communication, decision-making, and providing direction and feedback.

BREAK TO EDUCATE

Department managers host quarterly 'Break to Educate' sessions with employees, providing insight into the priorities and initiatives of departments throughout the Company.



Our Employees

HEALTH, WELLNESS, AND SAFETY

Healthcare Realty strives to create work environments that encourage positive health, wellness, and safety. The Company has implemented several initiatives to improve the mental and physical wellbeing of our employees including:

- Collaborative exercise activities such as monthly wellness challenges, walking lunch breaks, and weekly chair yoga classes
- Healthy snacks in offices
- Vaccine access and incentives
- Ergonomic workstations and standing desks
- Access to free in-person and virtual mental health resources
- Gym membership discounts

HEALTHCARE REALTY CARES



Employee Wellness Challenge

Our Wellness Committee developed and launched the Healthcare Realty CARES program in 2021. The committee hosts monthly challenges focused on increasing steps, reading, mindfulness, financial fitness and more, providing engaging ways to connect with coworkers. Employees earn prizes for competing and the Company awarded \$10,000 to charities as rewards for achieving goals in 2021.

Monthly challenges are tracked through the MoveSpring app, allowing employees to compete virtually. The app also provides educational resources, plus health and wellness tips.

Our employees have expressed enormous support and appreciation for the new program, noting greater motivation to improve their health.



2021 Hot Chocolate 5K Race Team



Employees gathered to celebrate completion of the July 2021 wellness challenge, logging more than 7,300 miles and presenting a \$5,000 donation to the Special Olympics.

INJURY AND LOST DAY RATES FOR 2021

0% Lost Day Rate

1.8% Injury Rate



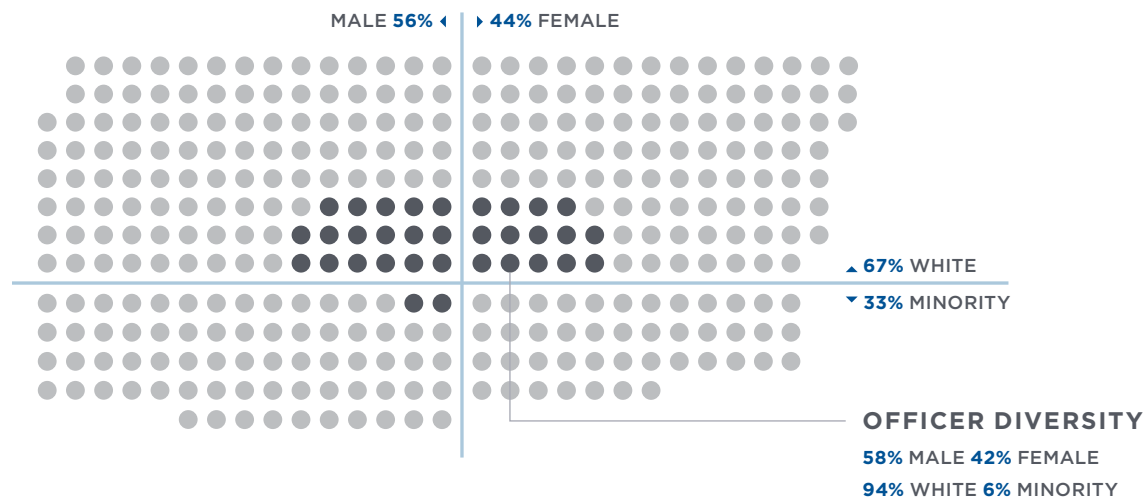
Our Employees

DIVERSITY, EQUITY, AND INCLUSION

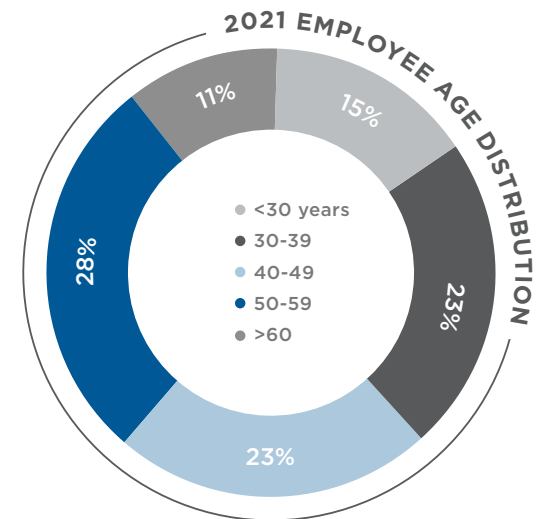
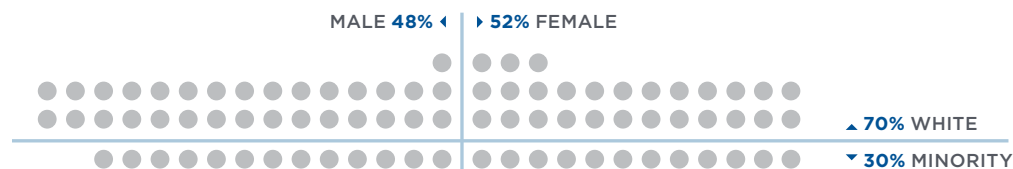
Healthcare Realty is committed to cultivating a culture of diversity and inclusion. We embrace employee differences in race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status, and other characteristics that make our employees unique. We recognize and appreciate the worth of every individual and support the protection of human rights. We believe that the diversity of our team reflects perspectives and drives ideas that benefit the Company and our stakeholders.

In 2021, women made up 52% of Healthcare Realty new hires, demonstrating our commitment and continued focus on diversity. We were honored to be included in the **State Street Global Advisors Gender Diversity Index (SHE)** again in 2021, a distinction recognizes Healthcare Realty among the top U.S. companies in our sector when it comes to women in leadership.

EMPLOYEE DIVERSITY



2021 NEW HIRES



Our Employees

RETENTION

Employee retention remains a focus for Healthcare Realty. While our employee turnover rate increased in 2021 as a result of the pandemic and tight labor market, we achieved our voluntary turnover goal of <11% for employees and <5% for officers, based on a three-year average.

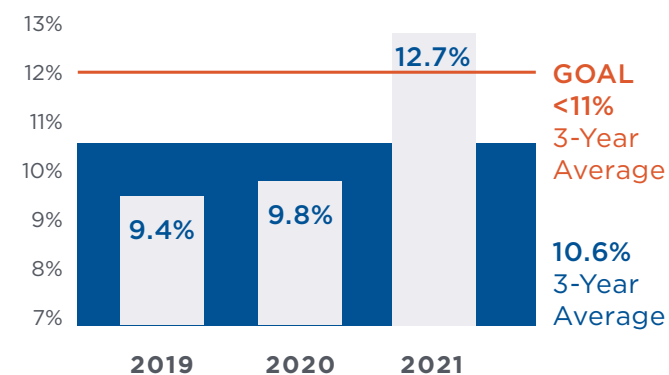
ENHANCED EMPLOYEE BENEFITS

To help recruit and retain talented employees, we offer comprehensive benefits including:

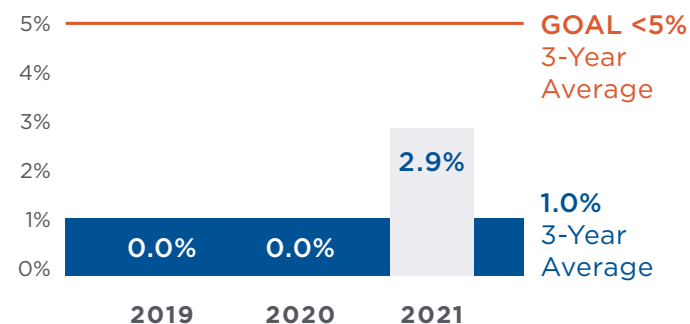
- Health, dental, and eye insurance benefits
- Auto-enrollment in 401(k) with matching beginning first day of employment
- Dollar-for-dollar match on 401(k) contributions up to \$2,800, encouraging higher employee savings
- 100% of long-term disability and life insurance premiums paid
- Flexible spending accounts (FSA), dependent care accounts, and health savings accounts (HSA)
- Employee Stock Purchase Plan providing a 15% discount to purchase Company shares; eligible for all employees
- College savings program
- Tuition reimbursement up to \$3,000 annually
- Work/life balance through flexible and remote work schedules
- 8 hours of paid time off to complete volunteer activities
- Charitable donation matching

VOLUNTARY TURNOVER⁽⁹⁾

Employees



Officers



Our Tenants

Healthcare Realty strives to improve the experiences of our physician tenants and their patients by providing the highest level of service in the most desirable medical office buildings.

TENANT SURVEYS

Healthcare Realty regularly conducts surveys to measure tenant satisfaction. We engage Kingsley Associates, an independent real estate consulting firm, to conduct tenant satisfaction surveys on our behalf, with our most recent survey conducted in 2021 and the next scheduled for 2023.

Our teams use survey results to measure tenant satisfaction, identify building and service issues, and to recognize employee performance.

TENANT COMMUNICATION


Our Tenant Center portal provides direct access to our property management and leasing contacts. We use the Tenant Center to communicate building information, and to provide a method for work orders and online rent payments. The portal also provides sustainability tips, recycling program information, and resources to engage and educate our tenants on ways minimize their environmental impact.

TELL US

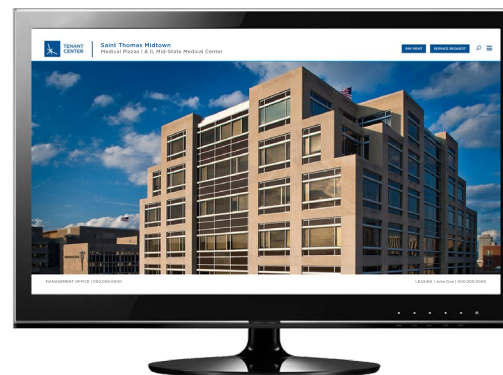
We're your landlord, and delivering exceptional customer service is our priority.

To that end, we have engaged an outside firm to conduct our 2021 survey of tenant satisfaction. Every tenant will receive an email from **Kingsley Associates** on **July 27** containing a link to the survey.

Please take the survey. The results will inform our property management teams of your priorities and opportunities for improvement. Contact your property manager if there is any way we can improve our service.


HEALTHCARE REALTY

WIN \$250
As a thank you for taking the two-minute survey, we will enter all respondents into a drawing for one of three \$250 Visa gift cards.



Our Tenants

TENANT SUPPORT

Healthcare Realty property teams frequently host tenant events including healthy meals and afternoon treats, raffles, blood drives, and community donation collections.

In 2021, we hosted over 50 tenant appreciation events throughout the country.



TEXAS STRONG

When extreme winter weather in February of 2021 affected our Texas properties, Healthcare Realty employees worked tirelessly to aid tenants during rolling brown-outs.

Our employees' efforts were seen throughout Texas including maintenance engineers who stayed in our buildings around the clock to monitor equipment, drain water, and save pipes from freezing. Our managers and support staff remained in communication with tenants and hospital system partners, providing coordination with contractors and vendors.

Stories like these illustrate the strength of our culture, commitment to our tenants, and care for the communities we serve.



Lobby clean up from frozen pipes bursting in Dallas, Texas.



Our Communities

CHARITABLE GIVING AND VOLUNTEERING

Just as the services provided within our properties offer care for the local community, we strive to give back to these surrounding areas through volunteer and charitable opportunities. Healthcare Realty has established a robust volunteer and charitable giving program including paid volunteer hours and matching of employee financial contributions to not-for-profit organizations.

In 2021, we created a new Charitable Giving Challenge to promote and increase awareness around the Company's matching program, rewarding the department with the highest percentage of employee participation with an additional \$5,000 donation to a non-profit of their choice. As a result of this challenge, we saw employee participation more than double over the prior year. Through matched and corporate directed donations, Healthcare Realty donated \$117,000 to our hospital system partners and over 90 non-profits organizations in 2021, up 15% from 2020 levels. Healthcare Realty also organizes a variety of volunteer opportunities throughout the year to encourage involvement in the communities we serve.



WAVERLY FLOOD CLEANUP

In September 2021, a group of employees from our corporate office spent a day volunteering in Waverly, Tennessee clearing debris from flooded homes.



STREET CLEANUP

Healthcare Realty is a Metro Nashville Adopt-A-Street partner. We've pledged to help keep Nashville beautiful by adopting four blocks of Hayes Street near our St. Thomas Midtown medical office building.



HOLIDAY TOY DRIVE

The corporate office hosted a toy drive benefiting the YES! Christmas Store in Nashville — with a group of employees volunteering one afternoon to deliver and sort collected gifts.



Governance

Responsible corporate governance is the foundation of our sustainability platform. Our Board of Directors and senior leadership team ensure that sound governance policies and practices are maintained to reduce risks and drive long-term success.



Governance Policies, Principles, and Procedures

Our commitment to transparency and corporate governance is guided by our principles and policies and governed by the Company's Code of Business Conduct and Ethics. Corporate governance documents are publicly available on [our website](#).

Code of Business Conduct and Ethics

Principles to guide our employees, officers, and directors, addressing a wide range of business practices and procedures including:

- Compliance with laws, rules, and regulations
- Record keeping
- Conflicts of interest and related party transactions
- Confidentiality
- Insider trading
- Corporate opportunities
- Competition and fair dealing
- Discrimination and harassment
- Health and safety
- Human rights
- Protection and proper use of company assets
- Accounting and related matters
- Payments to government personnel
- Waivers and administration of the code
- Reporting violations and compliance procedures

Healthcare Realty requires annual certification from each employee indicating that he or she has reviewed and understands the Company's Code of Business Conduct and Ethics.

Corporate Governance Principles

Provides guidelines for our Board of Directors, embedding practices that support and add value to our overall business strategy and day-to-day operations including:

- Qualifications
- Responsibilities
- Committees
- Disclosure of materials
- Access to officers and employees
- Compensation
- Orientation and continuing education
- Annual performance evaluation
- Management succession
- Resignation policy



Governance Policies, Principles, and Procedures

Sustainability Principles and Policies

Supports the oversight of our ESG program, providing a foundation for the Company's strategy, philosophy, and operating practices.

ENVIRONMENTAL POLICIES

- Energy
- Greenhouse gas
- Water and waste management
- Building materials
- Biodiversity
- Climate risk and resilience

SOCIAL POLICIES

- Human rights
- Diversity and inclusion
- Employee safety
- Performance and career development
- Health and wellbeing
- Stakeholder engagement

Vendor and Supplier Code of Conduct

Sets forth the Company's expectations for our vendors and suppliers to adhere to the same standards as we commit for ourselves.

Provides guidelines on:

- Ethical business practices
- Legal and regulatory compliance
- Human rights
- Employment practices
- Confidentiality and data protection
- Environmental practices
- Compliance

Proxy Report

Our proxy report includes additional information on corporate governance, corporate conduct, business ethics, and compensation.



Governance Policies, Principles, and Procedures

CORPORATE GOVERNANCE BEST PRACTICES

As best practices for corporate governance continue to evolve, Healthcare Realty remains committed to implementing policies that are shareholder-centric.

Examples include:

- All board members elected annually
- Opted out of the MUTA, preventing the Company from classifying or “staggering” the board without shareholder approval
- Implemented “proxy access” allowing eligible stockholders to include their own nominees for director in the Company’s proxy materials
- Anti-Hedging Policy
- Independent board chairman
- Annual “say-on-pay” vote by shareholders on the compensation of Named Executive Officers (NEOs)
- Executive officer incentive compensation tied to ESG performance
- Stock ownership guidelines align the interests of the board, executive management, and shareholders
- No contributions to political campaigns or lobbying activities using Company funds
- Focused on board refreshment and enhancing diversity — reduced average director tenure from 17 years in 2015 to seven years as of July 2022

RISK MANAGEMENT AND CYBERSECURITY

The Board of Directors is responsible for overseeing the Company’s overall risk management practices to ensure its business strategy appropriately monitors and manages risks inherent in its efforts to create long-term value for the Company’s shareholders. The Board of Directors and senior management are actively engaged in assessing and managing risk, whether as a result of natural disasters, climate change, cyber-attacks, or code of business conduct and ethics violations. Employees receive annual training and testing on cybersecurity awareness and best practices.



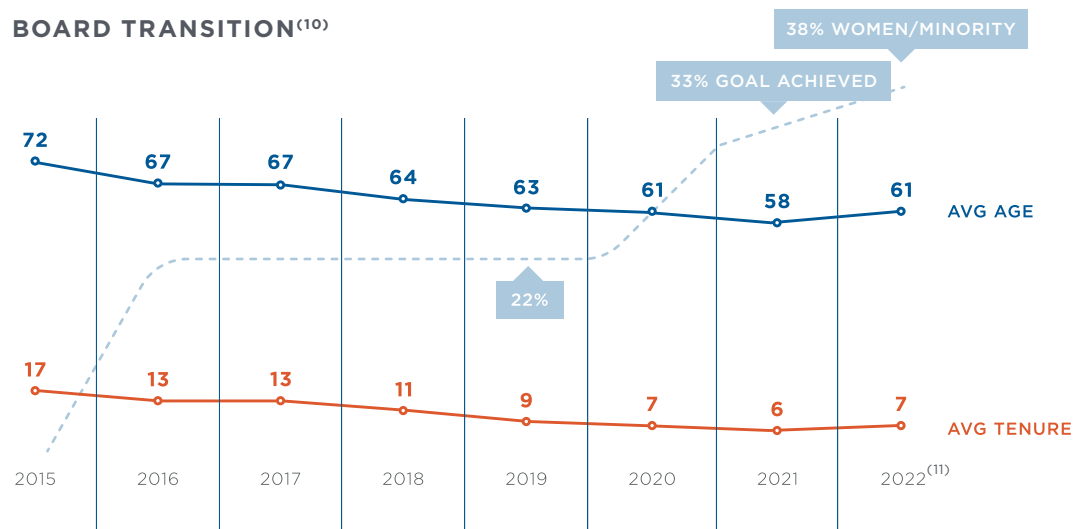
Board of Directors

Healthcare Realty's Board of Directors includes members with diverse backgrounds, unique qualifications, and attributes that are integral to the success of our Company.

In 2019, Healthcare Realty set a goal to have at least one-third of its members represented by women and/or minority backgrounds by 2022. This goal was achieved with the addition of a new board member in May 2021, bringing our women/minority representation to 33%.

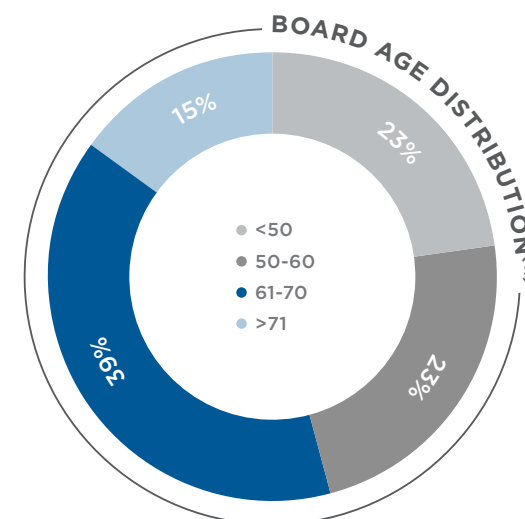
Following the closing of the merger with HTA on July 20, 2022, the size of Healthcare Realty's Board of Directors increased to 13, comprised of nine Healthcare Realty board members and four directors from HTA: W. Bradley Blair, II, Vicki U. Booth, Jay P. Leupp, and Constance Moore. With the addition of these new members, women and/or minority representation increased to 38% of our board.

BOARD TRANSITION⁽¹⁰⁾



OUR GOAL

At least **33%**
women/minority
board representation



Board of Directors



John Knox Singleton
Chairman of the Board,
Retired CEO, Inova Health
System



Todd J. Meredith
President and CEO,
Healthcare Realty



John V. Abbott
Retired CEO, Aviation
Asset Management Group,
General Electric Co.



Nancy H. Agee
President and CEO,
Carilion Clinic



W. Bradley Blair, II
Former Vice Chairman,
HTA



Vicki U. Booth
President and Board
Chair, Ueberroth Family
Foundation



Edward H. Braman
Retired Audit Partner,
Ernst & Young LLP



Ajay Gupta
CEO, Physical
Rehabilitation Network



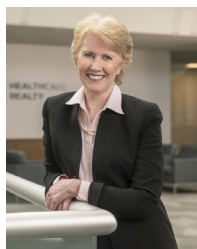
James J. Kilroy
President and Portfolio
Manager, Willis Investment
Counsel



Jay P. Leupp
Managing Partner and
Senior Portfolio Manager,
Terra Firma Asset
Management, LLC



Peter F. Lyle
Executive VP, Medical
Management Associates, Inc.



Constance B. Moore
Retired President and CEO,
BRE Properties, Inc.



Christann M. Vasquez
Executive VP and COO,
Ascension Texas

COMMITTEES

Audit

Edward H. Braman*
Nancy H. Agee
Ajay Gupta
Jay P. Leupp

Compensation

John Knox Singleton*
John V. Abbott
W. Bradley Blair II
Peter F. Lyle

Nominating and Corporate Governance

Christann M. Vasquez*
Vicki U. Booth
James J. Kilroy
Constance B. Moore

—
*Committee Chair



ESG Oversight

MANAGEMENT

Healthcare Realty's ESG efforts are managed by our Executive Vice President, Operations, and overseen by our Associate Vice President, Corporate Responsibility, and supported by our Sustainability Analyst. The Corporate Responsibility team works closely with senior managers across all departments to establish, implement, and monitor the Company's ESG priorities.

In 2021, Healthcare Realty created new Environmental and Social Committees comprised of cross-functional employees who meet quarterly to share ideas, challenges, and best practices, discussing creative ways to implement new and ongoing initiatives.

CORPORATE RESPONSIBILITY TEAM



Julie Wilson
Executive VP,
Operations



Carla Baca
Associate VP,
Corporate
Responsibility



Baker Thomas
Sustainability
Analyst

BOARD OF DIRECTORS

The Board of Directors is committed to overseeing the integration of ESG principles throughout the Company. The full board receives updates on ESG matters at least quarterly, including the Company's strategy, objectives, goals, performance, risks, and opportunities.

ESG PERFORMANCE METRICS

In 2021, the Compensation Committee of the board updated Healthcare Realty's Executive Incentive Plan for its Named Executive Officers (NEOs), which includes the CEO and all EVPs, linking incentives to the Company's performance against its ESG objectives.

The ESG goals and initiatives for 2021 included:

- Monitoring, benchmarking, and reducing environmental resource use, including energy, water, solid waste, and greenhouse gas emissions
- Expansion and progress on social initiatives, including Company culture development, employee engagement, employee turnover management, employee health and wellness, minority representation, tenant satisfaction, and charitable giving
- Enhancement and promotion of stakeholder engagement around Company ESG efforts

GREEN FINANCING

In June 2021, Healthcare Realty repriced a \$150 million term loan due June 2026 and added a sustainability-linked interest rate discount tied to increasing the number of properties with green building certifications. We plan to incorporate sustainability-linked metrics in restructured debt from the merger with HTA.



Stakeholder Engagement

Healthcare Realty is committed to ongoing engagement with key stakeholders to facilitate two-way interaction and provide transparency of our programs and progress, particularly around our ESG efforts and, in turn, drive performance as a result of our strengthened relationships.

In addition to our engagement efforts with employees, tenants, and communities, we frequently engage directly with investors, the financial community, rating agencies, and research analysts through one-on-one meetings, conferences, property tours, and events, disclosing financial performance information through earnings calls, SEC filings, quarterly supplemental reports, and investor presentations. We've also enhanced our ESG focused disclosures through publication of our annual Corporate Responsibility Reports, participation in ESG assessments and surveys, and expanded ESG content on our website.

MATERIALITY ASSESSMENT

In 2021, we began a materiality assessment to help evaluate and prioritize which ESG factors are considered the most financially and operationally important to our business by researching and soliciting feedback from our key stakeholders including management and the board, our employees, shareholders, tenants, and communities. Recognizing that our stakeholders and company structure will be going through significant changes as a result of the merger with HTA, we put the initial assessment on hold and will move forward focused on identifying and affirming key ESG issues for the combined company, helping to steer our future ESG strategy, goals, and priorities.



Looking Ahead

We view our merger with HTA as a powerful opportunity to build upon our solid foundation and strengthen Healthcare Realty's ESG program. In the months ahead, we will be working to gather, evaluate, and integrate ESG data, compare best practices, prioritize strategic initiatives, streamline and integrate policies and procedures, and evaluate new baselines and goals for the combined company.



Upcoming ESG Initiatives

ENVIRONMENT

- Modify standard lease forms to consistently incorporate green lease clauses
- Engage third-party utility bill management services to improve the efficiency and accuracy of our environmental data collection
- Evaluate new opportunities to expand our renewable energy program
- Continue efforts toward achieving our green building certifications goals
- Expand waste data inventory and management plan
- Evaluate and merge collective best practices across legacy Healthcare Realty and Healthcare Trust of America portfolios, identifying additional ways to improve efficiency

SOCIAL

- Redevelopment of HR@Work, the Company's internal website, to improve employee-focused communications and engagement
- Increase employee awareness around the Company's ESG goals, reports, policies, and best practices through dedicated trainings and addition of an ESG section on the Company's internal website

GOVERNANCE

- Complete our Materiality Assessment, incorporating new stakeholders as a result of the merger



SASB Standard Disclosure Table

ACTIVITY METRICS AS OF 12/31/2021	UNIT OF MEASURE	TOTAL	CODE
Number of assets	Number	258	IF-RE-000.A
Leasable floor area	Square feet (ft ²)	17,860,133	IF-RE-000.B
Percentage of indirectly managed assets	Percentage (%) by floor area	5.8%	IF-RE-000.C
Occupancy as of 12/31/2021	Percentage (%)	87.7%	IF-RE-000.D
ENERGY MANAGEMENT			
Energy consumption data coverage as a percentage of total area	Percentage (%) by floor area	91.9%	IF-RE-130a.1
(1) Total energy consumed by portfolio area with data coverage	Gigajoules (GJ)	(1) 1,426,267	IF-RE-130a.2
(2) Percentage of grid electricity		(2) 100%	
Like-for-like percentage change in energy consumption for the portfolio area with data coverage	Percentage (%)	0.4% increase Page 13	IF-RE-130a.3
Percentage of eligible* portfolio that			
(1) has an energy rating	Percentage (%)	(1) 90.3%	IF-RE-130a.4
(2) is certified to ENERGY STAR	by floor area	(2) 4.3%	
*excludes 2021 acquisitions that did not have adequate historical data to receive an energy rating			
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	N/A	Pages 6, 14 - 23	IF-RE-130a.5



SASB Standard Disclosure Table

WATER MANAGEMENT	UNIT OF MEASURE	TOTAL	CODE
Water withdrawal data coverage as a percentage of	Percentage (%)		IF-RE-140a.1
(1) Total floor area	by floor area	(1) 91.8%	
(2) Floor area in regions with High or Extremely High Baseline Water Stress		(2) 87.7%	
(1) Total water withdrawn by portfolio area with data coverage	Thousand Cubic Meters (m ³)	(1) 1,188,101	IF-RE-130a.2
(2) Percentage in regions with High or Extremely High Baseline Water Stress		(2) 25.1%	
Like-for-like percentage change in water withdrawn for portfolio area with data coverage	Percentage (%)	2.7% increase Page 13	IF-RE-140a.3
Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Page 18	IF-RE-140a.4
MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS			
Discussion of approach to measuring, incentivizing, and improving sustainability	N/A	Pages 6, 12 - 22, 35	IF-RE410a.3
CLIMATE CHANGE ADAPTATION			
Area of properties located in 100-year flood zones	Square feet (ft ²)	559,681	IF-RE-450a.1
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risk	N/A	Pages 25 - 27	IF-RE-450a.2



Assurance Statement



7700 Leesburg Pike, Suite 330
Falls Church, VA 22043

AA1000AS Verification Letter

RE Tech Advisors (RE Tech), an [AA1000 Licensed Assurance Provider](#), were engaged by Healthcare Realty Trust ("Client") to conduct a **Type 2 AA1000AS v3 moderate level engagement** for their data and statements used in the 2022 GRESB Real Estate Assessment disclosure and Corporate Responsibility Report. The engagement was based on AA1000AS and RE Tech Advisors proprietary verification criteria. Details and findings of the verification engagement are provided below for the use of the Client to share with stakeholders. GRESB is the Global Real Estate Sustainability Benchmark and is the gold standard of reporting of ESG performance for the industry. The Client's submission includes reporting the ESG management and performance of their entire portfolio of commercial real estate assets.

Reporting Organization Responsibilities

The Client has provided access to their portfolio information used for the 2022 GRESB Survey and other available supplemental information as requested for review of adherence to the Accountability Principles and has provided a completed Asset Level Spreadsheet for the review of the energy, water, GHG and waste performance data. Additional responsibilities of the Client also include:

- Providing information that is accurate and complete to the best of their ability
- Preparing the information in line with GRESB standards and other related reporting protocols
- Ensuring all information has been internally reviewed and approved and is free from any fraudulent statements or misrepresented information

Scope of Verification

RE Tech Advisors conducted Type 2 AA1000AS v3 verification services on behalf of the Client for the 2022 GRESB Real Estate Assessment and Corporate Responsibility Report. [RE Tech verified 2020 and 2021 energy, greenhouse gas emissions, water and waste performance data](#) along with associated ESG disclosures for the entire portfolio of owned assets as disclosed in GRESB R1.1.

Verification methodology

Adherence to AccountAbility Principles: RE Tech Advisors reviewed the Client's adherence to the four AccountAbility Principles: Materiality, Responsiveness, Inclusivity, and Impact via the information disclosed in the extensive narrative of the GRESB Real Estate Assessment and collection of supporting evidence, documentation and rationale to supplement each indicator response.

Sustainability Performance Information: RE Tech Advisors reviewed the Client's energy, greenhouse gas, water, and waste performance information based on the following criteria:

- Review of GRESB asset level spreadsheet to ensure data accuracy and completeness.
- An analysis of all energy, greenhouse gas, water, and waste data coverage, year-over-year performance numbers, and greenhouse gas methodology calculations to ensure consistency and accuracy
- Review of any outliers identified in the analysis compared to outliers identified in the GRESB portal to ensure all have been properly addressed and explained

Limitations and Exclusions

- Client's performance data exclusions include:
 - Data from any triple-net assets that are fully operated by tenant and not available to the Client
- GHG emission data does not include smaller emissions sources, such as mobile combustion, refrigerants, employee travel and commuting.
- No site visits were conducted for this engagement.

Verification findings

The verification engagement achieved a moderate level of assurance. RE Tech Advisors has obtained sufficient evidence to determine that the Client is in alignment with the four AccountAbility Principles and the performance data included in the 2022 GRESB submission and Corporate Responsibility Report achieves an appropriate level of reliability.

Recommendations

Key observations and recommendations for the Client include:

- Consider enhancing the ESG Policy to include additional social impact categories.
- Consider adding water and waste targets, and feasibility of incorporating Science Based Targets
- Consider incorporating a supply chain engagement process/training session for suppliers on ESG requirements that are/may be included as part of supplier engagement

Independence and Impartiality

RE Tech Advisors is independent from the Client and its stakeholders in reaching and publishing an impartial verification statement.

Katie Fluence

Katie Fluence
Senior ESG Program Manager
On behalf of RE Tech Advisors
Date: June 6, 2022



Endnotes

- (1) Including properties in the Company's unconsolidated joint venture
- (2) S&P/Moody's/Fitch credit ratings
- (3) Energy and GHG baseline includes 109 properties totaling 8.9M SF owned since January 2016 where we have operational control and whole-building energy data available, representing approximately 50% of total portfolio square footage as of 12/31/21. It excludes redevelopment projects, assets held for sale, and dispositions.
- (4) Historical GHG emissions were impacted by a change in Measurabl's GHG calculation methodology, where annual emission factors were updated to account for changes to the eGRID and fuel carbon intensity that affect the carbon emissions generated by energy use. Measurabl uses the year provided by the industry source to assign each set of factors to specific calendar years, going back to 2011. This change increased our 2016 baseline GHG emissions versus the data reported in our 2021 Corporate Responsibility Report and reflects a greater reduction in GHG emissions.
- (5) Scope 1 emissions include direct emissions from building fuel use. Scope 2 emissions include indirect emissions from purchased electricity, steam, heating, and cooling.
- (6) Water baseline includes 111 properties totaling 9.0M SF owned since January 2016 where we have operational control and whole-building water data available, representing approximately 51% of total portfolio square footage as of 12/31/21. It excludes redevelopment projects, assets held for sale, and dispositions.
- (7) Year-over-year energy and GHG performance data includes 160 properties totaling 12.4M SF and water data includes 164 properties totaling 12.7M SF. It includes properties owned since January 2020 where we have operational control and whole-building energy and/or water data available, representing approximately 70% of total portfolio square footage as of 12/31/21. It excludes redevelopment projects, assets held for sale, and dispositions.
- (8) Two dispositions totaling 139,000 square feet were removed in 2021.
- (9) Voluntary turnover methodology updated in 2021 and excludes employee departures related to temporary jobs and internships, terminations, retirement, and death.
- (10) Based on data as reported in annual Proxy statements.
- (11) As of July 2022, post merger with HTA. Includes nine directors from HR and four directors from HTA. Average tenure is calculated based on the years HTA and HR directors joined their respective boards.



HEALTHCARE REALTY

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Nashville, Tennessee 37203

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sustainability@healthcarerealty.com

www.healthcarerealty.com