

HEALTHCARE REALTY

2021 Corporate Responsibility Report

ENVIRONMENTAL • SOCIAL • GOVERNANCE

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All referenced data as of year-end 2020, unless otherwise stated.

LETTER FROM THE CEO

I am pleased to present Healthcare Realty's 2021 Corporate Responsibility Report.

As our Company grows, our ongoing commitment to Environmental, Social and Governance (ESG) initiatives is central to our ability to create lasting value for our stakeholders. We are proud of the progress we have made toward our stated ESG goals over the past year while overcoming many challenges related to the COVID-19 pandemic. In 2020, we took many proactive measures to prioritize the wellness and safety of our employees, tenants and the healthcare communities we serve.

In 2020, Healthcare Realty created two new positions to lead the Company's ESG initiatives. Focused leadership has enabled us to achieve many objectives, including integrating sustainability software that increases our data coverage and ability to assess climate risk, initiating solar energy projects at six properties, implementing a Vendor & Supplier Code of Conduct, establishing a corporate wellness committee, and expanding our employee volunteer and charitable giving programs. In 2019, we established a goal to have at least one third of our Board of Directors comprised of females and/or minorities by 2022. We achieved this goal in May 2021 and look forward to benefiting from fresh and diverse perspectives as we embark on our next phase of growth.

With respect to third party reporting and industry recognition, Healthcare Realty participated in our first GRESB assessment in 2020. This assessment allows us to benchmark and better understand our ESG performance as well as set new goals to enhance corporate responsibility and improve financial outcomes.

In addition, a case study highlighting our focus on renewable energy and solar projects was featured in [Nareit's 2021 REIT Industry ESG Report](#). We were also honored to be included in State Street Global Advisors Gender Diversity Index, a distinction placing us among the top companies in our sector in terms of women in leadership.

The COVID-19 pandemic reinforced our long-held belief that our employees are our greatest assets. During 2020, our management team engaged with employees across the country through a series of surveys and small group sessions to formally define our culture and values. We reflected on the legacy of our founder, David Emery, together with the blueprint for future growth and success.

We are pleased with our recent ESG achievements, and we are eager to report further progress next year, including the introduction of several new ESG initiatives.



Sincerely,

A handwritten signature in blue ink, appearing to read 'Todd Meredith', written over a white background.

Todd Meredith
President and Chief Executive Officer



WHO WE ARE

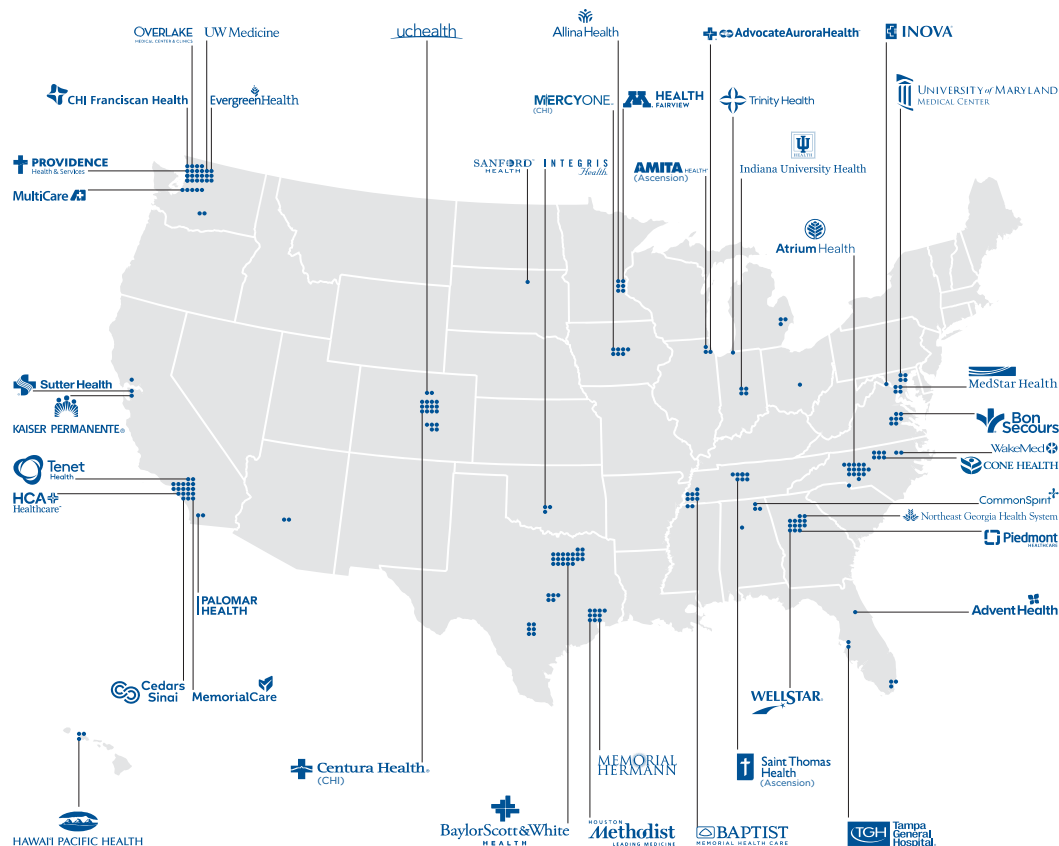
Healthcare Realty is a publicly-traded Real Estate Investment Trust (REIT) that focuses on owning, managing, acquiring, and developing outpatient medical facilities throughout the United States.



Company History

Since its initial public offering in 1993, Healthcare Realty has built a well-regarded medical office real estate portfolio associated with market-leading health systems. As healthcare delivery models continue to evolve, outpatient services are increasingly critical to the physician-hospital relationship.

Over the years, the Company has refined its portfolio toward multi-tenant medical office buildings, located primarily on the campuses of or adjacent to these health systems, where they house not only essential outpatient services such as surgery, cancer treatment and imaging but also key physician groups who are crucial to the hospital's long-term mission.



AS OF 12/31/2020⁽¹⁾

227 Properties

24 States

16.4M Square Feet

12.6M Square Feet Managed Internally

\$6B Enterprise Value

BBB/Baa2/BBB+ Credit Rating ⁽²⁾

95% Medical Office and Outpatient

88% On/Adjacent to Hospital Campuses

308 Employees

25+ Years of Operation

⁽¹⁾ Including properties in the Company's unconsolidated joint venture

⁽²⁾ S&P/Moody's/Fitch credit ratings

Our ESG Strategy

Our goal is 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 Healthcare Realty to provide well-operated facilities that allow them to effectively serve and care for their local communities.

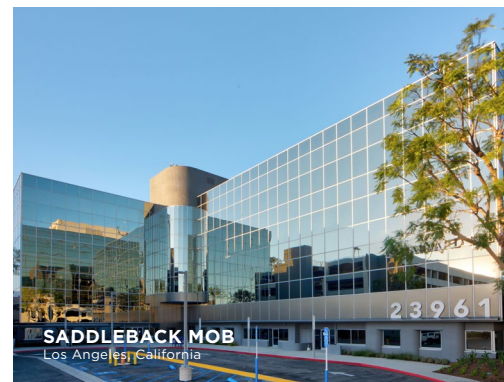
We seek to help healthcare professionals deliver the best care by providing the highest level of service in the most desirable outpatient settings. Our ESG objectives include full integration of our sustainability strategy, improved transparency and reporting, enhanced operational frameworks, and continued stakeholder engagement.

As we implement our strategy and pursue our objectives, Healthcare Realty's actions are guided by the Company's **Sustainability Principles and Policies**, to ensure continuous improvement and long-term success. Our Sustainability Principles include:

INTEGRATION Embed and integrate leading environmental, social and governance practices designed to enhance portfolio performance into Healthcare Realty's daily operations.

IMPACT Drive positive impact across the Company while mitigating risk and creating 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, earning the right to be a preferred provider of medical office properties.



ESG Frameworks and Methodologies

In an effort to effectively communicate Healthcare Realty's ESG performance and improve transparency, the Company has adopted the following frameworks and methodologies:



GRESB

We began measuring our ESG performance through an annual GRESB Real Estate Assessment, allowing Healthcare Realty to identify areas for enhancement, engage with investors and drive improved corporate responsibility and financial outcomes.



Sustainability Accounting Standards Board (SASB)

ESG disclosures in this report align with the SASB framework. A SASB standards disclosure table can be found on [pages 40-41](#).



United Nations Sustainable Development Goals

In 2020, Healthcare Realty established an initial set of goals and Key Performance Indicators (KPIs) that align with the U.N. Sustainable Development Goals (SDGs). A summary of these goals, including a new goal added in 2021, as well as our current achievement status, is detailed on [pages 9-10](#).



ESG Frameworks and Methodologies

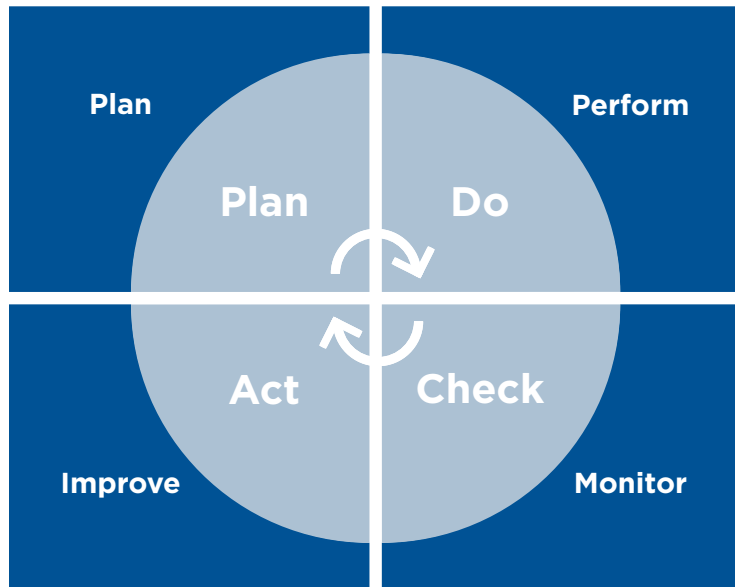


Sustainability Management System

With a commitment to continuous process improvement, Healthcare Realty established a Sustainability Management System (SMS) as the framework to drive value and results through improved ESG performance.

The SMS was designed to help inventory and organize Healthcare Realty's ESG processes and practices and facilitate a cohesive ESG program that will reduce risk, increase performance and drive continuous improvement.

This SMS has been implemented in general alignment with the International Organization for Standardization ("ISO") 14001 & 50001 standards in addition to the **ENERGY STAR® Guidelines for Energy Management** and 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



United Nations Sustainable Development Goals

ENVIRONMENTAL



HEALTHCARE REALTY KPI

STATUS

- Increase the amount of square footage with LED lighting by at least 15% per year.
- Increased LED lighting by 652,000 square feet in 2020, an increase of 19% over the prior year.
- Incorporate and maintain direct digital control (Energy Management System) building technology into 80% of Healthcare Realty's properties.
- Actively utilizing building automation to reduce energy consumption and grid demand in 89% of our portfolio square footage as of 12/31/2020.
- Certify a minimum of 80% of new development projects to LEED standards.
- We owned five LEED certified properties totaling 689,000 square feet as of 12/31/20, including one new development completed in 2020. In 2021, we began a new 106,000 square foot LEED development project in Nashville.



NEW

- Increase the number of buildings with green building certifications (LEED, ENERGY STAR®, IREM® Certified Sustainable Property (CSP)® or other similarly recognized third party certification) by at least 40 buildings, bringing our total green building certified properties to 45 by 2025.
- New target established in 2021.



- Reduce baseline energy consumption and greenhouse gas (GHG) emissions by 10% by 2026 over a 2016 baseline.
- 9.5% energy savings in 2020 compared to a 2016 baseline.
- 8.1% GHG savings in 2020 compared to a 2016 baseline.



United Nations Sustainable Development Goals

SOCIAL



- Evaluate annually the Company's employee benefits package to ensure that it is both competitive and meeting the needs of employees.
- The Company's benefits package was reviewed in 2020 with employee feedback taken into consideration. The review showed that our benefits package is competitive and well received by our employees.



- 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%.
- 2018-2020 average employee voluntary turnover: 10.7%.
- 2018-2020 average officer voluntary turnover: 2.9%.
- Offer at least a \$15 per hour wages to all full-time employees.
- All full-time Healthcare Realty employees were paid more than \$15 per hour in 2020.

GOVERNANCE



- Enhance diversity by having females and/or minorities represent at least a third of the Board of Directors by 2022.
- This goal was achieved with the addition of a new board member in May 2021, bringing the percentage of women and/or minorities represented on the board to 33.3%.



COVID-19 Response

Many of our buildings are associated with respected health systems and have been serving as key locations in the fight against COVID-19.

Throughout the pandemic, Healthcare Realty has focused on supporting all of our stakeholders: our health system partners, tenants, patients and communities we serve, our employees, and our shareholders.



HOSPITALS, HEALTHCARE PRACTITIONERS, PATIENTS

- 100% of our buildings remained open to provide essential medical care, expanding building hours when necessary to serve pent-up demand for delayed procedures
- Protected vulnerable patient populations by managing social distancing, restricting waiting room access and entry points and enhancing cleaning protocols
- Provided hospitals with temporary space for testing sites, patient screening and front-line worker rest areas
- Aligned with the American Society of Heating, Refrigeration and Air-Conditioning (ASHRAE) on COVID-19 best practices



TENANT ENGAGEMENT AND SUPPORT

- Assessed tenant needs and risks through surveys and communicated critical updates and safety protocols through the online Tenant Center
- Provided financial resources and support including information on Small Business Loans, the Paycheck Protection Program (PPP) and provider relief funds; offered tenants the option to participate in a rent deferral program
- Provided \$7 million in targeted rent deferral agreements that were repaid in less than 12 months



COVID-19 Response



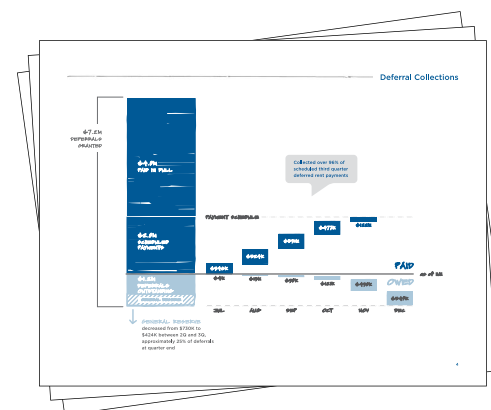
EMPLOYEE SAFETY AND SUPPORT

- Implemented a remote work policy providing resources to work-from-home and staggered on-site work schedules to accommodate social distancing
- Suspended work-related travel
- Provided personal protective equipment (PPE) for on-site employees
- Created up-to-date COVID-19 protocols, based on Centers for Disease Control (CDC) guidance, to protect employees
- Rolled vacation time rather than “use it or lose it” to enable better planning and flexibility
- Conducted employee COVID-19 surveys to assess team needs
- Conducted weekly virtual update meetings between senior management and our property management and leasing teams
- Provided compensation bonuses for front-line operations teams
- No employee layoffs in 2020 related to COVID-19



INVESTOR OUTREACH

- Moved to virtual investor meetings and increased investor engagement by 25% in 2020 compared to 2019
- Provided up-to-date disclosures on portfolio performance, including five additional COVID-19 supplemental investor updates between April and November of 2020



ENVIRONMENTAL

Healthcare Realty's commitment to sustainability is rooted in the execution of our environmental policies and best practices to increase efficiency while reducing consumption and mitigating risk.

Through operational efficiency, strategic capital planning and data monitoring, we continue to improve our portfolio's overall performance. These efforts are critical to our sustainable business strategy, mitigating climate risk and reducing utility costs, one of our largest operating expenses. In turn, our tenants, hospital system partners and shareholders benefit from cost savings and higher-performing properties.



Sustainability Data



In 2020, we expanded our collection, management and reporting of environmental data and efficiency projects using Measurabl's sustainability platform. This tool improves our capability to not only track and report on key metrics, but also enables on-demand reporting and peer analysis, allowing us to easily identify and target any potential outliers in our portfolio. In addition, Measurabl helps streamline our GRESB submittal and provides an assessment of the physical climate risks associated with the properties in our portfolio.



As a proud ENERGY STAR® partner since 2004, Healthcare Realty benchmarked 98% of our managed buildings in ENERGY STAR® Portfolio Manager® in 2020, up from 85% in 2018.



Since 2015, we have partnered with Mechanical Resource Group (MRG) to install EnergyLogiX real-time electricity monitoring technology at buildings throughout our portfolio, providing in-depth electrical utilization data.



Environmental Performance Highlights ⁽¹⁾



⁽¹⁾ Healthcare Realty's 2020 data was impacted by reduced utilization due to the COVID-19 pandemic, particularly during March and April. While all of our buildings remained open and operational throughout 2020, lower foot traffic and utilization reduced water consumption, energy utilization and greenhouse gas (GHG) emissions. Compared to general office buildings, most medical office buildings saw a faster rebound in utilization and resource consumption. Consumption has normalized in 2021.

⁽²⁾ Year-over-year energy, GHG and water comparisons include 158 managed properties totaling 12.5M SF with data coverage. This includes properties owned since January 2019 and excludes redevelopment projects, assets held for sale and dispositions.

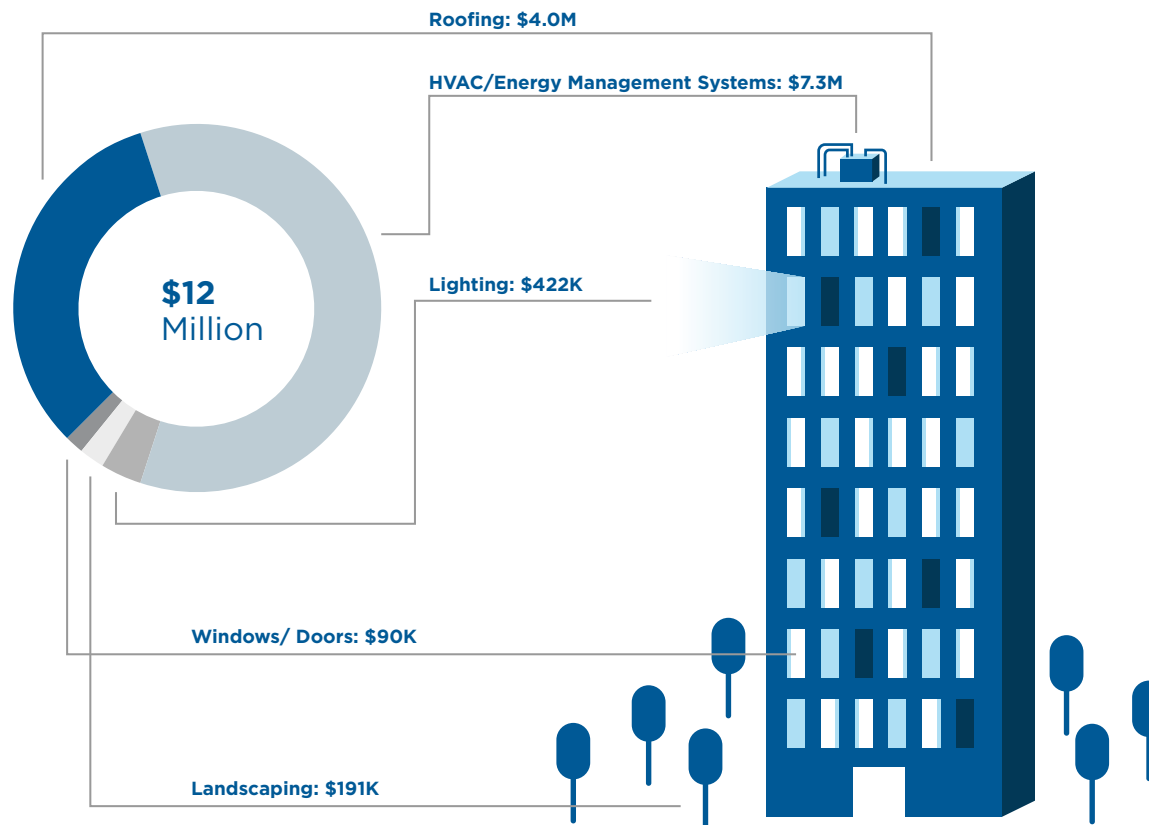
⁽³⁾ Baseline includes properties owned since January 2016 and excludes redevelopment projects, assets held for sale and dispositions. Energy and GHG baselines include 121 managed properties totaling 9.7M SF with energy data coverage. Water baseline includes 122 managed properties totaling 9.8M SF with water data coverage. The Company will report on a water reduction goal in 2022.



Reduction Strategies

SUSTAINABILITY CAPITAL INVESTMENTS

In order to achieve our reduction targets, we have implemented several strategies to improve the efficiency of our portfolio.



In 2020, Healthcare Realty invested \$12 million on more than 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.

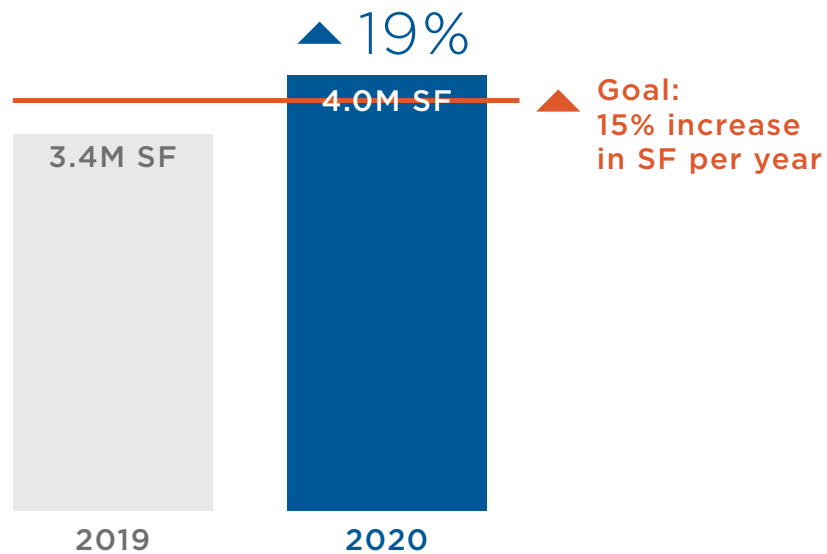


Reduction Strategies

LIGHTING ENHANCEMENTS

Investing in lighting enhancements is an important initiative for the Company to improve energy efficiency in our properties, decrease our environmental impact, reduce operating costs, and provide high-quality facilities for our tenants. These enhancements include LED retrofits, occupancy sensors and lighting controls.

SQUARE FOOTAGE WITH LED LIGHTING INCREASE FROM 2019-2020



Reduction Strategies

BUILDING SYSTEM EFFICIENCY AND AUTOMATION

When upgrading building systems and equipment, we target efficiency upgrades that will reduce energy use, lower operating costs and optimize tenant comfort. Our comprehensive capital planning strategy takes the following efficiency components into consideration:

HVAC

- Rooftop unit replacement/refrigerant upgrades
- Variable frequency drives
- Compressor replacements
- Pneumatic to digital controls
- Cooling tower upgrades and replacements
- Indoor air quality standards
- CO₂ sensors

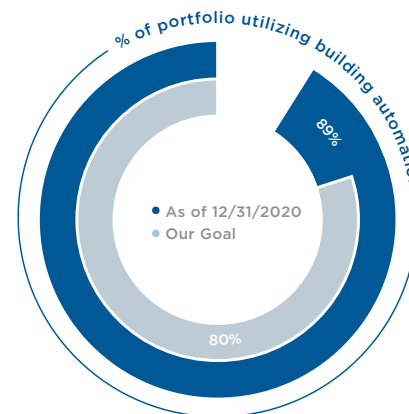
BUILDING OPTIMIZATION

- Proactive preventive maintenance
- Scheduling for optimization
- Building exhaust control strategies (pressurization)
- DC to AC elevator motors
- Reflective roofing and increased insulation

As part of these upgrades, we seek to incorporate and maintain direct digital control of building technologies in our properties. As of year-end 2020, Healthcare Realty was actively utilizing building automation at 89% of our properties, exceeding our goal of 80%.

By utilizing building automation, our operations team can:

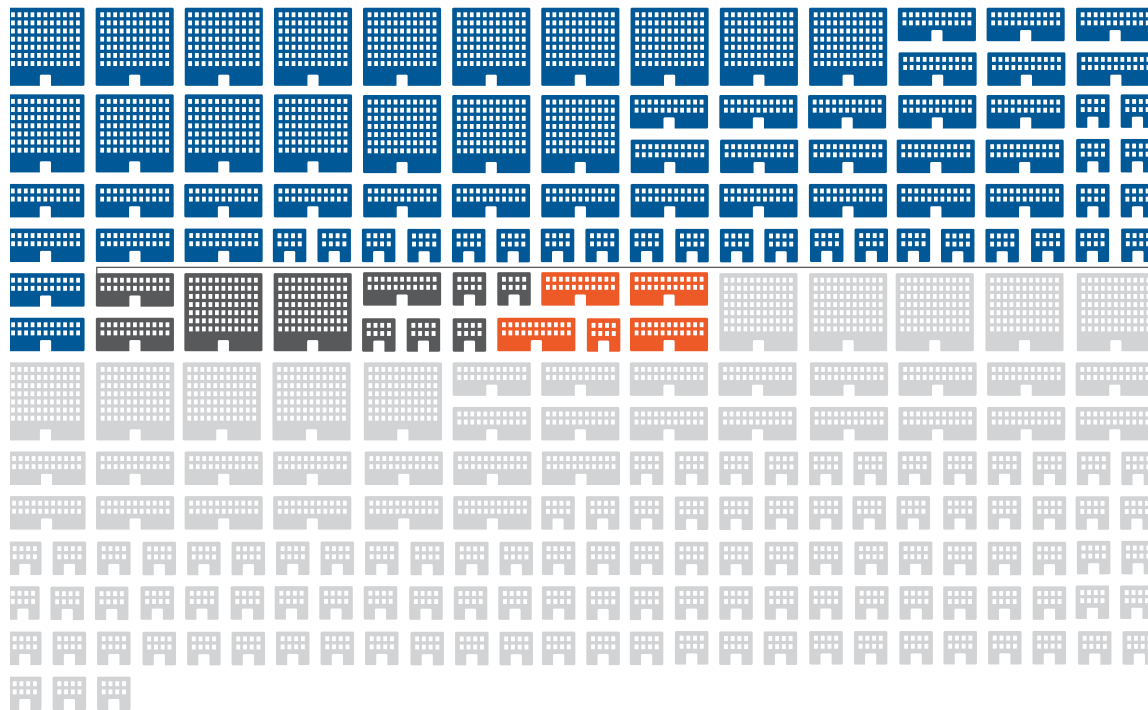
- Reduce energy consumption
- Identify areas for improvement
- Reduce grid demand
- Extend the life of equipment
- Manage scheduling for tenants, holidays and weekends



Reduction Strategies

REAL-TIME ELECTRICITY MONITORING

In 2015, we partnered with MRG to install EnergyLogiX real-time electricity monitoring in our buildings, providing the capability to track in-depth electrical utilization data. This data is used alongside our direct digital control technologies to implement operational refinements and efficiency improvements throughout the portfolio allowing for optimal electrical utilization and reduction of grid demand. In 2020, we continued to expand our real-time electricity monitoring program by adding the equipment to 10 new properties totaling 890,000 square feet. At year-end 2020, we had 81 buildings totaling 8.2 million square feet utilizing real-time electricity monitoring, representing 50% of our total portfolio square feet, up from 14% when the program began in 2015. On average, properties with real-time electricity monitoring installed have seen a 10% decrease in electricity consumption compared to utilization prior to implementation and have reduced electricity expenses by \$1.6 million since the program began.



8.2M SF

81 properties utilized real-time electricity monitoring as of year-end 2020

2020 ADDITIONS

10 Properties, 890K SF



401K SF

5 properties to be added in 2021



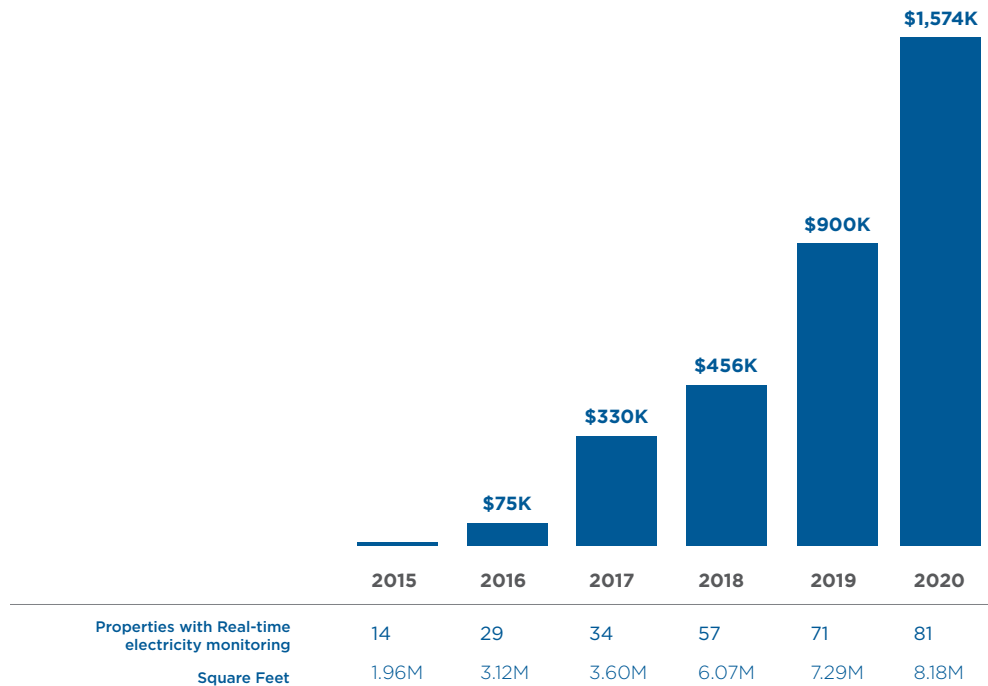
▼ 10%

Real-time electricity monitoring yielded a **10% average reduction** in electricity use compared to consumption before implementation



Reduction Strategies

CUMULATIVE SAVINGS FROM REAL-TIME ELECTRICITY MONITORING PROGRAM



Reduction Strategies

RENEWABLE ENERGY

Healthcare Realty has identified renewable energy as a strategic way to minimize our environmental impact, reduce operating expenses and maximize long-term value. We've partnered with Black Bear Energy to identify opportunities to incorporate renewable energy throughout our portfolio. Leveraging Healthcare Realty's valued relationships with our hospital system partners, this initiative resulted in the implementation of carport and parktop solar projects at six of our California properties. The energy generated through these projects will have a total capacity of 3.3 megawatts, to be used both onsite and offsite, and will generate enough electricity in one year to power a 300,000 square foot medical office campus. We plan to continue to expand this program, continually evaluating new acquisitions and opportunities within our portfolio.

A case study highlighting our solar projects and leadership was featured in [Nareit's 2021 REIT Industry ESG Report](#).



Water Efficiency

Healthcare Realty remains focused on improved monitoring, reporting and benchmarking of water consumption across our portfolio. As a result of these efforts, 90% of our properties had water usage benchmarked in ENERGY STAR® Portfolio Manager® as of year-end 2020.

Healthcare Realty strives to reduce water consumption and associated expenses through monitoring, utilization of water efficient equipment and incorporation of the following industry best practices:

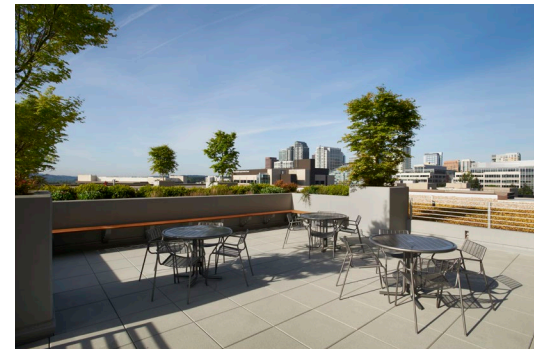
- Utilizing EPA WaterSense-labeled low flow fixtures
- Installing 0.5 gallon per minute aerators to exam room sinks
- Incorporating high-efficiency and smart irrigation, drought resistant landscaping and leak detection systems
- Adding evaporation meters to cooling towers to allow sewer charges to be reduced from building usage, where feasible
- Managing water specific risks by:
 - Preventing water stagnation in pipes
 - Monitoring water quality and testing when appropriate
 - Conducting regular preventive maintenance of water-use systems, such as irrigation systems, toilets, chilled-water HVAC systems, and cooling towers

Waste Management

As Healthcare Realty recognizes the importance of reducing landfill waste and increasing recycled waste, we are expanding our effort to track, monitor and benchmark waste production and diversion rates throughout our portfolio.

We currently incorporate several waste management best practices, including:

- Ensuring appropriate recycling containers are accessible with visible signage
- Purchasing consumable materials with recycled content
- Recycling lightbulbs used in building common areas
- Purchasing material with recycled content for new development projects and building upgrades
- Installing water bottle filling stations as a building standard to encourage less single-use plastic
- Providing reusable Healthcare Realty water bottles to all employees



Green Building Certifications

Healthcare Realty continues to invest in projects that incorporate sustainable best practices and builds to LEED® standards whenever feasible. We have established a target that at least **80% of our new developments will be LEED certified going forward.**

In 2021, we established a new goal to increase the number of our operating buildings with green building certifications (LEED, ENERGY STAR®, IREM® CSP® or other similarly recognized third party certification) by at least 40 buildings by 2025. This initiative is supported by a sustainability-linked interest rate discount incorporated into our \$150 million term loan due June 2026.



As of 12/31/20, we owned 5 LEED certified properties, 2 acquisitions and 3 developments, totaling 690,000 square feet, with an additional 106,000 square foot LEED development started in 2021.

Acquisition Due Diligence

Healthcare Realty ensures sustainability considerations are part of our acquisition process by performing environmental evaluations and conducting detailed in-person property assessments. These reports allow us to mitigate risk and underwrite efficiency upgrades and equipment replacements like HVAC and LED lighting. Our robust capital plan created during this process ensures increased efficiency and optimal building performance as properties are added to our portfolio.

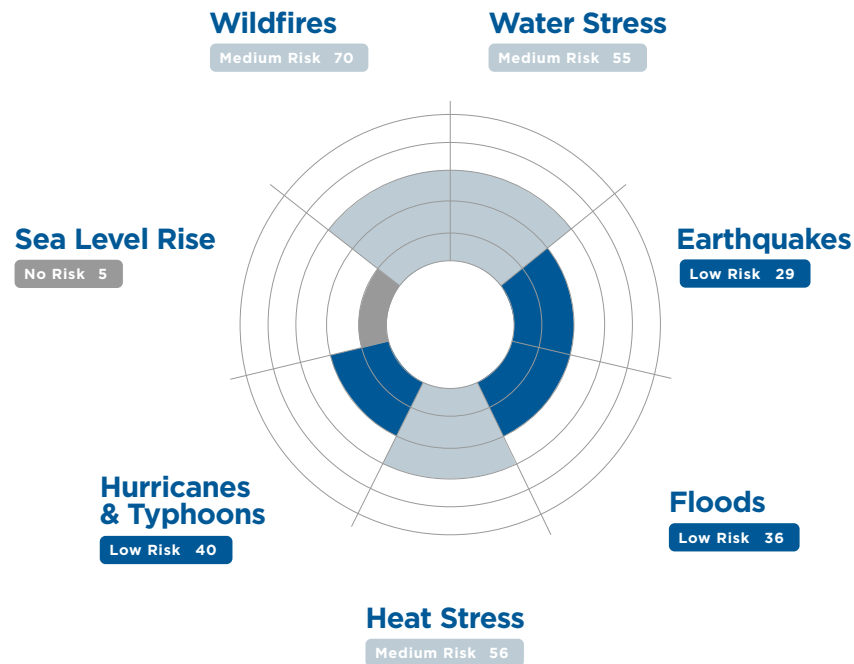


Climate Risk and Resiliency

Securing the future of Healthcare Realty's portfolio requires resilience to climate risk, ensuring the ability to withstand shocks and stressors today while planning for a lower-carbon economy. The Company performs detailed building evaluations during acquisition due diligence, post-acquisition and throughout the lifecycle of the asset. Industry best practices for property operations and emergency response are incorporated into property inspections, underwriting, budgeting, insurance, and capital planning processes.

In 2020, Healthcare Realty began using Measurabl's Physical Climate Risk Exposure (PCRX) tool to help identify and understand the physical climate risks and opportunities across our portfolio. This information will be used to broaden our resiliency and risk management strategies, including the evaluation of physical and transition risks due to climate change.

HEALTHCARE REALTY'S PHYSICAL CLIMATE RISK EXPOSURE



SOCIAL

Healthcare Realty recognizes that supporting and engaging its employees, tenants, and communities is vital to our long-term success. We believe those relationships are integral to delivering enduring growth to our stakeholders.



Our Employees

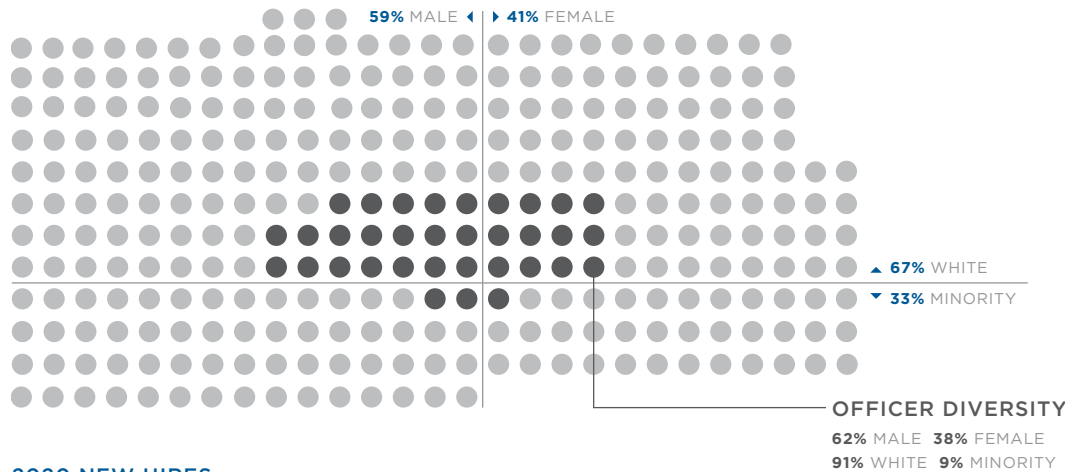
People are the heart of Healthcare Realty's success. Our loyal and hardworking employees are essential to being a trusted owner and operator of medical office properties.

DIVERSITY, EQUITY AND INCLUSION

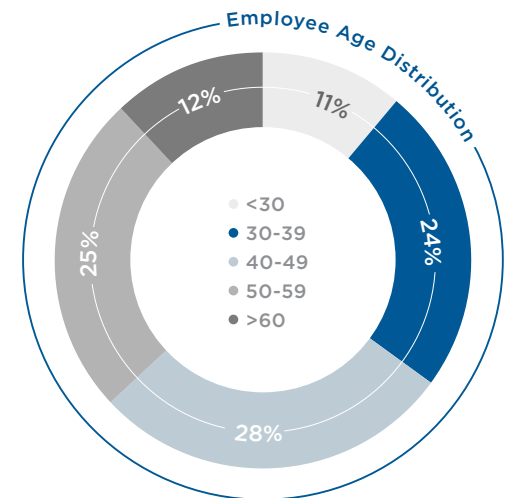
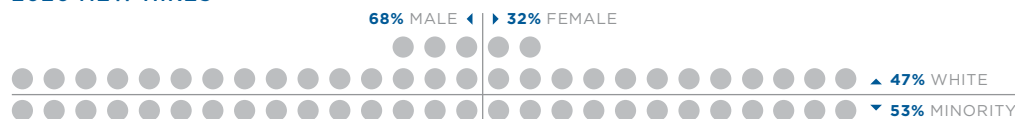
Healthcare Realty is committed to an inclusive and diverse workforce. We recognize and appreciate the worth of every individual and support the protection of human rights. We embrace employee differences in race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status, and other characteristics that make our employees unique.

In 2020, members of racial or ethnic minority groups made up 53% of Healthcare Realty new hires, demonstrating our commitment and continued focus on diversity.

EMPLOYEE DIVERSITY



2020 NEW HIRES

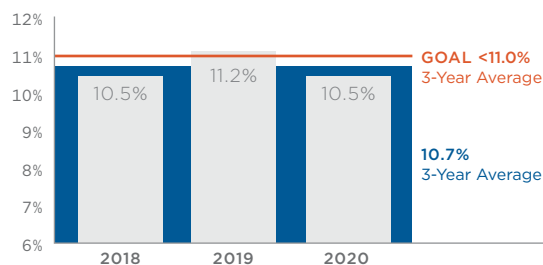


Our Employees

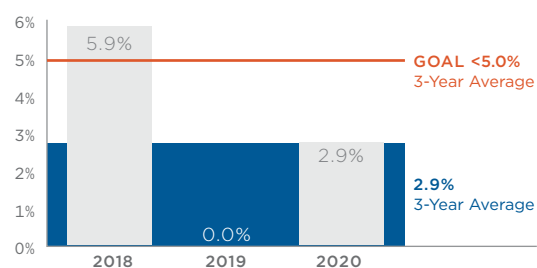
RETENTION

Through supporting, recognizing and investing in our employees, Healthcare Realty attracts and retains the highest quality talent. We apply a long-term, quality mindset to everything we do, including employee retention. To measure retention, we have set voluntary turnover goals of less than 5% for officers and less than 11% for non-officer employees, based on a three-year average, both of which were achieved again in 2020.

VOLUNTARY TURNOVER - EMPLOYEES



VOLUNTARY TURNOVER - OFFICERS



ENHANCED EMPLOYEE BENEFITS

To retain talented employees that contribute to the Company's stated objectives, we offer attractive employee benefits including:

- Health benefits and 401(k) starting on the first day of employment
- Auto-enrollment of new employees in our 401(k) plan
- 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
- College savings program
- 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
- Tuition reimbursement up to \$3,000 annually for any employee pursuing higher education
- Gym membership discounts
- Work/life balance through flexible work schedules



Our Employees

EMPLOYEE ENGAGEMENT SURVEYS

Healthcare Realty conducted multiple employee engagement surveys throughout 2020, including a company-wide employee satisfaction survey. The satisfaction survey received a 90% response rate and covered several important topics including:

- Collaboration
- Communication
- Company leadership and values
- Growth and development
- Performance and accountability
- Inclusion
- Strategic alignment
- Work processes
- Corporate responsibility and ethics
- Work/life balance

CULTURE

Building on feedback from the employee engagement surveys, in early 2020, the Company began an initiative to formalize and document a framework to define and maintain the Healthcare Realty culture. Healthcare Realty's CEO, Todd Meredith, and Executive Vice President, Operations, Julie Wilson, met with over 150 employees from the corporate and property management offices throughout the country. They met in small focus groups of 10 to 20 employees to engage in meaningful, interactive discussions, soliciting input and sharing current ideas, with a goal to clearly define a consistent and cohesive culture for all employees.

The Company will be incorporating and reinforcing our stated purpose and core values into our daily practices and various employee programs such as recruiting, retention, continuing education, and career development.



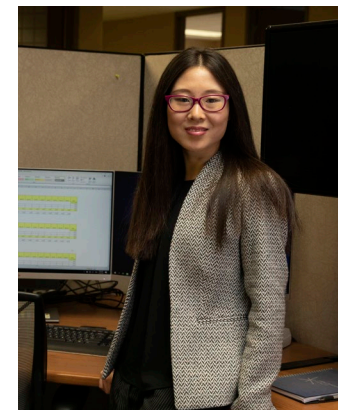
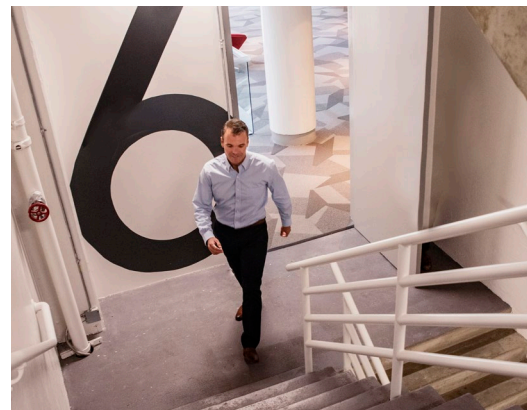
Our Employees

EDUCATION, TRAINING AND LEADERSHIP DEVELOPMENT

Healthcare Realty is committed to supporting the performance and career development of our employees, striving to provide a culture of learning, growth and excellence.

We foster this culture through establishing clear performance objectives and support career development in the following ways:

- 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 for any employee pursuing higher education
- Ongoing training and development of leadership, management and new pools of talent
- Offering a variety of internship programs throughout the Company



Our Employees

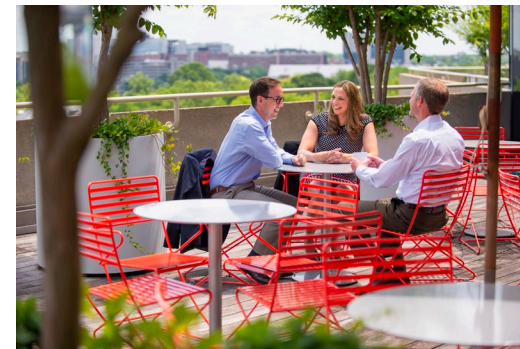
HEALTH, WELLNESS AND SAFETY

Healthcare Realty strives to create work environments that encourage positive health, wellness and safety for our employees and local communities. We are proud of our company-wide initiatives that support regular physical activity, reduced sitting time and healthy eating options.

Employee health and wellness initiatives implemented in 2020 include:

- Formed a new wellness committee tasked with creating a company-wide Healthcare Realty CARES Wellness program for all employees. The wellness program includes a variety of challenges providing engaging ways to enhance employee health and wellbeing.
- Offered weekly virtual chair yoga classes.
- Sent monthly health and wellbeing email communications to employees, covering variety of topics such as nutrition, mental health, exercise, hydration, and financial wellness.
- Completed a major renovation of our corporate office building in Nashville, including various sustainability and health and wellness amenities. Highlights of the completed space include:
 - LED lighting
 - Increased access to natural light
 - Fitness room, showers and changing rooms
 - Water bottle filling stations
 - Standing desks
 - New kitchen and outdoor dining space

In addition, injury and lost day rates are monitored and tracked by the Company, with a 0% lost day rate and 0.6% injury rate recorded in 2020.



0% Lost
Day
Rate

0.6% Injury
Rate



Our Tenants

Healthcare Realty strives to create a desirable environment for our tenants and their patients. To meet our tenants' needs and communicate effectively, we utilize an online Tenant Center portal that features quick access to property management, leasing, service requests, and payment information. The portal provides a variety of tools and resources including sustainability tips, COVID-19 safety protocols, policies, a suggestion box, and quick links for local weather, traffic and emergencies to help tenants stay informed and safe.

TENANT SATISFACTION SURVEYS

Healthcare Realty regularly conducts surveys to measure tenant satisfaction, ensuring we are addressing our tenants' priorities and needs. Our most recent Kingsley Associates survey was conducted in 2019, with a new survey administered in 2021. Results from the 2019 survey showed that Healthcare Realty exceeded the Kingsley Index benchmark in all four Key Performance Indicators measuring overall satisfaction, value for amount paid, overall management satisfaction, and renewal intentions.

Survey results are used to follow-up with tenants, measure progress, recognize achievements, share best practices, and set improvement goals throughout the portfolio.

TENANT SUPPORT

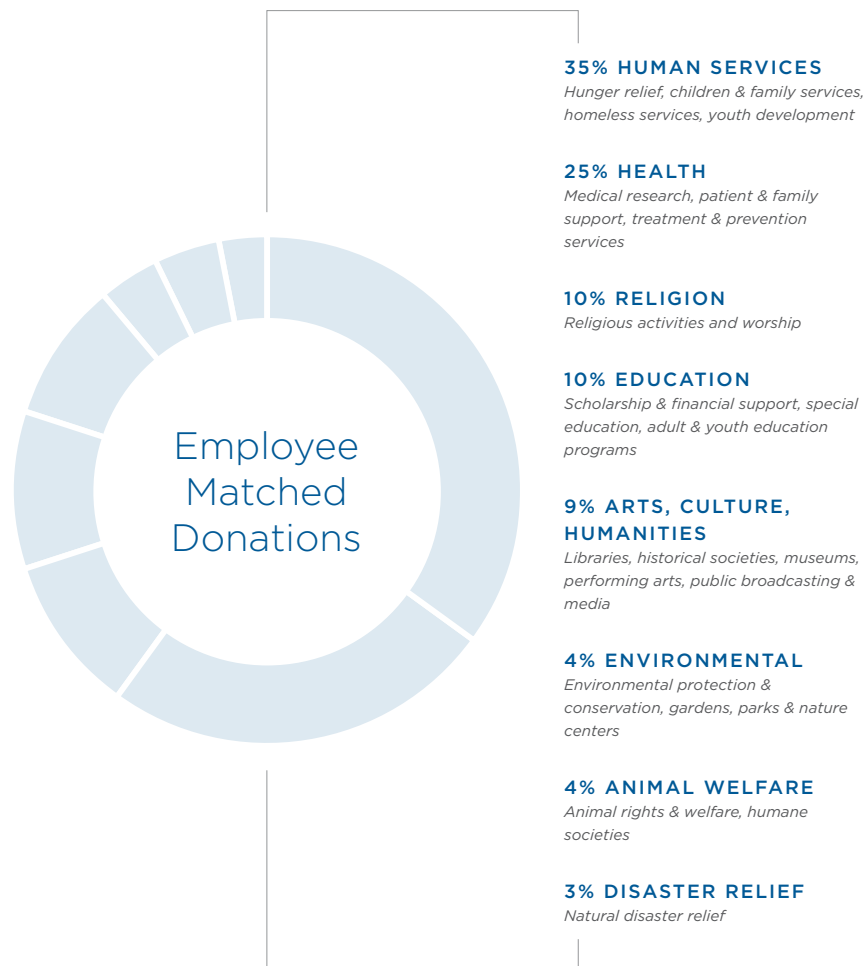
While our typical tenant appreciation events were limited in 2020 due to the pandemic, our employees continued to go above and beyond their responsibilities to help meet the needs of our tenants, partners and visitors. In Dallas, our employees helped serve lunch to the front-line healthcare workers at the Baylor Scott & White downtown campus.



Our Communities

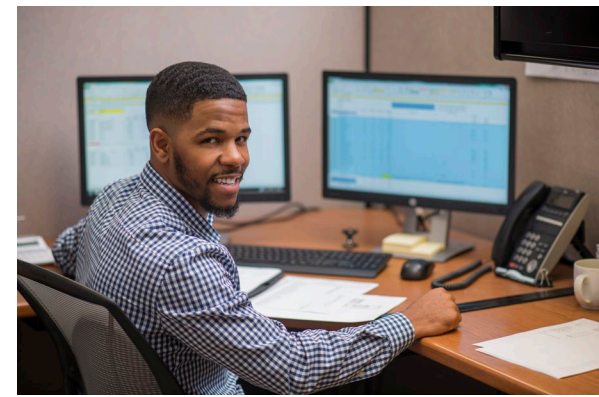
Healthcare Realty is committed to supporting and encouraging our employees' involvement with charitable organizations, promoting a greater sense of understanding and respect for the diverse communities we serve. In 2020, Healthcare Realty launched a Charitable Giving program which provides employees with eight hours of paid time-off for volunteer work as well as matching employee charitable donations.

In 2020, Healthcare Realty and its employees donated over \$100,000 to our communities, including the charities most valued by our employees, local Nashville-area charities and hospital system partners.



GOVERNANCE

The foundation of our sustainability efforts is responsible corporate governance. Healthcare Realty's Board of Directors and senior management ensure that sound governance practices drive long-term success and reduce risks for the Company.



ESG Oversight

Healthcare Realty's Board of Directors is committed to overseeing the integration of our ESG principles throughout the Company.

To further its efforts, in 2020, the Company created two new positions to oversee and lead the Company's ESG initiatives. The Company also maintained a sustainability committee throughout the year comprised of senior managers from leasing and operations, human resources, finance, and facility maintenance. The committee establishes and oversees the Company's priorities on relevant ESG issues.

Going forward, the Company updated its 2021 incentive program for the executive officers to include ESG performance. This effort shows our sincere commitment to ESG performance and supports alignment with the interests of our stakeholders.

Governance Principles & Policies

Our **Sustainability Principles and Policies** serve as a guide to support the oversight of our ESG program, providing a foundation for the Company's strategy, philosophy and operating practices.

In 2020, we adopted a new **Vendor and Supplier Code of Conduct**, setting forth Healthcare Realty's ethical business operations expectations for our vendors and suppliers.

We aim to ensure that our policies and practices promote diversity, ethics and responsibility. Our **Corporate Governance Principles** and **Code of Business Conduct and Ethics** as well as various other corporate governance documents are available on our **website**.

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.



Julie Wilson
Executive Vice President,
Operations



Carla Baca
Associate Vice President,
Corporate Responsibility



Baker Thomas
Sustainability Analyst

Healthcare Realty Corporate Responsibility Team



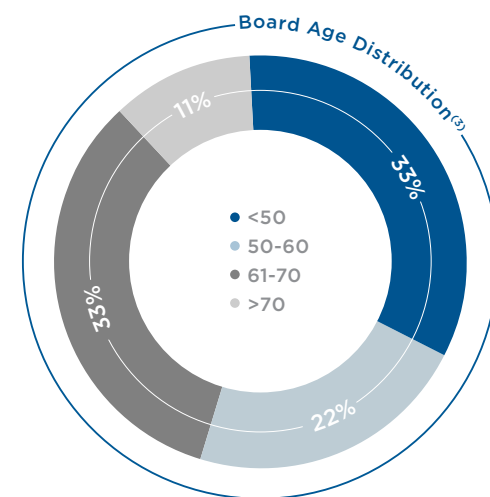
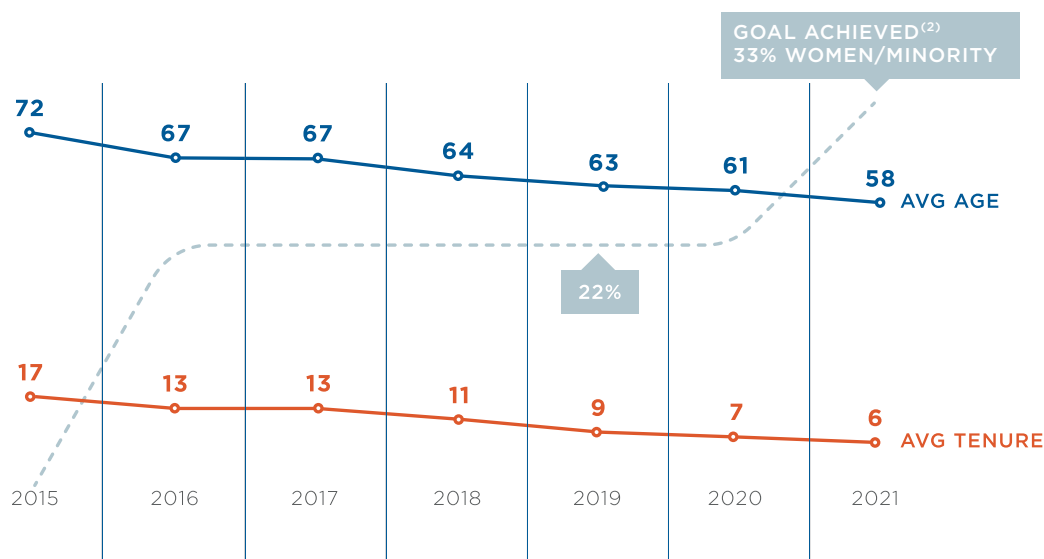
Board Diversity

Healthcare Realty is committed to fostering, cultivating and preserving a culture of diversity and inclusion.

Over the past several years, Healthcare Realty has focused on refreshing the board, reducing tenure, and enhancing diversity. In 2019, the Company set a goal to have at least one-third of its Board of Directors represented by women and/or minority backgrounds by 2022. This goal was achieved with the addition of a new board member in May 2021. Furthermore, 89% of the Company's board has been elected since 2015, reducing average tenure from 17 years to 6. Our new board members bring healthcare experience, financial expertise and increase female and minority representation.

In addition, we were honored to be added to State Street Global Advisors Gender Diversity Index in 2020, a distinction that shows our business is among the top US Companies in our sector when it comes to women in leadership.

BOARD TRANSITION⁽¹⁾



⁽¹⁾ Based on data as reported in annual Proxy Statements

⁽²⁾ The Company set a goal in 2019 to achieve 33% women/minority representation on its board by 2022.

⁽³⁾ As of March 2021.

Board of Directors



John Knox Singleton
Chairman of the Board; Retired
Chief Executive Officer, Inova
Health System



Todd J. Meredith
President and Chief Executive
Officer, Healthcare Realty
Trust Incorporated



John V. Abbott
Retired Chief Executive Officer,
Aviation Asset Management
Group, General Electric Company



Nancy H. Agee
President and Chief Executive
Officer, Carilion Clinic



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



Ajay Gupta
Chief Executive Officer,
Physical Rehabilitation Network



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



Peter F. Lyle
Executive Vice President,
Medical Management
Associates, Inc.



Christann M. Vasquez
Executive Vice President
and Chief Operating Officer,
Ascension Texas

COMMITTEES

AUDIT

Edward H. Braman, Chairman
Nancy H. Agee
James J. Kilroy

COMPENSATION

John Knox Singleton, Chairman
John V. Abbott
Peter F. Lyle

NOMINATING & CORPORATE GOVERNANCE

Christann M. Vasquez, Chairman
Edward H. Braman
Ajay Gupta



Stakeholder Engagement

Healthcare Realty understands the impact that stakeholders have on our business and operations. Therefore, we are committed to engagement with our 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.

As best practices for corporate governance continue to evolve, Healthcare Realty remains committed to implementing shareholder friendly policies. Examples include:

- Board members all 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 our Named Executive Officers (NEOs)
- Use of restricted stock with five-year cliff vesting periods as primary means of senior management equity incentive compensation

Our [proxy report](#) includes additional information on corporate governance, corporate conduct, business ethics, and compensation.

Risk Management & 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.



LOOKING AHEAD

As we build out and strengthen our ESG program in 2021 and beyond, Healthcare Realty continues to prioritize new strategic initiatives that lessen our environmental impact, benefit our stakeholders and enhance our leadership in corporate governance. We are excited for the following upcoming initiatives.



Upcoming ESG Initiatives

ENVIRONMENTAL

- Expand our climate risk and resilience strategies in alignment with the **Task Force on Climate-Related Financial Disclosure (TCFD)**
- Complete solar installation projects currently underway in California and continue to evaluate new opportunities to expand our renewable energy program
- Expand our green building certification program
- Formalize sustainability guidelines for our tenants
- Expand our waste data inventory and management plan

SOCIAL

- Conduct additional ESG training for our teams, engaging their input
- Launch our corporate wellness program with monthly challenges, corporate 5Ks, organized group walks at lunch, and more
- Increase ESG content on our website to engage and inform our stakeholders

GOVERNANCE

- Implement our incentive program for executive officers to include ESG performance
- Conduct a materiality assessment utilizing stakeholder engagement to highlight the key ESG elements that are a priority for our Company



Disclosures

SASB STANDARD DISCLOSURE TABLE ⁽¹⁾

ACTIVITY METRICS AS OF 12/31/20 ⁽²⁾	UNIT OF MEASURE	TOTAL	CODE
Number of assets	Number	232	IF-RE-000.A
Leasable floor area	Square feet (ft ²)	16,432,675	IF-RE-000.B
Percentage of indirectly managed assets	Percentage (%) by floor area	6.1%	IF-RE-000.C
Occupancy as of 12/31/20	Percentage (%)	86.6%	IF-RE-000.D
ENERGY MANAGEMENT	UNIT OF MEASURE	TOTAL	CODE
Energy consumption data coverage as a percentage of total area	Percentage (%) by floor area	90.5%	IF-RE-130a.1
Total energy consumed by portfolio area with data coverage	Gigajoules (GJ)	1,230,193	IF-RE-130a.2
Like-for-like percentage change in energy consumption for the portfolio area with data coverage	Percentage (%)	4.2% reduction Page 15	IF-RE-130a.3
Percentage of eligible portfolio that has an energy rating	Percentage (%) by floor area	90.2%	IF-RE-130a.4
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	N/A	Pages 16-23	IF-RE-130a.5

⁽¹⁾ © 2021 Reprinted with permission from Value Reporting Foundation. All rights reserved.

⁽²⁾ Includes properties in the Company's unconsolidated joint venture and excludes four assets held for sale and one redevelopment property.



Disclosures

WATER MANAGEMENT	UNIT OF MEASURE	TOTAL	CODE
Water withdrawal data coverage as a percentage of total floor area	Percentage (%) by floor area	90.2%	IF-RE-140a.1
Total water withdrawn by portfolio area with data coverage	Thousand Cubic Meters (m ³)	1,183,042	IF-RE-130a.2
Like-for-like percentage change in water withdrawn for portfolio area with data coverage	Percentage (%)	16.3% reduction Page 15	IF-RE-140a.3
Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Page 22	IF-RE-140a.4
CLIMATE CHANGE ADAPTATION	UNIT OF MEASURE	TOTAL	CODE
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	Page 24	IF-RE-450a.2



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