

1. Introduction

- 1.1. **About us:** Hudson Pacific Properties acquires, redevelops and develops creative office and studio properties in the West Coast tech and media epicenters of Los Angeles, Silicon Valley, San Francisco, Seattle and Vancouver.
- 1.2. **ESG commitment:** We strive to build sustainable, equitable, healthy, and diverse communities through a combination of innovative real estate solutions, meaningful cross-sector partnerships, and exemplary environmental, social and governance (ESG) performance. This commitment informs every aspect of our business, including how we design and build new projects, operate our portfolio, collaborate with stakeholders and report progress. We believe this approach differentiates us in the market and delivers value to our tenants, employees, vendors, investors and neighbors.
- 1.3. **ESG governance:** Our VP, Sustainability and Social Impact, leads our ESG efforts. This individual relies on two cross-functional, cross-regional teams—the Sustainability Council and Social Impact Council—that meet on a quarterly basis and are tasked with embedding ESG in our day-to-day operations. The VP, Sustainability and Social Impact is a member of the ESG Leadership team, a group of senior executives from our Human Resources, Legal, Engineering/Operations, and Investor Relations teams that meet monthly to guide our ESG strategy and progress. Ultimately, responsibility for our ESG program lies with the board-level Sustainability Committee, which includes our CEO and Chairman, Victor Coleman, as well as two independent board directors.

2. Environmental Stewardship

- 2.1. **Overview:** We aim to embed environmental stewardship in everything we do. We believe we have a responsibility to minimize the energy, carbon, water and waste impacts of our business and recognize that these impacts occur not just in the daily operations of our portfolio but also through our entire value chain. As a result, we strive to reduce environmental impacts across the full life cycle of our buildings and our corporate operations.
- 2.2. **Statement on climate change:** We are particularly committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks the world has ever faced and know that buildings contribute 40% of global greenhouse gas (GHG) emissions. Our team is currently working to understand our financial exposure to climate-related risks such as sea level rise, demographic changes and emerging regulations. We are committed to disclosing the results of this assessment as they become available and to developing a portfolio-wide climate mitigation strategy.
- 2.3. **Investing in sustainable buildings**
 - 2.3.1. **Building operations:** We have long-term environmental performance targets for the portfolio that address energy consumption, GHG emissions, water consumption and waste diversion rates. To achieve these targets, each of our properties

maintains a Sustainability Action Plan that informs how our engineering and property management teams implement environmental best practices. These initiatives include energy retrofits, real-time energy management software, water reuse and recycling projects, extensive recycling and composting infrastructure, green cleaning, native landscaping and integrated pest management. To monitor progress across the portfolio, we include sustainability criteria in our annual operational audit process and use a third-party environmental management system to aggregate property-level environmental data. We report environmental performance on a regular basis to the U.S. Environmental Protection Agency (EPA) ENERGY STAR program as well as many of our local jurisdictions.

2.3.2. Development: We are an industry leader in adaptive reuse, which means we excel at transforming older buildings in premier locations into unique, cutting-edge properties. This approach delivers significant environmental benefits, while also driving cultural/historic preservation and local economic development. In addition, we are committed to obtaining a minimum of LEED Gold certification for all new developments, including both adaptive reuse and ground-up projects. This policy means that many of our (re)developments employ leading environmental practices such as the use of recycled materials and on-site renewable energy.

2.3.3. Corporate office: Although the environmental impacts of our corporate operations are a small part of our overall footprint, we believe it is important to live our values. As a result, we have adopted sustainability policies for our HQ and all satellite offices that include criteria such as energy-efficient lighting and appliances, recycling and composting facilities, and a ban on single use plastic in our kitchens.

2.3.4. 2019 Highlights

- Five out of five stars on the Global Real Estate Sustainability Benchmark (GRESB)¹
- ENERGY STAR Partner of the Year²
- Green Lease Leader³
- Achieved 100% carbon-free electricity⁴
- National Association of Real Estate Investment Trusts (Nareit) Leader in the Light Best New Entry⁵
- On track to have over 70% of our in-service square footage ENERGY STAR certified and over 60% of our in-service square footage LEED certified (over 93% to the Gold or Platinum level) by the end of the year⁶

¹ More information is available here: <https://gresb.com/2019-real-estate-results/>

² More information is available here: <https://investors.hudsonpacificproperties.com/investor-resources/press-releases/press-release-details/2019/Hudson-Pacific-Properties-Wins-ENERGY-STAR-Partner-of-the-Year-Award/default.aspx>

³ More information is available here: <https://www.hudsonpacificproperties.com/news/hudson-pacific-properties-earns-2019-green-lease-leader-recognition>

⁴ More information is available here: <https://investors.hudsonpacificproperties.com/investor-resources/press-releases/press-release-details/2019/Hudson-Pacific-Properties-Expands-Sustainability-Initiatives-with-Renewable-Energy-Agreement/default.aspx>

⁵ More information is available here: <https://www.reit.com/news/blog/nareit-media/nareit-announces-2019-leader-light-award-winners>

⁶ Specific insights on our environmental performance and ENERGY STAR / LEED certification rates can be found in our annual corporate responsibility report or in our quarterly investor presentations

2.4. Engaging with others

2.4.1. Tenant engagement: Because we control only a small part of our total environmental footprint, it is critical that we engage both internal and external stakeholders to drive sustainable innovation and system change. Tenant engagement is at the core of this mission. One strategy we use to drive tenant awareness and behavior change is through “green leases” that include sustainability criteria in the standard terms and conditions. Another is by providing infrastructure and amenities that make it easier for our tenants to implement sustainable practices. For example, over half of our properties have charging stations for electric vehicles, bike parking, and on-site fitness centers. Finally, we aim to proactively engage tenants on sustainability issues through our bi-annual tenant engagement survey and through property events like green fairs, e-waste recycling days, and Earth Day celebrations.

2.4.2. Industry engagement: We also strive to engage key industry players—including vendors, peers, and standard-setters—on sustainability, as averting a climate crisis and other environmental disasters requires large-scale transformation that we cannot achieve alone. We participate in many industry collaborations, including:

- Building Owners and Managers Association (BOMA) Water & Waste (W2) Challenge
- Canada Green Building Council (CaGBC)
- Global Real Estate Sustainability Benchmark (GRESB)
- Los Angeles Better Buildings Challenge (LABBC)
- National Association of Real Estate Investment Trusts (NAREIT) Real Estate Sustainability Council
- Urban Land Institute (ULI) Greenprint
- U.S. Environmental Protection Agency ENERGY STAR Program
- U.S. Department of Energy Better Buildings Alliance
- U.S. Green Building Council (USGBC)

2.4.3. Community engagement: Recognizing that many sustainability challenges and opportunities are locally-specific, our regional teams partner with community groups and local regulators on a range of sustainable policy and advocacy activities. We often engage on these issues through our local business coalitions, such as:

- Alliance for Pioneer Square
- Central City Association of Los Angeles
- Downtown Seattle Association
- Downtown Vancouver Business Improvement Association
- Friends of the Waterfront Seattle
- Friends of the Hollywood Central Park
- Greater Vancouver Board of Trade
- Hollywood Chamber of Commerce
- Hollywood Entertainment District
- Los Angeles Chamber of Commerce
- Los Angeles Sports & Entertainment Commission
- Sunset & Vine Business Improvement District

3. Social Responsibility

3.1. **Overview:** A deep commitment to social responsibility is core to who we are as a company. We believe people are at the heart of our business and take pride in our outstanding work culture and generous approach to charitable giving. We strive to be an optimal employer to our workforce and landlord to our tenants, as well as a valued partner to our communities.

3.2. Caring for our people and tenants

3.3. Compensation and benefits: We know that the first step in hiring and retaining the best talent is to create safe and inspiring workplaces where people feel valued. We offer competitive compensation and benefits to all regular full-time employees, including but not limited to retirement savings plans and medical, dental, and vision coverage. We offer an employee referral bonus program, multiple flexible spending accounts, and a comprehensive charitable giving program that provides matching donations and 32 hours of paid time off each year for volunteering. We have generous policies to encourage work/life balance, including paid holiday, vacation, and sick time as well as an employee assistance program that offers confidential assistance 24 hours a day, 365 days a year to deal with personal and work-related problems. Our offices provide on-site meals, ergonomic office equipment, abundant collaboration areas, and in many cases free or highly subsidized fitness centers.

3.4. Culture, engagement and growth: We create fun, spirited work environments that reward innovation and collaboration at all levels. Leaders strive to demonstrate an “open door policy” and employees are invited to participate in quarterly calls with our CEO, annual engagement surveys, and periodic employee appreciation events, such as our “Family Fun Day” and annual holiday party. We also aim to foster both personal and professional growth for employees at all levels of the organization through:

- Annual performance development reviews
- Role-specific training and professional development opportunities
- LinkedIn Learning, a customized learning experience with unlimited access to a wide variety of topics relevant to professional interests and goals
- Hudson University, a two-day, new hire orientation and training program
- Foundations of Leadership, a six-month leadership development program for junior staff
- Engaging Your Full Potential, a six-month leadership development program for mid- and senior-level managers

3.5. Health and safety: The health and safety of our employees, tenants, and vendors is of the utmost importance to us. We adhere to leading health and safety standards across our portfolio, and each year, we complete a portfolio-wide audit that encompasses 99 questions across 35 categories, all aimed to ensure our buildings are safe, efficient and properly maintained.

3.6. Diversity and inclusion: We embrace and value diversity in all its forms, whether

gender, age, ethnicity or cultural background. Equal opportunity is integral to our recruitment process, as we aim to develop a community of diverse talent. We seek to maintain a positive workplace, free from discrimination and harassment. We champion pay equity and mutual respect, promoting an environment of fairness and equality. Our commitment to diversity and inclusion applies to the highest levels of the organization, including at the board level, where we recognize that diversity strengthens board performance and promotes long-term shareholder value. Since 2017, we have elected two independent female directors to our board of directors.

3.7. Strengthening our communities

3.7.1. Giving: We have a long history of providing meaningful, and often transformational, support to the communities in which we operate. Our philanthropic program, Hudson Helps, provides grants to leading non-profit organizations, primarily in the areas of housing and shelter, health and wellness, equity and inclusion, and the environment. We also provide extensive charitable support to key industry and professional organizations, often in the form of event sponsorships. Finally, we provide a matching donation program that encourages our employees to support the causes and organizations most important to them.

3.7.2. Volunteering: It is important to us that our employees roll up their sleeves and contribute directly to our non-profit partners. Throughout the year, we host various volunteer opportunities throughout our regions, championed by members of our Hudson Helps committee. We provide each employee with 32 hours of paid time off for volunteering each year, and maintain Dollars for Doers, a program that provides grants to the non-profit organizations where our employees volunteer most.

4. Governance

4.1. **Overview**: We view good governance as essential to creating and preserving value for our shareholders and other stakeholders. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies as well as unwavering adherence to our values.

4.2. Holding ourselves accountable

4.2.1. Corporate governance: We have an effective and highly skilled Board of Directors with five committees: Audit, Compensation, Nominating and Corporate Governance, Investment and Sustainability. We promote board independence and embrace board diversity in all its facets, including skills, experience, gender, ethnicity, race. Our *Corporate Governance Guidelines* outline key principles and rules to help our Board of Directors exercise its responsibilities and serve the interests of the company and its stockholders.⁷

4.2.2. Transparency: We believe in holding ourselves publicly accountable to our ESG

⁷ More information is available here:
https://s22.q4cdn.com/675150095/files/doc_downloads/governance/Corporate_GovGuidelines.pdf

commitments. We publish information about our ESG performance on a regular basis via our website, social media channels, investor presentations, and annual *Corporate Responsibility Report*.⁸

4.3. Doing what's right

- 4.3.1. **Ethics:** Our directors and all employees, including senior management, conduct themselves in accordance with the highest moral and ethical standards, informed by a robust *Code of Business Conduct and Ethics*.⁹ We are committed to ensuring a fair workplace for our employees as well as partners with whom we do business. We have strict policies to protect against unlawful discrimination and harassment. We have an Open-Door Policy to encourage honest and direct communication to resolve issues and concerns in an expeditious manner. We also have an Ethics Hotline that provides an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behavior, or fraud.
- 4.3.2. **Human rights:** Our *Human Rights Policy* reflects our longstanding dedication to the preservation of basic rights and human dignity in our workplace and beyond.¹⁰ Hudson Pacific Properties holds human rights to be an essential component of our business. We support internationally recognized human rights principles that promote and protect human rights. The policy applies to our operations and affiliates in all assets we own and operate.

⁸ More information is available here: https://s22.q4cdn.com/675150095/files/doc_financials/annual/2018/v2/Hudson-Pacific-Properties-Corporate-Responsibility-Report-2018.pdf

⁹ More information is available here: https://s22.q4cdn.com/675150095/files/doc_downloads/governance/Code_ConductEthics.pdf

¹⁰ More information is available here: https://s22.q4cdn.com/675150095/files/doc_downloads/governance/Human-Rights-Policy-53019.pdf