



# Green Bond Allocation Report

2022

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# Better Blueprint™ Strategy and Achievements

Hudson Pacific Properties' (NYSE:HPP) environmental, social and governance (ESG) platform, Better Blueprint™, is informed by decades of experience and best practices across every aspect of real estate.



## Vision and Strategy

Better Blueprint brings to life our vision of vibrant, thriving urban spaces and places built for the long term. These principles and objectives provide a common thread that authentically guides our work and relations with tenants, customers, employees, investors and partners. Through this program, we aim to foster the growth of sustainable, healthy and equitable cities—vibrant cities, today and in the future.



### SUSTAINABLE

Climate and Energy  
Waste, Water and Biodiversity



### HEALTHY

Health and Safety  
Wellness and Wellbeing



### EQUITABLE

Diversity, Equity and Inclusion  
Community Impact

## Key Accomplishments

We are proud to be honored for our accomplishments in delivering superior ESG performance.



G R E S B  
\*\*\*\*\* 2022

### GRESB

#1 in Office, Americas 2022

Global Sector Leader, Office (Americas) 2021, 2022

5-star Rating 2019, 2020, 2021, 2022



### ENERGY STAR

Partner of the Year 2019, 2020, 2021, 2022

Sustained Excellence 2021, 2022



### NAREIT

Leader in the Light Award, Office Sector 2022

### BLOOMBERG GENDER-EQUALITY INDEX

Member 2023

### GREEN LEASE LEADER

Silver Leader 2019, 2020, 2021, 2022

### FITWEL

Fitwel Champion 2019, 2020, 2021, 2022  
Fitwel Best in Building Health Award 2020

### NEWSWEEK

America's Most Responsible Companies 2022

### GLOBE ST. REAL ESTATE FORUM

Best Places to Work 2019, 2022

### NAIOP

Developer of the Year 2021

### S&P SUSTAINABILITY YEARBOOK

2022, 2023

# Report of Independent Accountants



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## Report of Independent Accountants

To the Management of Hudson Pacific Properties, L.P.

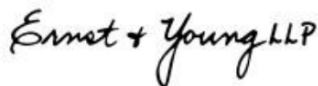
We have examined management's assertion, included in the accompanying report, Hudson Pacific Properties 2022 Green Bond Allocation Report that the amount equal to net proceeds from the issuance of 5.950% senior notes due 2028 issued by Hudson Pacific Properties, L.P (the "Company") was fully allocated, during the period from September 8, 2022 through December 31, 2022 (the "Reporting Period"), to the expenditures incurred during the period from September 8, 2020 to December 31, 2022 for qualifying Eligible Green Projects (as defined in the "Use of proceeds" section of the Prospectus Supplement dated September 8, 2022) based on the Eligible Green Projects criteria set forth in the Hudson Pacific Properties 2022 Green Bond Allocation Report (the "Criteria"). The Company's management is responsible for the assertion, having a reasonable basis for its assertion, selection of the Criteria and the allocation, during the Reporting Period, of amounts to projects that meet the Criteria. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Company and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were allocated to Eligible Green Projects during the Reporting Period, (ii) the amount allocated to each category of Eligible Green Projects during the Reporting Period, (iii) the environmental benefits of the Eligible Green Projects, (iv) conformance of any Eligible Green Projects with any third-party published principles, standards or frameworks, such as the Green Bond Principles, dated June 2021, published by the International Capital Market Association or (v) any information included in the Company's report or on the Company's website, other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in Green Bond Allocation Report 2022.

In our opinion, management's assertion, included in the Hudson Pacific Properties 2022 Green Bond Allocation Report, that the amount equal to net proceeds from the issuance of 5.950% senior notes due 2028 was fully allocated during the Reporting Period to qualifying Eligible Green Projects, is fairly stated, in all material respects.



September 8, 2023

# Management Assertion

We, as members of management of Hudson Pacific Properties, L.P. (“HPP”), are responsible for whether the amount equal to net proceeds from the issuance of 5.950% senior notes due 2028 issued by HPP was fully allocated, during the period from September 8, 2022 to December 31, 2022 (the “Reporting Period”), to expenditures incurred during the period from September 8, 2020 to December 31, 2022 for projects that meet the criteria for qualifying Eligible Green Projects (the “Criteria” as defined below and in the “Use of proceeds” section of the Prospectus Supplement dated September 8, 2022). Management of HPP is also responsible for the assertion, selection of the Criteria and the allocation, during the Reporting Period, of amounts to projects that meet the Criteria.

We have obtained a Second Party Opinion from S&P Global, a provider of ESG and corporate governance research and ratings to investors, concluding that the Criteria are in compliance with the Green Bond Principles dated June 2021, published by the International Capital Market Association.

We assert that the amount equal to net proceeds from the issuance of 5.950% senior notes due 2028 issued by HPP was fully allocated, during the Reporting Period, to expenditures incurred during the period from September 8, 2020 to December 31, 2022 for qualifying Eligible Green Projects that meet the Criteria.

Criteria for “Eligible Green Projects” means projects as defined in one of the following categories:

- Green Buildings. Investments, financings and acquisitions related to real estate projects that have received or are expected to receive third-party sustainability certifications or verification, such as LEED (Gold or Platinum), BREEAM® (Very Good, Excellent or Outstanding), Energy Star 85+, or additional equivalent certification.
- Renewable Energy. Investments related to the design, construction, operation and maintenance of on-site or off-site renewable energy sources, such as wind and solar. Such projects may include the purchase of renewable energy pursuant to long-term power purchase agreements or virtual power purchase agreements which have been entered into prior to commercial operation of the facility, solar panel installations, and battery storage systems.
- Energy Efficiency. Investments related to the design, construction, operation and maintenance of energy-efficient systems, including efficient LED lighting, HVAC, cool roofing, and energy management systems, which yield at least a 30% energy efficiency improvement.
- Clean Transportation. Investments in fleet decarbonization and/or electric transportation, specifically investments in electric vehicles with zero tailpipe emissions or infrastructure for the operation of electric vehicles.

The allocation of an amount equal to the net proceeds from this offering was used for properties identified as meeting the Criteria for Green Buildings.

Management of Hudson Pacific Properties, L.P.

September 8, 2023

# December 31, 2022 Green Bond Allocation Report

On September 8, 2022, HPP agreed to sell \$350.0 million of 5.950% Senior Notes due February 15, 2028 in an underwritten public offering.

| Bond Offering   | Issuance Date      | Net Proceeds    |
|---|--------------------|-----------------|
| Hudson Pacific Properties, L.P. (HPP), 5.950% Senior Notes due 2028 | September 15, 2022 | \$345.6 million |

| Project Name  | 1918 Eighth                 | Harlow                |
|---|-----------------------------|-----------------------|
| Market  | Seattle                     | Los Angeles           |
| Address   | 1918 8 <sup>th</sup> Avenue | 1001 N. Seward Street |
| Square Footage  | 668,888                     | 129,931               |
| LEED Status   | LEED Platinum               | LEED Gold             |
| Allocation to "Eligible Green Projects" as of December 31, 2022 | \$341.7M                    | \$3.9M                |
| Portion of Total Project Costs Funded by Allocation*            | 100%                        | 19%                   |

\*Total Project Costs include expenses related to capital projects, tenant improvements, and acquisition of each property. We own 55% of the ownership interest in the consolidated joint venture that owns 1918 Eighth and 51% of the ownership interest in the consolidated joint venture that owns Harlow. Portion of Total Project Costs Funded by Allocation reflects allocated funds as a percentage of HPP's share of total project costs.

# Project Profiles

## 1918 Eighth, LEED Platinum

### A Green Office Tower in a Vibrant Corner of Seattle

Centrally located in the bustling Denny Triangle and South Lake Union neighborhood of Seattle, 1918 Eighth is a 500-foot tall, 36-story trophy office skyscraper. The 660,000+ square foot building offers an expansive lobby area with plentiful natural light and lounge seating for working or socializing as well as on-site shower facilities, bicycle storage, and EV charging.

Since acquiring the property in late 2020, HPP has implemented strategic retrofit projects to improve energy efficiency of key building systems, successfully reducing energy use by 5% from 2021 to 2022 and bringing the property's ENERGY STAR score from 79 in 2021 up to 86 at the time of this report's publication. The property team also implemented several capital projects that collectively reduced on-site fossil fuel use by 60% from 2021 to 2022, and they converted the property to 100% carbon neutral operations in line with HPP's overarching commitment to carbon neutrality. Now equipped with both recycling and composting services, the property achieved a 64% landfill diversion rate at year-end 2022 and is on track to meet HPP's 2030 net zero waste target. Inside the building, a robust indoor air quality program keeps occupants healthy during everything from pandemic events to wildfire smoke days. On the rooftop, a professionally managed beehive helps promote local pollination and biodiversity.

Collectively, these efforts helped the building achieve LEED Platinum (v4.1 O+M) certification, a status HPP plans to maintain going forward as part of its commitment to green buildings and sustainability.



## Harlow, LEED Gold

### A Hidden Gem in the Heart of Hollywood

Steeped in history and designed for the future, Harlow is a four-story creative office building located at Sunset Las Palmas Studios, a historic full-service production lot surrounded by a vast array of Hollywood's best support businesses.

When initiating plans for this new ground-up development, HPP took inspiration from the glass sound stages of the 1920s. The resulting greenhouse-like architecture offers 130,000 square feet of bright and airy interiors seamlessly connected to usable exterior space on every floor. The top floor offers a dramatic double-story mezzanine, with an adjacent outdoor patio and sweeping views of the Hollywood Hills and Santa Monica mountains. Energy efficient systems were designed to yield an expected 29% reduction from baseline building design, with sub-meters and interval monitoring to help identify opportunities for additional energy savings during operations. Water efficient systems were designed to yield a 40% reduction from baseline building design, with a rainwater capture system that supplements irrigation water for the abundant exterior native landscaping and interior living wall. Dedicated bike storage, shower facilities, and EV charging enable sustainable transportation, and just outside the front door, the Sunset Las Palmas lot hosts major annual events for local non-profits like the Environmental Media Association and People Assisting the Homeless.



Completed in 2022, Harlow is LEED Gold (v4 BD+C: Core & Shell) certified and Fitwel Two Star certified.





# Green Finance Framework

August 2022

## Introduction

Hudson Pacific Properties (NYSE:HPP) acquires, operates, transforms, and builds creative office and studio properties in global epicenters of tech and media innovation including Los Angeles, Silicon Valley, San Francisco, Seattle, Vancouver, and the U.K. We are the largest publicly traded owner of office space in Silicon Valley, one of the largest independent owners and operators of studios in the U.S., and our portfolio totals over 21 million square feet, including land for development.

Our top-tier assets combined with our leasing and management expertise have enabled us to cultivate a tenant base of premier blue-chip and growth companies, like Google and Netflix. Our strategic focus is value creation through less capital- and time-intensive repositionings and (re)developments, although our deep in-house expertise allows us to execute on a full range of opportunities—from incremental lease-up to cutting-edge new construction. We are at the forefront of reimagining outdated real estate to deliver marquee, creative workplaces where the most forward-thinking companies and their employees can thrive.

Our environmental, social and governance (ESG) platform, Better Blueprint™, brings to life our vision of vibrant, thriving urban spaces and places built for the long term. This 'blueprint' is integral to our business model and articulates principles and practices that form the foundation of our success and guide our work with the stakeholders that are at the core of our business: tenants, employees, investors, and partners. Through this program, we aim to foster the growth of sustainable, healthy, and equitable cities—vibrant cities, today and in the future.

More information about our approach to ESG and the three pillars of this platform – Sustainability, Health and Equity – can be found on our webpage at <https://www.hudsonpacificproperties.com/responsibility>.

## Green Finance Framework

We have developed this Green Finance Framework (this "Framework") in fulfillment of the following guidelines, as may subsequently be amended. It is our intention to follow best market practice as standards develop.

- + The Green Bond Principles 2021 ("GBP") as administered by the International Capital Market Association
- + The Green Loan Principles 2021 ("GLP") as developed by the Loan Market Association and Loan Syndications and Trading Association<sup>2</sup>

Under the Framework, Hudson Pacific may raise from time to time, bond, loan, or other debt-like financing for specific assets and projects that we believe will catalyze positive environmental benefit (such financing, "Green Finance Instruments"). Examples of Green Finance Instruments include the following:

- + Green Bonds, in accordance with the GBP
- + Green Loans, in accordance with the GLP

This Framework details the following in alignment with the GBP and the GLP:







- + Use of Proceeds
- + Process for Project Evaluation and Selection
- + Management of Proceeds
- + Reporting
- + External Review and Verification

1. <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>  
2. [https://www.lma.eu.com/application/files/2416/1303/5144/GLP\\_Guidance\\_Feb2021\\_V02.pdf](https://www.lma.eu.com/application/files/2416/1303/5144/GLP_Guidance_Feb2021_V02.pdf)

# Use of Proceeds

Hudson Pacific intends to allocate an amount equal to the net proceeds from any Green Finance Instruments to be used to finance and/or refinance, including for the avoidance of doubt, the acquisition of any Green Buildings (whether the relevant properties constituted “Green Buildings” at the time of their acquisition or whether such status was or will subsequently be achieved), in whole or in part, new or existing green projects that meet Hudson Pacific’s eligibility criteria as outlined in the table below (“Eligible Green Projects”).

Eligible Green Projects include projects that meet the eligibility criteria below with the expenditures and/or certification occurring during the 24 months prior to the issue date of the applicable Green Finance instrument or following the issuance of such Green Finance Instrument.

| GBP ELIGIBLE CATEGORY       | ELIGIBLE GREEN PROJECTS AND EXAMPLES   | OBJECTIVES   | UN SDG ALIGNMENT   |
|-----------------------------|--|--|--|
| <b>GREEN BUILDINGS</b>      | Investments, financings, and acquisitions related to real estate projects that have received or are expected to receive third-party sustainability certifications or verification such as: <ul style="list-style-type: none"> <li>+ LEED (Gold, Platinum)</li> <li>+ BREEAM® (Very Good, Excellent, Outstanding)</li> <li>+ ENERGY STAR: Rating of 85 or greater</li> <li>+ Additional equivalent certifications</li> </ul>  | Contribute to the reduction of greenhouse gas (“GHG”) emissions and conservation of resources  |   |
| <b>RENEWABLE ENERGY</b>     | Investments related to the design, construction, operation and maintenance of on-site or off-site renewable energy sources, such as wind and solar. Example projects may include: <ul style="list-style-type: none"> <li>+ Purchase of renewable energy pursuant to long-term power purchase agreements or virtual power purchase agreements which we have entered into prior to commercial operation of the related facility</li> <li>+ Solar panel installations</li> <li>+ Battery storage systems</li> </ul> | Reduce GHG emissions through electricity generated and/or consumed from renewable sources compared with more emissions intensive sources | <br> |
| <b>ENERGY EFFICIENCY</b>    | Investments related to the design, construction, operation, and maintenance of energy-efficient systems (including efficient LED lighting, HVAC, cool roofing, and energy management systems) that yield at least a 30% energy efficiency improvement  | Reduce GHG emissions through the improvement of energy efficiency and the reduction of energy usage in buildings                         | <br> |
| <b>CLEAN TRANSPORTATION</b> | Investments in fleet decarbonization and/or electric transportation, specifically investments in electric vehicles with zero tailpipe emissions or infrastructure for the operation of electric vehicles   | Reduce GHG emissions through the support of clean transportation and associated infrastructure   |   |

# Process for Project Evaluation and Selection

Eligible Green Projects financed and/or refinanced with the net proceeds from Green Finance Instruments will be overseen, evaluated, and selected by members of Hudson Pacific’s cross-functional Green Finance Committee based on the criteria set out in the Framework. The Green Finance Committee will consist of members from Hudson Pacific’s Legal, Sustainability, Capital Asset Management, Operations and Treasury & Capital Markets functions, among others. The committee will evaluate

and approve investments that are eligible for inclusion in the portfolio of Eligible Green Projects according to the criteria set out in the Framework. Such a committee will assess the environmental and social risks associated with Eligible Green Projects and determine appropriate mitigating measures.

Consideration for environmental and social risk is integrated in Hudson Pacific ongoing operations as we strive to embed ESG in every aspect of our business:

- + **Operations:** At our existing properties, which make up most of our portfolio, property teams work together to maintain Better Blueprint Action Plans that outline ongoing and planned projects to drive environmental and social improvements at each property.
- + **Development:** We use our office- and studio-specific Sustainable Design Visions to guide the ESG objectives for every (re)development and major repositioning project. For ground-up projects, we also complete in-depth environmental impact reports or the local equivalent.
- + **Acquisitions:** We integrate ESG criteria into the due diligence and underwriting process through property condition assessments, phase 1 environmental site assessments, and other custom ESG screens.

We have topic specific policies for key ESG priorities addressing issues across the three pillars of our corporate responsibility platform – Sustainability, Health and Equity. The Green Finance Committee will evaluate and approve investments that are eligible for inclusion in the portfolio of Eligible Green Projects in accordance with this Framework and in the context of our broader ESG monitoring and risk management approach.

## Management of Proceeds

Hudson Pacific intends to allocate an amount equal to the net proceeds from each issuance of Green Finance Instruments to Eligible Green Projects selected in accordance with the eligibility criteria and evaluation and selection process presented above. Eligible Green Projects can include (re)developments, acquisitions, refurbishments, and repositionings and may include refinancing of existing projects. Such allocation will be reflected in Hudson Pacific’s internal records by the use of a Green Finance Register. Such a Green Finance Register will be maintained through our internal management reporting process.

Hudson Pacific intends to fully allocate all net proceeds within 36 months of the closing date of each Green Finance Instrument. Pending full allocation, any portion of the net proceeds from Green Finance Instruments that are unallocated to an Eligible Green Project will be invested in accordance with Hudson Pacific’s cash investment policy and may be used to repay existing borrowing. In the case of divestment, Hudson Pacific intends to reallocate the funds to one or more other Eligible Green Projects.

## Reporting

### Allocation Reporting

Hudson Pacific intends to publish an allocation report (each a “Green Finance Report”) for each Green Finance Instrument annually, until all net proceeds have been fully allocated or until the applicable Green Finance Instruments are no longer outstanding. The Green Finance Report will provide an update on the allocation of net proceeds for each Green Finance Instrument and is expected to include information on expenditures in the portfolio of Eligible Green Projects at least at the category level on an aggregated basis for all Green Finance Instruments for so long as such Green Finance Instruments remain outstanding. The inaugural Green Finance Report will be posted within one year of the receipt of any proceeds from Green Finance Instruments. The Green Finance Report will include the following items:

- + A list of Eligible Green Projects allocated;

- + Total amount of allocated net proceeds; and
- + The balance of unallocated net proceeds.

To the extent practicable, the Green Finance Report may also include information regarding new financing vs. refinancing (in %).

This post-issuance reporting information will be externally reviewed and will be publicly available on our webpage at <https://www.hudsonpacificproperties.com/responsibility>.

## Impact Reporting

Where feasible, on an annual basis, until full allocation, Hudson Pacific intends to report on relevant impact metrics in the form of Key Performance Indicators (KPIs) related to the actual and/or expected sustainability impacts of the Eligible Green Projects. These may be supplemented by qualitative and/or case-study reports on outcomes and impacts of the Eligible Green Projects funded. Definition, calculation, methodology and reporting of KPIs will be at Hudson Pacific's sole discretion.

### PROJECT CATEGORY

### EXAMPLE KPIS

#### GREEN BUILDINGS

- + Level of certification achieved
- + Total square footage certified

#### RENEWABLE ENERGY

- + Renewable energy capacity sourced and developed (MW)
- + Emissions (including metric tons of CO<sub>2</sub>e) avoided or reduced

#### ENERGY EFFICIENCY

- + Energy savings (e.g. MWh)

#### CLEAN TRANSPORTATION

- + Number of electric vehicles purchased
- + Number of electric charging stations installed

It will not be a breach of, or default or event of default under, the agreements or instruments governing the Green Finance Instruments if Hudson Pacific Properties fails to comply with such reporting commitments or any other commitment or undertaking under this Framework.

## External Review and Verification

### External Review

S&P Global Ratings has provided a Second Party Opinion regarding Hudson Pacific's Green Financing Framework and its alignment with the GBP and GLP. This Second Party Opinion will be made available on S&P's webpage at <https://www.spglobal.com/ratings/en/products-benefits/public-reports/sustainable-financing-opinions> and on Hudson Pacific's webpage at <https://www.hudsonpacificproperties.com/responsibility>.

### Verification

We expect that our Green Finance Report will be accompanied by (i) an attestation from our senior management as to the allocation of proceeds from any Green Finance Instruments to Eligible Green Projects, and (ii) a report from an independent registered public accounting firm who will examine such attestation by our senior management in accordance with standards established by the American Institute of Certified Public Accountants.

# Disclaimer

This Framework is being provided by Hudson Pacific Properties for informational purposes only. The examples of Eligible Green Projects are for illustrative purposes only and no assurance can be provided that disbursements for investments with these specific characteristics will be made by Hudson Pacific Properties. The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. Hudson Pacific Properties does not assume any responsibility or obligation to update or revise any statements in this Framework, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Hudson Pacific Properties policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Hudson Pacific Properties and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Hudson Pacific Properties as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Hudson Pacific Properties or any of its affiliates ("Securities"). This Framework is not, is not intended to be, and does not form part of or contain an offer to sell or an invitation to buy, or a solicitation of any offer or invitation to buy, any such Securities. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of prospectus or other equivalent document and a related pricing term sheet (the "Offering Documents") and any decision to purchase or subscribe for any such Securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not this Framework. In particular, investors should pay special attention to any sections of the Offering Documents describing any risk factors. The merits or suitability of any Securities or any transaction described in any Offering Documents to a particular person's situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of the Securities or such transaction and prospective investors are required to make their own independent investment decisions. This Framework is not incorporated by reference into, or become a part of, any Offering Documents or any Security. Any failure of Hudson Pacific Properties to comply with this Framework will not constitute a default under or breach of any Securities.

Certain of the matters discussed in this Framework constitute forward-looking statements within the meaning of the Securities Act of 1933 and the Exchange Act of 1934, both as amended by the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among other things, statements regarding the intent, belief or expectations of Hudson Pacific Properties and can be identified by the use of words such as "may," "will," "should," "would," "assume," "outlook," "seek," "plan," "believe," "expect," "anticipate," "intend," "estimate," "forecast" and other comparable terms. Hudson Pacific Properties' adoption of this Framework is subject to the risk that Hudson Pacific Properties will be unable to execute its Green Finance strategy because of economic, market or competitive conditions or other factors. Results and the use of proceeds from any Green Finance Instrument issued in accordance with this Framework could differ materially from those expressed or implied in any forward-looking statements. Risks, uncertainties and other factors that might cause such differences include the risks, uncertainties and other factors identified in Hudson Pacific Properties, Inc.'s filings with the U.S. Securities and Exchange Commission (the "SEC"). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Framework, unless noted otherwise. Except as required under the federal securities laws and the rules and regulations of the SEC, Hudson Pacific Properties does not undertake any obligation to release publicly any revisions to the forward-looking statements in this Framework to reflect events or circumstances after the date of this Framework or to reflect the occurrence of unanticipated events.

This S&P Global Ratings Second Party Opinion (SPO) represents our opinion on whether the documentation of a sustainable finance framework or program aligns with certain third-party published sustainable finance principles, guidelines, and standards ("Principles"). This SPO does not assess the alignment of any individual transaction or financing with the Principles. For more details, please refer to the Analytical Approach and Analytical Supplement, available at [spglobal.com](https://www.spglobal.com) under [Sustainable Financing Opinions](#). An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings.

## Second Party Opinion

# Hudson Pacific Properties' Green Finance Framework

Aug. 31, 2022

Hudson Pacific Properties (HPP) is a real estate investment trust (REIT) based in Los Angeles, Calif., founded in 2006. The company acquires, operates, builds, and redevelops creative office and studio properties specialized for technology and media innovation tenants, such as Google and Netflix, throughout the U.S., Canada, and the U.K. As the largest publicly traded owner of office space in Silicon Valley and an influential independent owner and operator of film production studios in the U.S. with a portfolio of 21 million square feet, HPP delivers innovative workplaces and creative spaces for its tenant companies and their employees.

In our view, HPP's Green Finance Framework, published on Aug. 31, 2022, is aligned with:

- ✓ Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2021

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## Issuer's Sustainability Objectives


As a REIT serving dynamic technology and media tenants in global epicenters, HPP's approach to managing ESG issues applies to its entire real estate business, including wholly owned and joint venture assets. In this capacity, HPP focuses on leveraging full-service, end-to-end acquisition, development, and transformation of land and properties into premier sustainable office and studio spaces. The company's ESG platform, "Better Blueprint", guides its overarching strategy to foster the growth of urban areas and businesses where its stakeholders can thrive and is centered on three pillars: sustainability, health, and equity.

Decarbonization of its properties is central to HPP's sustainability strategy: the company was one of the first large real estate companies globally to achieve scope 1 and 2 carbon (CO<sub>2</sub>e) neutrality in 2020, largely due to the support of its market-based renewable energy credits and verified carbon credits. HPP's near-term 1.5°C science-based target is also unique among peers. It aims to reduce direct and own use absolute greenhouse gas (GHG) emissions 50% by 2030, from a 2018 baseline, in part through the measurement and reduction of its building materials' embodied carbon emissions.

HPP developed its Green Finance Framework to further strengthen its environmental commitments. Proceeds issued under this framework will be used to finance and/or refinance projects meeting both HPP's eligibility criteria and key components of the company's "Better Blueprint" ESG strategy.

# Second Party Opinion Summary


## Use of proceeds

**Alignment**  HPP's Green Finance Framework is aligned with this component of the Green Bond Principles (GBP) and the Green Loan Principles (GLP).

**Score** Not aligned **Aligned** Strong Advanced

HPP commits to allocating the net proceeds of financing instruments issued under the framework to finance or refinance, in whole or in part, eligible green projects. The company provides a clear description of eligible projects under the green buildings, renewable energy, energy efficiency, and clean transportation identified categories.


## Process for project evaluation and selection

**Alignment**  HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

**Score** Not aligned Aligned **Strong** Advanced


The framework clearly outlines HPP's process to assess and select eligible green projects. All projects are evaluated by members of the company's cross-departmental Green Finance Committee, who jointly evaluate and approve eligible investments according to specific criteria, which include an assessment of environmental and social risks associated with projects.

## Management of proceeds

**Alignment**  HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

The issuer will use an internal project management system for the continued monitoring of project allocations until financing is fully allocated. Pending full allocation, proceeds will be temporarily managed under the company's cash investment policy, which includes investments in cash or liquid securities and repayment of short-term debt. HPP commits to allocating net proceeds within 36 months of each issuance.

## Reporting

**Alignment**  HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

**Score** Not aligned **Aligned** Strong Advanced

HPP commits to reporting the allocation of proceeds across eligible projects within one year of each issuance date and annually thereafter until proceeds are fully allocated. The report will include a list of all eligible green projects financed, the total amount of proceeds administered to each project category, and the balance of unallocated net proceeds. Where feasible, it will also disclose projects' relevant expected and/or actual impact metrics.



# Framework Assessment

## Use of proceeds

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For use of proceeds, we consider the commitments and clarity on how the proceeds are used.

 HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

### Commitments score

Not aligned **Aligned** Strong Advanced

We consider HPP's overall use of proceeds commitments to be aligned.

HPP commits to allocating the net proceeds of financing instruments issued under the framework exclusively to finance or refinance projects that meet well-defined criteria spanning green buildings, renewable energy, energy efficiency, and clean transportation categories. The included (re)development projects collectively contribute to a reduction of HPP's operational greenhouse gas emissions; development of on-site or off-site renewable energy sources, through, for example, solar panel installation or long-term physical or virtual power purchase agreements, the latter of which were entered into before the related facilities began operating; energy-efficient systems in its buildings yielding a minimum 30% improvement; and electric vehicles with zero tailpipe emissions and associated infrastructure. For its clean transportation category, net proceeds will be used for the purchase of EV infrastructure for HPP's or its tenants' passenger vehicles, as well as to electrify its current fleet of pick-up and Class III, IV, and V television and film production trucks.

In our view, all identified project categories beneficially contribute to environmental objectives and are aligned with the green categories of the relevant Principles. A strength of the framework is that HPP has identified how eligible green projects will align with key environmental objectives relevant to its business as well as the United Nation's (U.N.) Sustainable Development Goals. It also commits to allocating the net proceeds of green debt instruments issued under the framework at a minimum of three years upon issuance and will observe a two-year look-back period for all refinanced projects, which we view as a strong practice in the industry. However, the framework provides no commitment for the disclosure of the proportion of new financing versus refinancing in HPP's published reports or official statements made available to investors.

## Process for project evaluation and selection

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For our process for project selection and evaluation, we consider the commitments and clarity on the process used to evaluate and select eligible projects to fund with the proceeds of the sustainable finance instrument.

 HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

### Commitments score

Not aligned Aligned **Strong** Advanced

We consider HPP's overall process for project selection and evaluation commitments to be strong.

The framework outlines HPP's process and criteria to assess and select eligible green projects. The entity has assigned a Green Finance Committee, comprising members of the company's sustainability, legal, capital asset management, operations, and treasury departments who will jointly and cross-functionally evaluate and approve investments according to the projects' eligibility criteria. The committee will ensure projects pursuant to the framework are assessed for environmental and social risks according to the company's broader corporate responsibility platform and risk management policy. These outline how HPP assesses and aims to mitigate

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various risk scenarios, including its integration of custom ESG screens and due diligence assessments.

Moreover, the framework's eligibility criteria are well defined, with all of the project categories requiring certain standards or verification thresholds. For example, HPP's eligible energy efficiency expenditures must reduce energy by at least 30% over the baseline while green building projects are expected to achieve LEED Gold or Platinum certification. HPP also intends to incorporate Energy Star equipment and appliances with a rating of 85 or greater into its owned or managed buildings. The issuer's zero-emission projects issued under the framework will align with the Climate Bond Taxonomy while they and HPP's renewable energy category are also compatible with HPP's science-based target to reduce Scope 1 and 2 absolute GHG emissions by 50% by 2030, from a 2018 baseline. We believe aligning with internationally recognized eligibility criteria illustrates stronger project selection practices.

## Management of proceeds

The Principles require disclosure of the issuer's management of proceeds from sustainable finance over the life of the funding. The alignment opinion focuses on how clear in the documentation is the issuer's commitment to ensure that the funds raised will remain dedicated to eligible sustainability projects throughout the life of the sustainable finance funding.

 HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

HPP commits to using an internal project management system, its Green Finance Register, for the continued monitoring of project allocations until financing is fully allocated, which we view as a common practice for sustainable debt. Furthermore, should original projects cease to meet the framework's eligibility criteria and require divestment, HPP will use all reasonable efforts to reallocate proceeds to new eligible projects as soon as is practicable.

Before full allocation and according to HPP's cash investment policy, proceeds will be temporarily used for investments in cash or other liquid securities or repayment of outstanding debt. In our view, the use of unallocated proceeds for debt repayment is common, but we do not view it as a best practice. However, the issuer clearly commits to allocating all net proceeds to eligible projects within three years of each green instrument's life.

## Reporting

The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

 HPP's Green Finance Framework is aligned with this component of the GBP and the GLP.

### Disclosure score

Not aligned

**Aligned**

Strong

Advanced

We consider HPP's overall reporting practices to be aligned.

HPP commits to disclosing the allocation of net proceeds across eligible projects, publishing reports on its website annually until full allocation. The report will include a list of all eligible green projects, the total amount of proceeds administered to each project category, and the balance of unallocated net proceeds. HPP will have an external third party verify the information, which we view as a strong practice.

Where feasible, it will also disclose relevant expected and/or actual impact metrics of the eligible projects. For instance, if projects are not yet in operation, their expected impacts may be disclosed, and once they become operational, actual impacts may also be reported. This data could include greenhouse gas emissions avoided or reduced, amount of energy savings (megawatt hour), and level of green building certification achieved. While the framework does not

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commit to disclosing the key underlying assumptions and methodology used to calculate projects' performance, HPP's impact disclosures may be supplemented with specific qualitative case studies to illustrate project outcomes, which we view as a strong reporting practice.

## Mapping To The U.N.'s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the U.N. set up in 2015, form an agenda for achieving sustainable development by 2030.

We use the International Capital Market Association's (ICMA) SDG mapping for this part of the report. We acknowledge that ICMA's mapping does not provide an exhaustive list of SDGs and that ICMA recommends each project category be reviewed individually to map it to the relevant SDGs.

HPP's Green Finance Framework intends to contribute to the following SDGs:

**Use of proceeds**

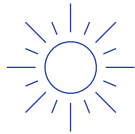
**SDGs**

Green Buildings



**11. Sustainable cities and communities\***

Renewable Energy

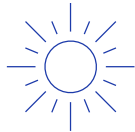


**7. Affordable and clean energy\***

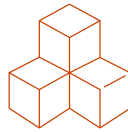


**11. Sustainable cities and communities\***

Energy Efficiency



**7. Affordable and clean energy\***



**9. Industry, innovation and infrastructure\***

Clean Transportation



**11. Sustainable cities and communities\***

\*The eligible project categories link to these SDGs in the ICMA mapping.

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