

# Healthpeak



Healthpeak did not follow our recommendations to become a Net Zero company and did not add emission reduction targets to their compensation structure yet. Still, this could be part of their new 10-year sustainability strategy in 2025.

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## Engagement rationale

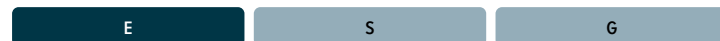
Healthpeak is one of the largest landlords of life science and medical office buildings in the US owning a portfolio of >20bn USD and has a market capitalisation of >14bn USD

## Background

We had reached out to Healthpeak in 2023 encouraging them to become a Net Zero company as well as increasing the importance of ESG goals in their incentive plans. It is to note that Healthpeak screens amongst the top ranked environmental companies in our universe according to our proprietary environmental pathway framework. We however engaged to push for more change to reduce emissions and for them to act as a leader in the industry.

## Theme for engagement

Environmental



## Engagement objectives

- Healthpeak committing to becoming a Net Zero company
- Increase importance of ESG goals in management/board incentive plans

## Development

Negative

## Milestone



## Engagement results

We had an update call with Healthpeak's ESG team and CFO Peter Scott.

### 1. *Become a Net Zero company*

Healthpeak had initially stated contemplating becoming a Net Zero company in their 2022 ESG report.

- The company commented this year that following the merger with Physicians Realty last year they are re-reviewing their long-term GHG targets etc.
- In our update call Healthpeak confirmed that they anticipate to include more specifics in 2025 as part of their 10-year sustainability strategy.
- Part of that review could include them becoming a net zero company, possibly in 2025.

### 2. *ESG goals in incentive plans*

We had reached out to increase the weight of ESG in the annual cash incentive and include GHG reduction targets in their long-term incentive plan (LTIP).

- On both above items, Healthpeak decided to not follow our recommendations and rather focused on financial targets following investor feedback.
- In our update call CFO Peter Scott, however, was open to the idea to include emission reduction targets in the LTIP and they will take our recommendations on board in their next review.

## Next steps

We will wait for the publication of the new 10-year sustainability strategy and reassess at that time.



## Company

Healthpeak

## Country

USA

## Sector

Listed Real Estate

## Market cap

14 bn USD

## Materiality

Improving ESG efforts can lead a lower risk profile and multiple benefits for all stakeholders.

## ESG Research

MSCI ESG Rating: A  
Sustainalytics: 11.3 (low risk)

## Engagement initiated

Q3 2023

## Latest update

Q4 2024

## Kempen Fund

Kempen (Lux) Global Property Fund

