

# ESG



ENVIRONMENTAL, SOCIAL &  
GOVERNANCE (ESG) REPORT

2021

**Douglas  
Emmett**

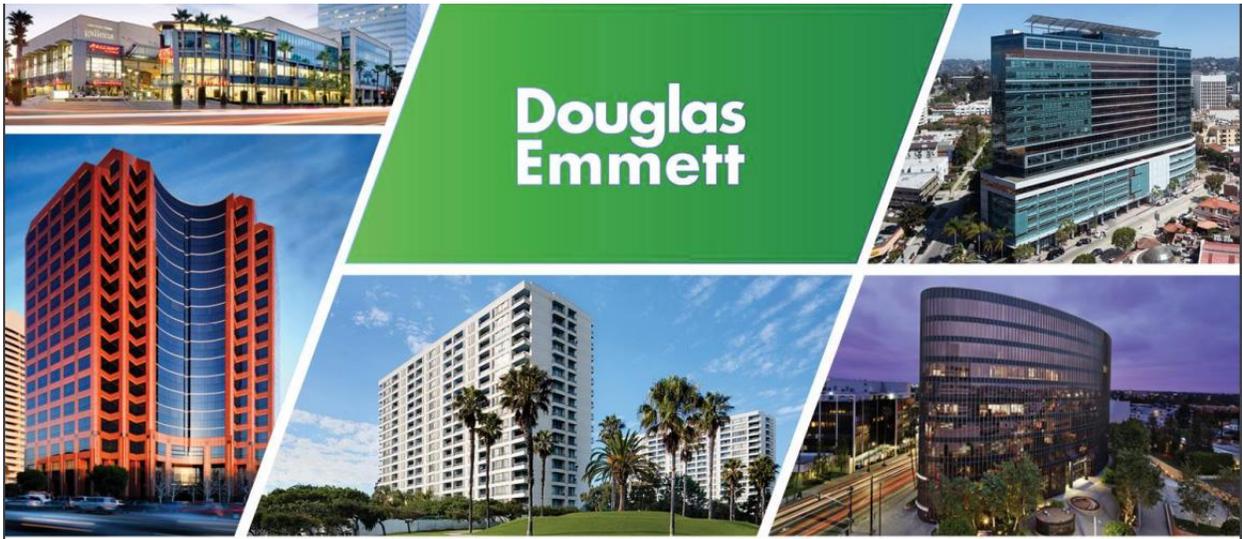
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# CORPORATE OVERVIEW

Douglas Emmett is a New York Stock Exchange listed company (ticker symbol “DEI”). **We own and operate approximately 18.2 million square feet of Class A office space and over 4,300 apartment units within the premier coastal submarkets of Los Angeles and Honolulu.**

Our submarkets are characterized by proximity to high-end executive housing, key lifestyle-amenities, and a strong, diverse economic base. We own on average about 38% of the Class A office space in our markets and our significant market presence provides us with extensive local market information, economies of scale in property management, and strength in lease and vendor negotiations. Our fully integrated operating platform provides the unsurpassed tenant service demanded in our submarkets, with in-house leasing, proactive asset and property management, and internal design and construction services.



# ENVIRONMENTAL

## LONG-TERM ENVIRONMENTAL RISKS AND OPPORTUNITIES



Environmental factors will continue to be closely linked to the health and well-being of our tenants, employees and surrounding communities, particularly in the face of climate change. To support our responsible business growth, **we assess and prioritize long-term environmental risks and opportunities**, including:

- Increasing temperatures, which could strain our buildings' cooling system infrastructure.
- Limitations in the supply of fresh water, which could reduce availability, and increase the cost, of water.
- Additional regulatory limits on greenhouse gas emissions, which could affect us directly or through utilities.
- Rising sea levels, which could affect a few of our buildings.
- Potential market risks if climate changes cause our submarkets to become less desirable.
- Increasing need to control waste disposal.

These and other risks may affect all areas of our business in various ways from day to day operations to long-term financial planning and strategy for future growth and investment. They could increase our operating costs and/or adversely affect our tenants and the communities in which we operate. Technological shifts can be expected to create both new environmental challenges and new opportunities to promote efficiency, value and health.

In addition, we expect to see environmental responsibility continue to increase in importance for our tenants, our investors and our communities. We expect to respond with transparency and accountability in our environmental reporting and performance.

## OUR SUSTAINABILITY PROGRAM

We identified the following salient risks that our business activities pose on the environment.

- Greenhouse gas (GHG) Emissions from our properties contribute to climate change.
- Water use at our properties reduces the available supply of fresh water.
- Waste generated at our properties and development sites contributes to landfills.
- Transportation required by our tenants to travel to our properties contributes to GHG emissions.

With these risks and opportunities in mind, our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value and health for our business, tenants and community. **We are committed to a longer term goal of achieving carbon neutral operations by 2050 in alignment with the United Nations and Paris Agreement.** Our sustainability program covers five key areas:

- Energy usage
- Water usage
- Controlling waste, including hazardous waste and recycling
- Air Emissions, including transportation.



## SUSTAINABILITY MANAGEMENT AND OVERSIGHT



Throughout the year, our Corporate Sustainability Committee, led by the Chairman of our Board of Directors and our Chief Operating Officer, oversees our policies and operational controls for environmental, health, safety and social risks, and monitors our progress and results. The Committee met nine times during 2021 and the meetings were well attended, with our Chairman of the Board and Chief Operating Officer in attendance for all meetings.

Every month, our Director of Engineering Services and our Regional Engineers meet to monitor and implement the policies set by our Corporate Sustainability Committee. Our Regional Engineers hold monthly meetings with each Building Engineer in their respective regions to review specific building operating issues and opportunities for improvement.

On an annual basis, our Board of Directors assesses material climate-related risks by assigning numeric scores based on both the likelihood of occurrence and the potential impact, considering and evaluating mitigation approaches.

We also use external resources to provide critical expertise, tools and resources for our sustainability program:

- ✔ Servidyne, a partner of Douglas Emmett for almost 20 years, provides energy and sustainability consulting, and attends the meetings of our Corporate Sustainability Committee.
- ✔ Our utility providers (LA Department of Water and Power, Southern California Edison, Hawaii Electric Company and Southern California Gas) provide technical expertise and financial resources in the form of rebates and incentives.
- ✔ We use Gridium software at our properties to access real time energy usage data and analytics, which includes predictive weather forecasting and allows us to shift energy loads off of peak periods.
- ✔ We partner with Siemens to install automated energy management systems.
- ✔ We work with Clear Blue Energy to implement portfolio LED lighting retrofit programs.

## STAKEHOLDER ENGAGEMENT



**We engage with our stakeholders to align sustainability efforts and improve the efficiency and health of our business and communities.** We share our sustainability goals and standards with our tenants, vendors and suppliers and work closely with them to gather information, develop solutions, and implement technologies and programs to achieve our goals. In our communities, we seek input from other stakeholders and participate in local Business Improvement Districts. We have integrated sustainability into our property management practices, tenant improvement build-outs and meetings with existing and prospective tenants.

## COMMUNICATION STRATEGIES



Our primary internal audience consists of our approximately 700 employees. **Our sustainability efforts, particularly our energy savings, are integrated into our management discussions, with each building manager and building engineer expected to focus and report on energy usage.** Our employees use our web portal on a daily basis. It includes sustainability information, such as key metrics and accomplishments of the Douglas Emmett energy program, and links to our ENERGY STAR® materials, including “Bring Your Green to Work with ENERGY STAR” and “Test Your Energy IQ.”

Our primary external audiences are our investors, our tenants and our communities. Our primary means of communication about our sustainability efforts and challenges are our website, including this ESG Report, and emails to our tenants. In addition, the tenant web portals at our buildings, accessible to the over 50,000 people who occupy those buildings, include information on ways our tenants can contribute to our sustainability efforts.

# ENERGY AND NATURAL RESOURCE CONSUMPTION, GREENHOUSE GAS (GHG) EMISSIONS

## Objectives and Progress.

Our actual energy consumption from year to year is impacted by many factors, such as weather, occupancy in each of our buildings and activities of our tenants. Many of these factors are beyond our control. However, **we can and do seek to make our buildings more energy efficient.** Accordingly, in addition to short term goals for individual buildings, we have set two key targets for each of our portfolios in Hawaii and in California (the two states in which we operate) that directly relate to reducing our carbon footprint, our indirect use of nonrenewable resources, our indirect production of waste and our indirect air emissions:

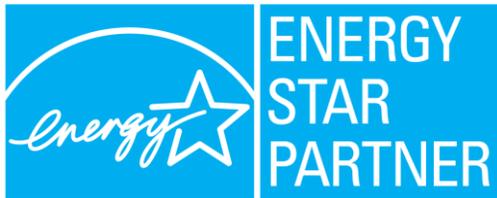
Goal	Status	
To have 75% of our stabilized eligible office space qualify for “ENERGY STAR Certification” by the E.P.A.	✓ <b>Exceeded</b>	More than <b>89%</b> of our eligible office space qualified for “ENERGY STAR Certification” as of December 2021. Meaning they perform in the top 25% of all buildings measured by the E.P.A.
To reduce our electricity usage per square foot by 10% between 2019 and 2029.	✓ <b>Ahead of schedule</b>	We reduced our per square foot electrical usage by 8% in 2021. The pandemic kept our building utilization below normal levels and we expect to achieve more normalized reductions once tenants have fully returned to work.

Our concentrated focus and aggressive investment in energy savings over the last decade plus has yielded tremendous results and a very efficient portfolio.

- ✓ **Our cumulative 12 year reduction in electricity usage per square foot from 2009 (the first year with reliable data) is over 38%.**

100% of our buildings already save energy through automated energy management systems and use Gridium software to access real time energy usage data. We have already installed energy efficient LED lighting in all our buildings parking garages and common areas. As a result, reducing our energy consumption by another 10% will challenge us to find new areas for savings and stay on the forefront of technological advances in energy efficiency.

## Energy Star® Certifications



As an ENERGY STAR Partner of the United States Environmental Protection Agency for many years, we were one of the first companies to be recognized by the EPA as an ENERGY STAR Leader. Our buildings' energy, water and GHG information is continuously monitored

and benchmarked via the EPA's online tool. **Over 89% of our eligible office space qualified for "ENERGY STAR Certification" as of December 2021, which means that they are more energy efficient than 75% of the buildings measured in the United States.**

## Better Buildings Low Carbon Pilot Program



In 2021 the U.S. Department of Energy (DOE) added us to its Better Buildings Low Carbon Pilot program. Through Better Buildings, DOE is working with industry leaders to explore low carbon pathways. Over the course of the pilot, we will analyze how we achieve carbon savings and share

our results and future plans for further reductions. **By working with DOE to document our work toward low carbon status, including our successes and challenges, we can not only reduce our own carbon footprint, but also help others do the same.**

## Key 2021 Projects and Initiatives

During 2021, we invested in energy retrofit projects, water saving retrofits, modernization of our heating and air conditioning systems and controls infrastructure and other system upgrades to lower our annual energy usage. Some of our 2021 projects included:

- ✔ We upgraded 2 buildings in our portfolio by installing more efficient energy management systems. Other than recently acquired buildings which are being upgraded, **100% of our office buildings use automated energy management systems to save energy.**
- ✔ We completed **LED lighting retrofits** at an additional 14 office buildings, generating an estimated savings of over 575,000 kilowatt hours and \$120,000 per year.
- ✔ We completed LED lighting retrofits at 5 residential buildings, generating an estimated savings of over 340,000 kilowatt hours and \$70,000 per year.
- ✔ We installed **low flow water fixtures** at 6 more residential buildings and plan to install low flow fixtures at our only remaining apartment building not already saving water with these fixtures.



## Our Results

The tables below detail our total GHG emissions and energy consumption for the prior 3 years:

	California			Hawaii		
	2019	2020	2021	2019	2020	2021
Electricity Use - Grid Purchase (kWh)	209,524,158	178,140,381	163,110,357	25,856,417	23,711,417	23,099,487
Natural Gas Use (therms)	1,838,647	1,122,215	1,335,212	0.0	0.0	0.0
Site EUI (kBtu/ft <sup>2</sup> )	53.3	42.7	40.9	57.1	52.3	51.0
Total GHG Emissions (Metric Tons CO <sub>2</sub> e)	60,124	46,216	40,508	19,647	18,096	17,891
Total GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	3.6	2.7	2.4	12.7	11.7	11.6
Direct GHG Emissions (Metric Tons CO <sub>2</sub> e)	9,765	5,960	6,032	0.0	0.0	0.0
Direct GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	0.6	0.4	0.4	0.0	0.0	0.0
Indirect GHG Emissions (Metric Tons CO <sub>2</sub> e)	50,358	40,294	34,476	19,647	18,096	17,891
Indirect GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	3.0	2.4	2.0	12.7	11.7	11.6

	Total			
	2019	2020	2021	% Change vs. 2019*
Electricity Use - Grid Purchase (kWh)	235,380,575	201,851,798	186,209,845	-21%
Natural Gas Use (therms)	1,838,647	1,122,215	1,335,212	-27%
Site EUI (kBtu/ft <sup>2</sup> )	53.6	43.5	41.8	-22%
Total GHG Emissions (Metric Tons CO <sub>2</sub> e)	79,770	64,312	58,399	-27%
Total GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	4.3	3.5	3.2	-27%
Direct GHG Emissions (Metric Tons CO <sub>2</sub> e)	9,765	5,960	6,032	-38%
Direct GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	0.5	0.3	0.3	-38%
Indirect GHG Emissions (Metric Tons CO <sub>2</sub> e)	70,005	58,390	52,367	-25%
Indirect GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	3.8	3.2	2.8	-25%

\*Displaying change vs pre-pandemic 2019. 2020 & 2021 were impacted by the pandemic and we expect to achieve more normalized savings once tenants have fully returned to work.

**Year over Year Savings.** The following table shows our savings in 2021 from 2020:\*

<b>Overall Summary</b>				
	<b>Dec 2020</b>	<b>Dec 2021</b>	<b>Change</b>	<b>Percent Change</b>
Property GFA - Calculated (Buildings) (ft <sup>2</sup> )	18,419,672	18,419,672	0	0%
Total GHG Emissions (Metric Tons CO <sub>2</sub> e)	64,312	58,399	-5,914	-9%
Average ENERGY STAR Score	84.1	85.8	1.7	2%
<b>Energy Totals</b>				
Site Energy Use (kBtu)	799,126,554	761,724,269	-37,402,285	-5%
Source Energy Use (kBtu)	2,052,072,771	1,919,171,635	-132,901,135	-6%
<b>Energy Intensities</b>				
Site EUI (kBtu/ft <sup>2</sup> )	43.4	41.4	-2.0	-5%
Source EUI (kBtu/ft <sup>2</sup> )	111.4	104.2	-7.2	-6%

<b>CA Summary</b>				
	<b>Dec 2020</b>	<b>Dec 2021</b>	<b>Change</b>	<b>Percent Change</b>
Property GFA - Calculated (Buildings) (ft <sup>2</sup> )	16,873,369	16,873,369	0	0%
Total GHG Emissions (Metric Tons CO <sub>2</sub> e)	46,216	40,508	-5,708	-12%
Average ENERGY STAR Score	85.0	86.6	1.6	2%
<b>Energy Totals</b>				
Site Energy Use (kBtu)	718,223,188	682,901,620	-35,321,569	-5%
Source Energy Use (kBtu)	1,825,543,346	1,698,488,372	-127,054,974	-7%
<b>Energy Intensities</b>				
Site EUI (kBtu/ft <sup>2</sup> )	42.6	40.5	-2.1	-5%
Source EUI (kBtu/ft <sup>2</sup> )	108.2	100.7	-7.5	-7%

<b>Hawaii Summary</b>				
	<b>Dec 2020</b>	<b>Dec 2021</b>	<b>Change</b>	<b>Percent Change</b>
Property GFA - Calculated (Buildings) (ft <sup>2</sup> )	1,546,303	1,546,303	0	0%
Total GHG Emissions (Metric Tons CO <sub>2</sub> e)	18,096	17,891	-205	-1%
Average ENERGY STAR Score	71.0	74.0	3.0	4%
<b>Energy Totals</b>				
Site Energy Use (kBtu)	80,903,366	78,822,649	-2,080,717	-3%
Source Energy Use (kBtu)	226,529,424	220,683,263	-5,846,162	-3%
<b>Energy Intensities</b>				
Site EUI (kBtu/ft <sup>2</sup> )	52.3	51.0	-1.3	-3%
Source EUI (kBtu/ft <sup>2</sup> )	146.5	142.7	-3.8	-3%

\*For buildings where comparable data was available.

## Renewable Energy



Our electricity is provided by utility providers (LA Department of Water and Power, Southern California Edison, and Hawaii Electric Company) through the grid. Accordingly, we estimate the percentage of our electrical use and of the gross total electricity used by us that is generated by renewable and non-renewable sources based on percentages disclosed by our utility providers in

2020 (the most recent available data):

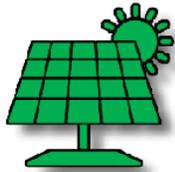
PROVIDER	2020 % OF ENERGY FROM RENEWABLE SOURCES
LADWP	37%
Southern California Edison	31%
Hawaii Electric Company	31%

Our utility providers also reported that their renewable sources of energy further broken down as follows:

SOURCE	LADWP	SO CAL EDISON	HAWAII ELECTRIC
Biomass & Biowaste	0%	0%	6%
Geothermal	10%	6%	0%
Small Hydroelectric	2%	1%	0%
Solar	14%	15%	21%
Wind	11%	9%	3%
Total	37%	31%	31%

**We plan to reduce our indirect consumption from non-renewable sources by at least 10% by 2029 by reducing our per square foot electricity usage.** We believe that we will exceed those goals if our utility suppliers succeed with their announced plans to reduce the percentage of the energy they supply us from non-renewable sources. California and Hawaii have both set a target of 100% clean energy by 2045.

## On-site Renewable Energy



Waena Apartments, one of our residential communities in Honolulu with 468 units, benefits from a rooftop solar power system. The system consists of 1,735 solar panels spread across the rooftops of the various apartment buildings on the 12 acre site.

**We estimate that our solar power system has generated approximately 4,152 megawatt hours of electricity (one megawatt hour is roughly equivalent to the amount of electricity used by about 330 homes during an hour) during the seven full years that we have maintained and operated it.** That renewable energy production has avoided approximately 3 kilotons of CO2 from being released into the environment and has saved approximately \$1.4 million in electrical cost.



## WATER



We have undertaken a number of initiatives to conserve water across our portfolio. Our buildings use low flow faucets and toilets; **we have also saved over 25 million gallons of water annually by using waterless urinals**. Where permitted (by law, we cannot recycle most of the water used in our buildings since it must be fit for human consumption), we try to recycle used water.

In a few of our buildings where groundwater naturally seeps into our subterranean parking garages, we treat the water before pumping it back into the ground.

The table below reports our total water consumption for the prior 3 years (the large reductions in 2020 and 2021 are being influenced by lower tenant utilization due to the pandemic and we expect more normalized reductions once tenants fully return to the office):

**Water Use (All Water Sources)**

		2019	2020	2021	% Change vs. '19*
California	Water Use (All Water Sources) (kgal)	249,633	181,157	158,882	-36%
	Water Use Intensity (All Water Sources) (gal/ft <sup>2</sup> )	14.8	10.7	9.4	-36%
Hawaii	Water Use (All Water Sources) (kgal)	53,143	39,656	39,644	-25%
	Water Use Intensity (All Water Sources) (gal/ft <sup>2</sup> )	34.4	25.6	25.6	-25%
Total	Water Use (All Water Sources) (kgal)	302,776	220,813	198,526	-34%
	Water Use Intensity (All Water Sources) (gal/ft <sup>2</sup> )	16.5	12.0	10.8	-34%

\*Displaying change vs pre-pandemic 2019. 2020 & 2021 were impacted by the pandemic and we expect to achieve more normalized savings once tenants have fully returned to work.

## WASTE

### Recycling.



In partnership with our vendors and tenants, **we have implemented business waste and e-waste recycling programs** (we do not generate any production waste or packaging waste) at our properties. We provide our employees and tenants with recycling collection containers and cardboard boxes for each desk in which to collect paper for recycling. These containers are serviced by our janitorial staff and waste haulers. We organize and promote e-waste recycling events at our properties.

### Non-Hazardous Waste.

Our routine operations only generate modest amounts of ancillary waste, primarily from typical operations in an office setting. A major source of our waste is the debris generated by refurbishment of our buildings, particularly in recurring tenant improvements that can be generated when a new tenant moves into a building. To minimize that waste, we attempt to construct tenant improvements that will be usable by future tenants, and to fit tenants into existing spaces without substantial refurbishment. Based on publicly available information, we estimate that the weighted average tenant improvement costs for other comparable office REITs is approximately \$50 per square foot leased. Our goal is to keep our average hard costs for tenant improvement (which generally correlates with the volume of debris) at less than \$30 per square foot leased. During 2021, we exceeded that goal, with average hard costs for tenant improvement costs less than \$20. Debris and other waste are disposed of in accordance with industry standards and applicable laws and regulations.

### Hazardous Waste.

**Our operations do not generate significant ancillary amounts of hazardous waste** (mostly office supplies), which we dispose of in accordance with all applicable waste regulations. Similarly, our tenants are almost entirely limited by their leases to general office uses that prohibit the use of additional hazardous wastes and are required by their leases to comply with all applicable waste regulations.

## AIR EMISSIONS AND TRANSPORTATION



Although **our operations do not create significant air emissions** such as nitrogen oxides (NOx), sulfur oxides (Sox), volatile organic compounds (VOCs) or particulate matter (PM), our Los Angeles properties produce a small amount of emissions from stationary sources such as natural gas boilers. We have been working to reduce those emissions by upgrading to lower emission models. We expect to reduce the indirect air emissions from our utility suppliers by reducing our per square foot electricity usage by an additional 10% by 2029.

We also encourage sustainable transportation choices by our tenants and employees:

- ✔ **We have installed over 200 EV charging stations at our properties** and have plans to add additional stations.
- ✔ We encourage our employees to use public transit or carpool
- ✔ All of our buildings provide ample bicycle parking

## DEVELOPMENT



Ground up development is a small but growing part of our business. So far, all our development projects have been adding additional density in existing office or apartment community sites we already owned. We are committed to selecting development sites that are not in environmentally protected areas or areas of high biodiversity, focusing on brownfield sites instead of greenfield sites.

# SOCIAL

## WORKPLACE



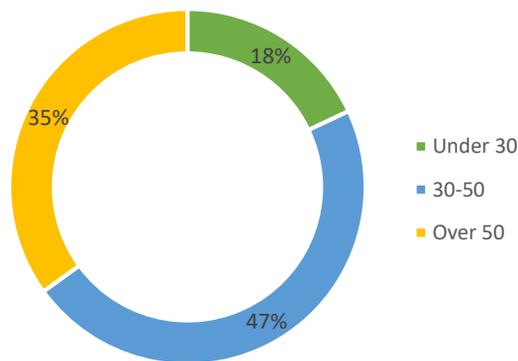
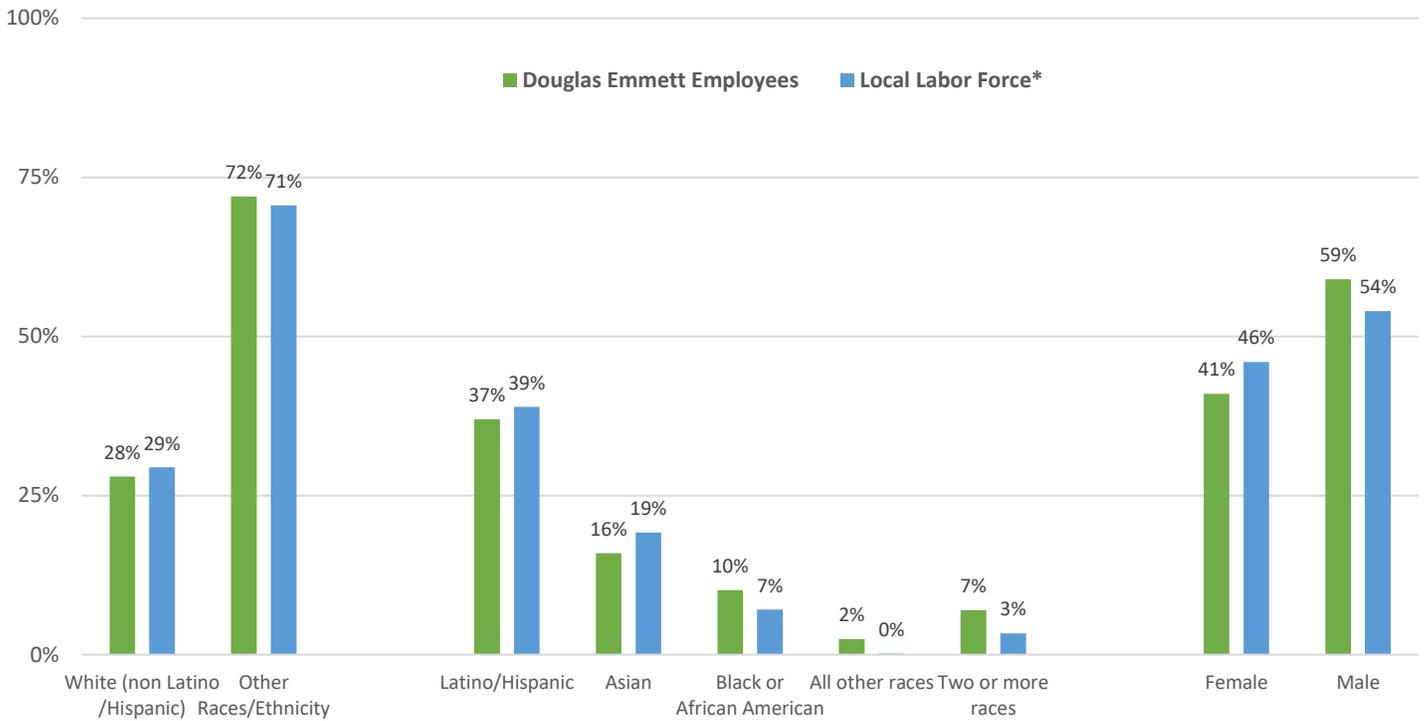
**We promote an atmosphere of openness, respect and trust and bring a sense of teamwork and inclusion to all we do.** We recognize that having a range of experiences, backgrounds and perspectives allows us to find new ways of doing things. We make sure to walk the talk in fostering a workplace culture that encourages and empowers all our employees to have a voice and fulfill their potential.

## DIVERSITY AND INCLUSION



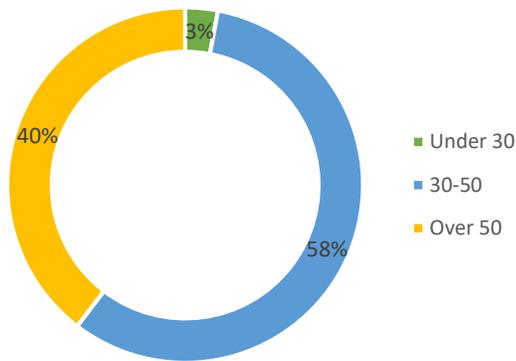
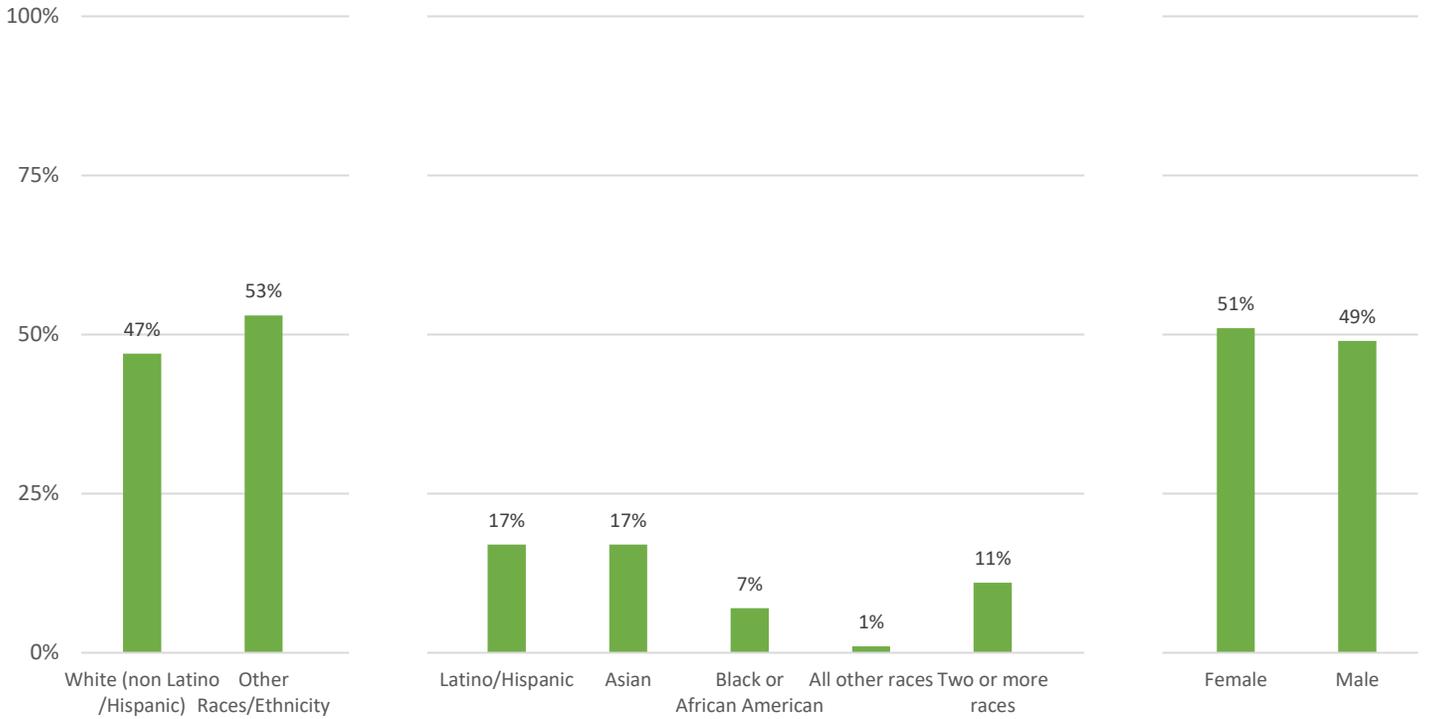
We value and advance the diversity and inclusion of the people with whom we work. **We are committed to equal opportunity in workplaces that are free from discrimination or harassment** on the basis of race, sex (including pregnancy, childbirth, breastfeeding or related medical conditions), color, ancestry, citizenship, marital status, family status, national or social origin (including language use restrictions), ethnicity, religious creed (including religious dress and grooming practices), age, physical or mental disability (including HIV and AIDS), sexual orientation, gender identification or expression, medical condition (cancer and genetic characteristics), genetic information, military or veteran status, political opinion or any other status protected by applicable law. Recruitment, hiring, placement, development, training, compensation and advancement may not be based on any of these factors, focusing instead on rational factors such as qualifications, performance, skills and experience.

**Workforce Diversity: Our workforce demographics reflect the success of our efforts to hire the best available talent, regardless of race, gender or age:**



\*Represents the local labor force in Los Angeles and Honolulu Counties, weighted by the proportion of our employees in each county

**Management Diversity: Our management team is racially diverse and majority female:**



**Board Diversity:** Our Board of Directors believes in the benefits diversity brings and it recognizes that **diversity of thought makes prudent business sense**. Having a board composed of people with diverse skills, experience, backgrounds and perspectives means:

- ✔ Competitive business advantages;
- ✔ More robust understanding of opportunities, issues and risks;
- ✔ Inclusion of different concepts, ideas, and relationships;
- ✔ Enhanced decision-making and dialogue; and
- ✔ Heightened capacity for oversight of the organization and its governance

For purposes of Board composition, diversity includes, but is not limited to, business and industry skills and experience, gender and gender identification or expression, race, ethnicity and sexual orientation. The Board focuses on differences and distinctions among individuals in determining the optimum composition of the Board. All Board appointments must collectively reflect the diverse nature of the business environment in which we operate and be made on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective.

Our Board demographics (as of 4/14/22):

Gender		Age			Racial/Ethnic Minorities
Female	Male	Under 30	30-50	Over 50	
33.3%	66.7%	0%	0%	100%	25%

## CULTURE, ENGAGEMENT AND GROWTH



**We strive to create fun, spirited work environments that reward innovation and collaboration at all levels.** Every new employee is given a copy of the Douglas Emmett Promises, a set of key operating principals and 15 promises that we all work to embody each day.

Our “open door policy” means that leaders at Douglas Emmett are always available to meet with employees. In addition, we have a structured performance review process that ensures that every employee provides us with their thoughts about their accomplishments, objectives (including additional requested training), relationships with supervisors and staff, customer service and any other recommendations or constructive criticism they believe will benefit the company. In turn, we provide each employee with a formal performance review at least annually, in addition to ongoing. Through these formal and informal processes, we work hard to foster both personal and professional growth and we monitor our employee’s satisfaction. We hold periodic employee appreciation events, such as our Halloween costume contest and annual summer party.

We do not accept disrespectful or inappropriate behavior, harassment or retaliation in the workplace or in any work-related circumstance outside the workplace. We provide each of our employees with detailed policies and materials to provide information on equal opportunity, discrimination and harassment, and require participation in training on these matters.



**Training and Professional Development.** Our training and professional development programs are robust and diverse, covering all areas of our operations. On their very first day, all our new employees are enrolled in DEI University, our new hire training and orientation program that provides the tools and resources necessary to start them off on the right foot. Each department oversees various trainings programs designed to promote education, safety and to build our human capital. Our Human Resources department is responsible for providing required training areas such as COVID safety, new hire training, sexual harassment prevention, software systems training, benefits orientation, and management leadership. Our commercial and residential property management departments provide management and tenant relations training, fire life safety training, and professional licensing and compliance support. Our accounting department offers a wide range of technical training and management development to advance career growth. Finally, our engineering department offers a host of classes both online and in our physical training facility to educate and advance the careers of our building engineers.

### Case Study 1: Mentorship Program



Since 2016, Douglas Emmett has offered a mentorship program to employees in the accounting and finance departments. This one year program helps participants think about their career development while at Douglas Emmett with a focus on building key strengths and skills, setting appropriate career goals, and building and nurturing a support network of both peers and career champions. The program's success depends on the experienced Douglas Emmett professionals who volunteer to serve as mentors. The program has fostered a sense of "paying it forward," with previous graduates of the program now serving as some of our mentors. Since inception, around 100 professionals have benefited from this program, and we are proud to be back in action after a hiatus due to Covid-19. The mentorship program class of 2022 recently kicked off its one year term with 11 new mentees.

### Case Study 2: Training Spotlight: Engineering

We take pride in providing tools and training for our employees to learn and grow within their roles and the company. **We believe that investing in our employees is investing in the future of Douglas Emmett.** One of our best training resources is the Don Lutes School of Engineering, a large training facility that we built to provide quality tools and real world education to key staff. The facility is located in one of our office properties, and was named after one of our beloved long-time engineers who recently passed away. The school comes complete with fully operational thermostats, duct work and ventilation systems to provide quality training most applicable in the field. Training courses



include Thermostat Training, Velocity Controller Training, Electrical Training, Air Balance Training and many more. Our service engineers, facility staff, property managers and even portfolio managers have taken advantage of the opportunity to train in these courses. Providing training courses such as these helps our buildings be more energy efficient, reduces service calls, and enables our team to grow their expertise.

## 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 paid holiday, vacation, and sick time, retirement savings plans and medical, dental, and vision coverage. We also offer a very generous equity compensation program that empowers our team members to act and feel like owners, not just employees. In 2021, we provided equity compensation to about two thirds of our approximately 700 employees. We avoid the use independent contractors or part time employees to provide our essential services; on December 31, 2021, all our employees work full-time other than a few formerly full time employees who requested reduced commitments.

Our equity program has proven to be a powerful retention tool:

Douglas Emmett Equity Compensation Program		
	In Equity Program	Cash Bonus Only
% of Total Employees	67%	33%
Employee Retention	83%	45%

## SAFETY & WELLNESS



**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.

When the COVID-19 pandemic hit in March 2020 we moved quickly to implement all the proper health and safety protocols and our buildings remained open and available to our tenants throughout the pandemic. These measures included enhanced cleaning/sanitization practices, maximizing fresh air ventilation, and upgrading air filter efficiencies. These ventilation and filtration measures will have longer-term beneficial impacts on our indoor air quality well past the pandemic. We also implemented employee training and workforce guidelines for preventing the spread of COVID-19 at our properties. Each year, we require our all employees to complete safety training and also provide them seminars on various health topics free of charge.

Our Wellness Program is designed to raise health awareness among our employees. The Wellness Program provides many benefits including higher employee satisfaction, reduced healthcare cost, and improved employee performance. Many of the Program’s activities such as biometric screenings, healthy cooking demonstrations, on-site health seminars, employee walking

challenges, and yoga classes were put on hold during 2021 due to the pandemic, but we still provided healthy snacks for employees throughout the year and look forward to getting the program back into full swing soon.

## STRENGTHENING OUR COMMUNITIES



**We have a long history of providing meaningful, and often transformational, support to the communities in which we operate.** We also provide charitable support to key industry and professional organizations, often in the form of event sponsorships.

Part of our business strategy is owning very large concentrations of office buildings and residential communities in our target submarkets. We own on average a 38% market share of the Class A office space in our submarkets. Owning a dominant market share creates meaningful leasing and operational synergies.

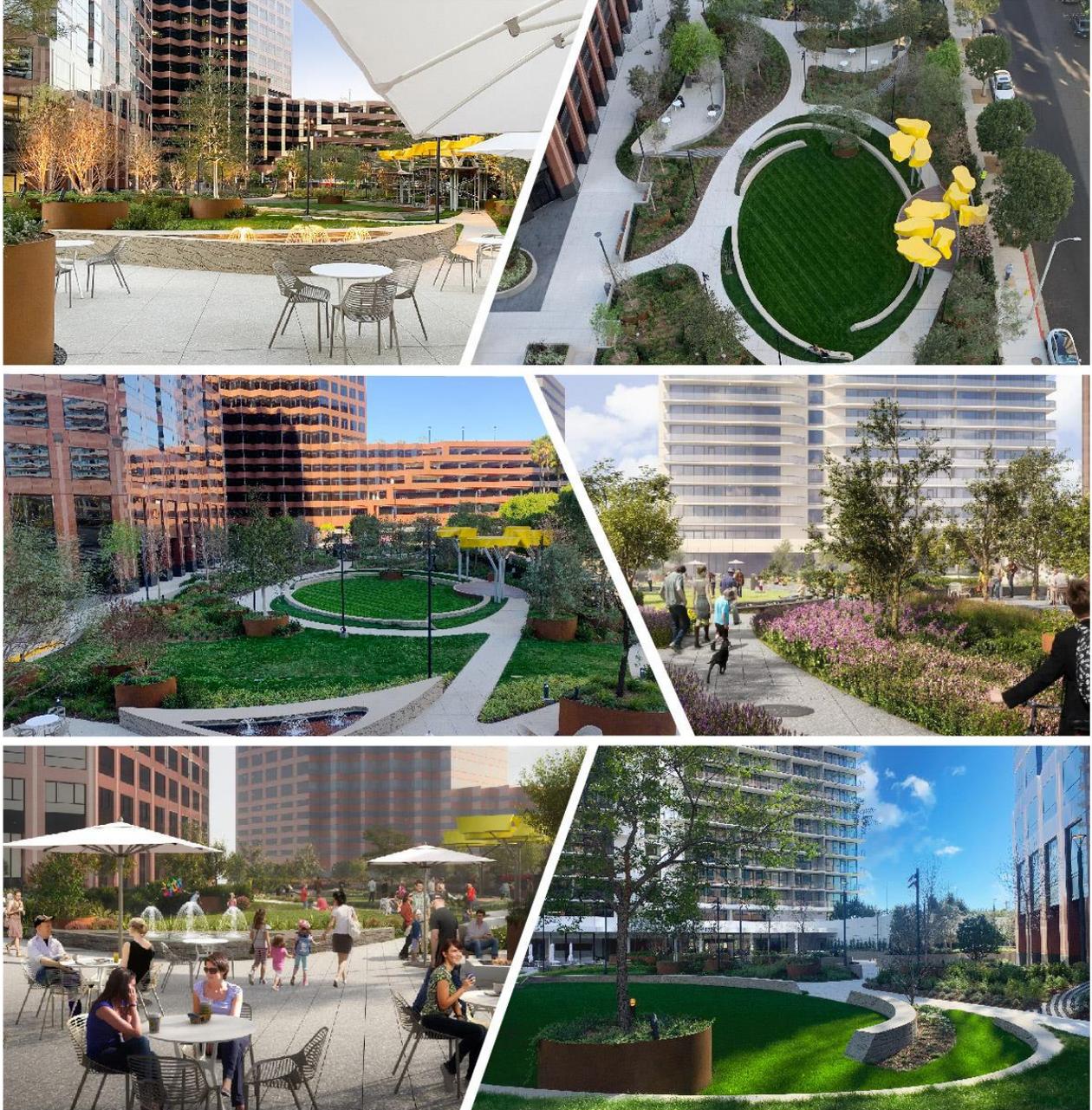
### Creating Community Green Spaces

Our large ownership share in many of these neighborhoods put us in a unique position to sometimes invest in outdoor enhancement projects that not only improve our properties but also provide a valuable amenity to the surrounding community. The following three case studies show how we create beautiful green spaces for our tenants and neighbors to enjoy.



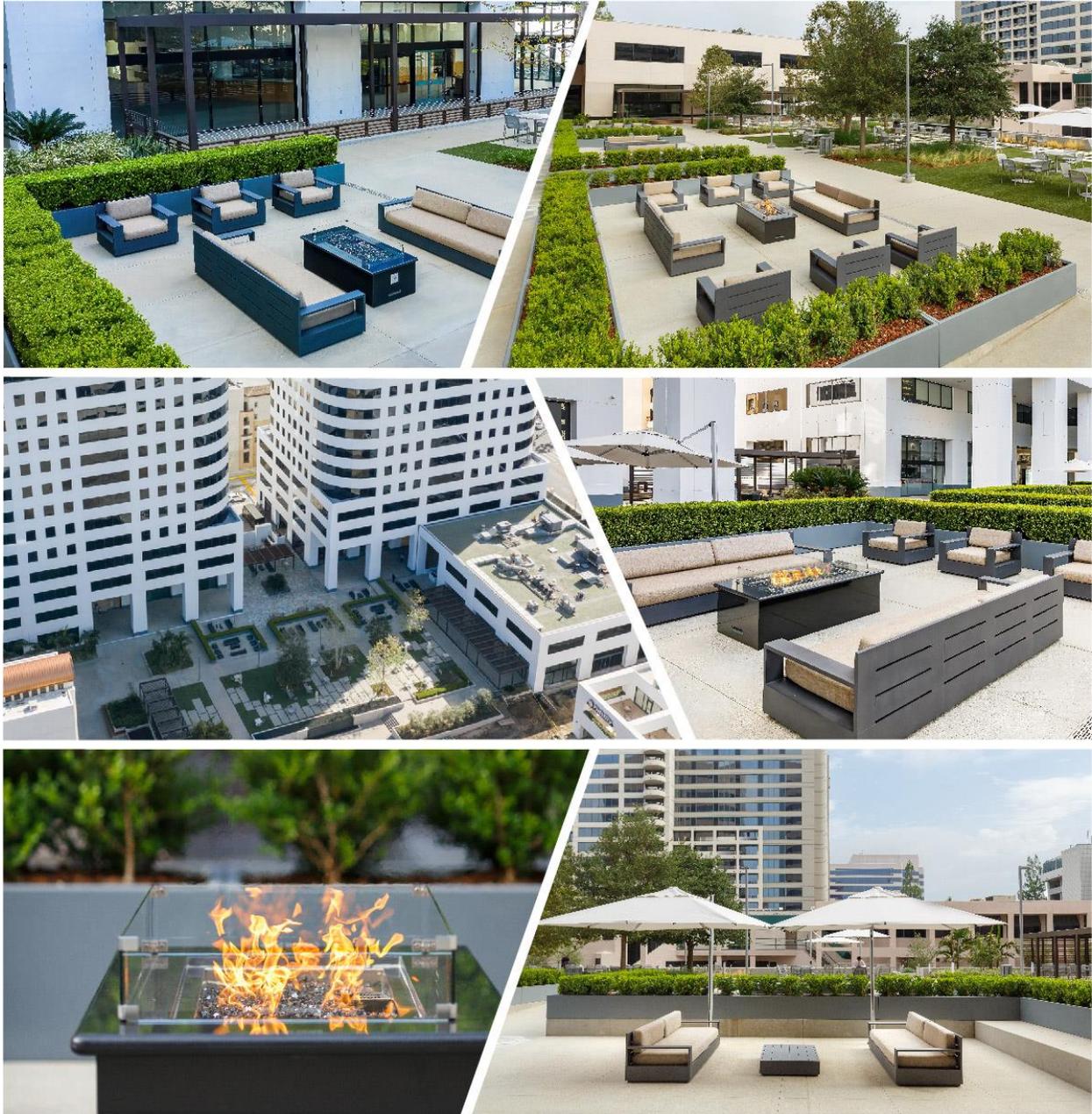
### Case Study 1: The Landmark Los Angeles Apartments

At our new 376 unit high-rise residential development project in Brentwood, we invested significant additional capital to build a one acre public park on Wilshire Boulevard that will provide urban green space as well as a valuable amenity to the surrounding properties and community.



### Case Study 2: Trillium Office Park

At our Trillium office campus in Warner Center, we transformed a hardscaped plaza with an outdoor stadium tennis court into a vibrant new park with trees, lush landscaping, tranquil water features, fire pits and abundant seating.



### Case Study 3: Tamarind Park – Bishop Square

Bishop Square is the largest and most prestigious office complex in the heart of Downtown Honolulu. It is comprised of two Class-A office towers totaling almost 1 million square feet, which are linked together by a one-acre landscaped park. Tamarind Park not only ties the complex together, but also serves as a valuable community green space at the popular intersection of King and Bishop Streets.



# GOVERNANCE

## 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.

## CORPORATE GOVERNANCE



**We have an effective and highly skilled Board of Directors** with three committees: Audit, Compensation and Nominating and Corporate Governance. We promote board independence and embrace board diversity in all its facets, including skills, experience, gender, ethnicity, and 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.

## HUMAN RIGHTS



Our [Human Rights Policy](#) reflects our longstanding dedication to the preservation of basic rights and human dignity in our workplace and beyond. **Douglas Emmett 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.

## 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](#). **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.

We use several mechanisms to actively monitor internal compliance with our Business Ethics Policy and our Code of Conduct:

- We have quarterly disclosures meetings to discuss any compliance concerns.
- We provide confidential “whistleblower” channels for employees to communicate concerns and we monitor activity through these channels.
- Our internal controls staff, our human resources team and our auditors also regularly review our control mechanisms and activity for possible compliance issues.

We expect similar behavior from the people with whom we do business; as detailed in our [Code of Vendor Conduct](#).

## STOCKHOLDER ENGAGEMENT



**We value and solicit input from our stockholders** on a regular basis regarding matters of corporate governance, executive compensation, market conditions and corporate strategy. Since our last annual meeting, we have engaged with stockholders who together own over 70% of our common stock, including all 12 of our largest holders. The Chair of our Compensation Committee personally led engagement meetings with stockholders who collectively own more than 60% of our common stock, including the 10 largest holders. We are responsive to stockholder feedback and have made significant changes to our disclosure and processes over the years as a result of these valuable interactions with our stockholders.

## INFORMATION SECURITY



Our independent Audit Committee is responsible for overseeing all major issues as to the adequacy of our internal controls, including our computerized information system controls and security. We have robust information security training programs required for all employees and conduct random email security testing for employees (phishing tests) that require additional training in the event of a failed test. Our information security systems are audited on an annual basis by independent third parties to ensure they meet industry security standards. No less than annually, our senior leadership reports to our Audit Committee and our Board of Directors on information security matters and the status of our control systems.

## TRANSPARENCY



**We believe in holding ourselves publicly accountable to our ESG commitments.** We publish information about our ESG performance on a regular basis via our website, investor presentations and this ESG Report.

# **Douglas Emmett**

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