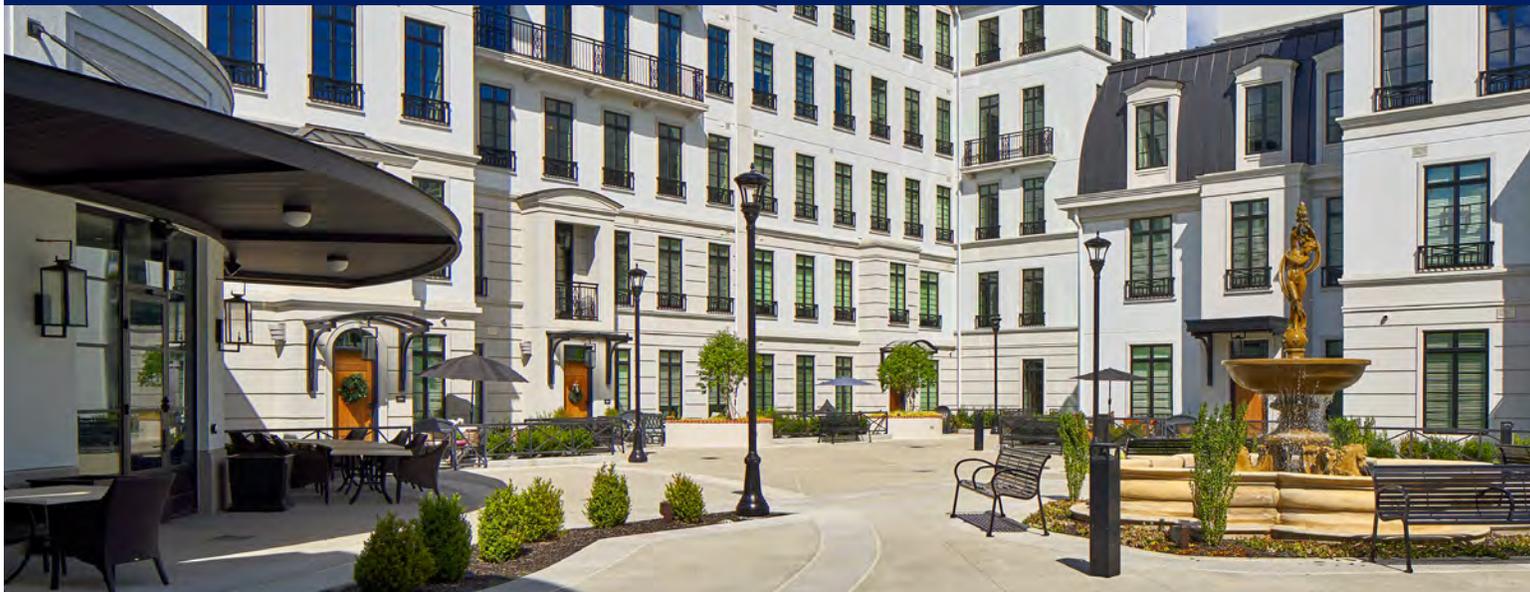




# PEOPLE. PLANET. PURPOSE.

2022 Environmental, Social and Governance Report



“

**Welcome to our inaugural ESG report.** We believe that our responsibilities as a corporate citizen are firmly aligned with our core business philosophy and recognize the importance of sharing more information about our activities and future goals to generate a deeper understanding of our business and our impact on society.

— WENDY SIMPSON, CHAIRMAN & CEO

”

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Diversity, Equity & Inclusion **p.16**  
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**ABOUT THIS REPORT:** This inaugural environmental, social, and governance (ESG) report highlights key achievements, policies, and the performance of LTC Properties, Inc., and provides an update on our ESG progress. In preparing this report, we referenced the Sustainability Accounting Standards Board (SASB) standards and describe our alignment with the United Nations' Sustainable Development Goals (SDGs) that we believe best align with our business activities and key priorities. **Published March 2023.**

**FORWARD-LOOKING STATEMENTS:** This report includes statements that are not purely historical and are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Company's expectations, beliefs, intentions or strategies regarding the future. All statements other than historical facts contained in this report are forward-looking statements. These forward-looking statements involve a number of risks and uncertainties. All forward-looking statements included in this report are based on information available to the Company on the date hereof, and the Company assumes no obligation to update such forward-looking statements. Although the Company's management believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The actual results achieved by the Company may differ materially from any forward-looking statements due to the risks and uncertainties of such statements.

# A Message from our CEO

At LTC, we operate in a critically important sector of our economy and society, one that is helping to meet the fundamental housing and caring needs of our growing senior population as well as others in need of care. We live our mission every day through our actions: our disciplined approach to providing flexible financing solutions to our operators, who are committed to serving the nation's most vulnerable population, coupled with our commitment to working collaboratively with those operators throughout our relationships. In doing so, we are able to contribute to this vital societal need and strive to deliver a consistent return to our shareholders.

We believe that our responsibilities as a corporate citizen are firmly aligned with our core business philosophy. We have operated successfully through decades of market and real estate cycles, consistently maintaining a steady hand on the tiller. This success was borne out of the multi-stakeholder approach we have utilized throughout our 30-year history. It underpins our corporate strategy as well as our focus on long-term value creation for our operators, investors, employees, community partners, and other stakeholders. That has been our history and it will not change.

Today, we recognize the importance of sharing more information about our activities and future goals to provide more transparency and generate a deeper understanding of our business and our impact on society. I am pleased to share with you our inaugural Environmental, Social and Governance (ESG) report. This first report is an important milestone in LTC's sustainability journey, and it is one upon which we intend to continue building.

The role that ESG principles play in effectively executing our corporate strategy is recognized

by our Board of Directors as well as our management team. To that end, our Board formed a permanent ESG Committee, and we brought on a new Director, Cornelia Cheng, as its chair. Cornelia has brought a new level of ESG and diversity, equity, and inclusion (DEI) experience and expertise to our Board, as well as expanding on the Board's already strong financial and governance expertise. With the addition of Cornelia, we also achieved gender parity on our Board – a journey that began when I was first elected to the Board in 1995.

At the management level, we formed an internal working group to bring greater focus to setting and executing on specific ESG goals. One priority is driving greater alignment with our operators on how addressing ESG issues can benefit their own operations. We have introduced language into our new leases to encourage operators to incorporate ESG practices into their operations. As non-possessory landlords, we do not directly control how our properties are managed or maintained as a triple net lease real estate investment trust, so it is incumbent on us to demonstrate to the operators the value of incorporating more sustainable practices into their operations.

In the past year, we established a voluntary program designed to encourage our operators to adopt socially responsible and sustainable practices. It includes a free consultation with a third-party expert who can identify initiatives at each facility that address environmental concerns and ensure the use of best practices. LTC is providing attractive financing to incentivize and facilitate adoption of these changes. Our operators are discovering these changes often help to reduce their operating costs over the long term – another example of LTC's focus on multi-stakeholder value creation.

Operating with the highest standards of ethics and integrity has always been a core tenet of LTC's culture and business. We recently formalized the essence of that tenet into a number of policies that were approved by our Board, addressing Human and Labor Rights, Human Capital, and a Vendor Code of Conduct. These policies have all been published on [our website](#) to ensure transparency for all stakeholders. Our Board will continue to evaluate the need for additional policies over time.

One cannot discuss ESG without addressing the COVID-19 pandemic, which created unparalleled challenges for our industry. Our response was to focus on what we could control amid too many uncontrollable factors. We could and did take care of our own team members, immediately implementing remote and flexible work protocols to ensure our essential work and focus on our stakeholders' needs continued unabated. Based on the enthusiastic support from our team, several of those protocols remain in place today.

Next, we focused on two priorities: supporting our operators and continuing to be good stewards of capital for our shareholders. Early on, we organized a communication channel to connect all of our operators as well as others in the industry to facilitate information-sharing. Not only did this enable our operators to access needed resources and solutions more quickly, but it provided us with a deeper understanding of their challenges, which led to greater collaboration in managing through them.



A handwritten signature in black ink that reads "Wendy Simpson".

WENDY SIMPSON  
CHAIRMAN & CEO

Those efforts were an essential component to successfully managing our business and supporting our operators through that difficult time. As always, we were judicious in strategically deploying capital, maintaining a strong balance sheet, and continuing to pay our dividend without interruption. Today, our opportunities are robust as we continue to strengthen our relationships with existing operators and build relationships with new operators who share our values and desire to grow.

Everything at LTC begins with our stellar team. While relatively small in numbers, we bring outsized commitment and experience at all levels of the organization. Our employees have an average tenure of 10+ years at LTC. That reflects our commitment to fostering a positive, collaborative environment where responsibility and accountability are expected, and every individual's contribution is valued. By striving to always find the best person for each position, we have built a very diverse workforce. I could not be prouder of what our team has accomplished as well as their collective commitment to delivering the right results for our stakeholders.

◆

*THE NEEDS IN OUR INDUSTRY ARE GROWING AT A RAPID PACE AND WE ARE PRIVILEGED TO PLAY A VITAL ROLE IN MEETING THEM. WE WILL CONTINUE TO FURTHER ALIGN THE EXECUTION OF OUR BUSINESS STRATEGY WITH THE ESG PRINCIPLES THAT ARE MOST RELEVANT TO OUR INDUSTRY. WE ARE OPERATING FROM A POSITION OF STRENGTH, STEADFASTLY MOVING IN THE RIGHT DIRECTION WITH A STRONG SENSE OF HOPE FOR THE FUTURE. THIS IS HOW WE WILL CONTINUE TO CREATE VALUE FOR ALL OF LTC'S STAKEHOLDERS.*

# About LTC Properties

## WHO WE ARE

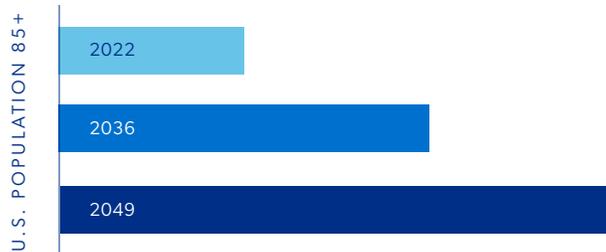
Since 1992, LTC Properties, Inc. (NYSE: LTC) has been investing in properties and communities that offer safe and comfortable environments for the residents who live in our buildings. Thirty years later, we continue to execute our strategy of being a disciplined capital partner that creates shared success among our operators and our shareholders.

Headquartered in Westlake Village, California, LTC is a real estate investment trust (REIT), investing in seniors housing and health care properties primarily through sale-leasebacks, mortgage financing, joint ventures, and structured finance solutions including preferred equity and mezzanine lending. Based on our gross real estate investments, LTC's investment portfolio comprises approximately 50 percent seniors housing and 50 percent skilled nursing properties.



## INCREASED DEMAND FOR ASSISTED LIVING CARE\*

The U.S. population of adults older than 85 is expected to double by 2036 and triple by 2049 — generating increased demand for assisted living care.



\*source: U.S. Census Bureau

## WHAT WE DO

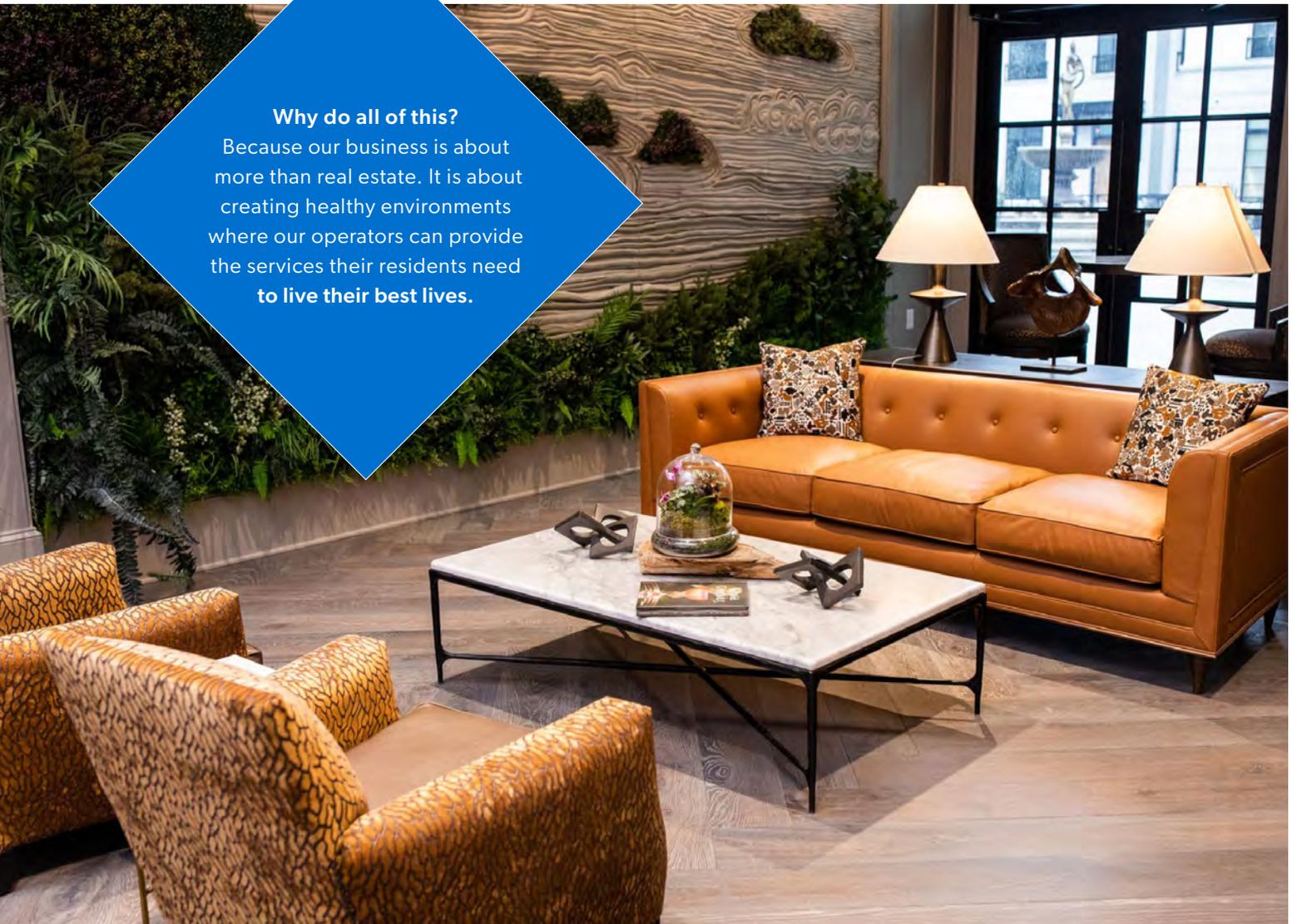
We invest in assets that are providing a safety net for the aging population in the U.S., while also delivering long-term value to our shareholders through healthy returns and a consistent monthly dividend, supported by a rock-solid balance sheet.

The number of U.S. residents 65 years and older increased by 34 percent to 54 million from 2010 to 2019. The U.S. population of adults older than 85 is expected to double by 2036 and triple by 2049 — generating increased demand for assisted living care. According to the National Investment Center for Seniors Housing & Care (NIC), the U.S. will need almost 881,000 new units by 2030 and 986,000 by 2040.

At LTC, we strive to diversify our portfolio by property type and location, focusing on shifting demographic trends and the needs of the communities we serve. All potential assets are evaluated through rigorous physical and financial due diligence. We often work with regionally based operators who have direct knowledge of the local market and share our values of creating success through partnership and alignment.

### Why do all of this?

Because our business is about more than real estate. It is about creating healthy environments where our operators can provide the services their residents need **to live their best lives.**



## INVESTING IN THE CONTINUUM OF CARE

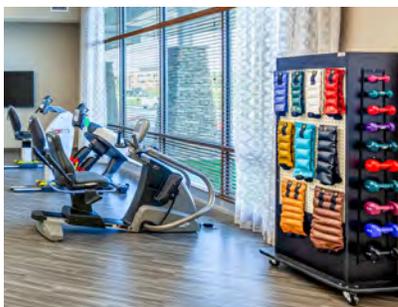
We invest in a diverse portfolio of purpose-built properties specifically designed for seniors housing and care. In many cases, these property types are grouped together on larger campuses.

**Independent Living Communities**, also known as retirement communities or senior apartments, offer a sense of community and numerous types of personal, cultural, and recreational activities and services. Many independent living communities offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries, and activity centers.



**Assisted Living Communities** serve people who require some assistance with the activities of daily living and care. Its purpose is to help adults live independently in a safe environment. Services include assistance with eating, bathing, grooming, and administering medication. Many assisted living facilities provide a combination of housing, supportive services, personalized assistance, and health care designed to respond to individual needs.

**Memory Care Communities** offer specialized options for people with Alzheimer's disease and other forms of dementia. These purpose-built, free-standing facilities offer an alternative for private-pay residents affected by memory loss in comparison to other accommodations that typically are provided within a secured unit of an assisted living or skilled nursing facility.

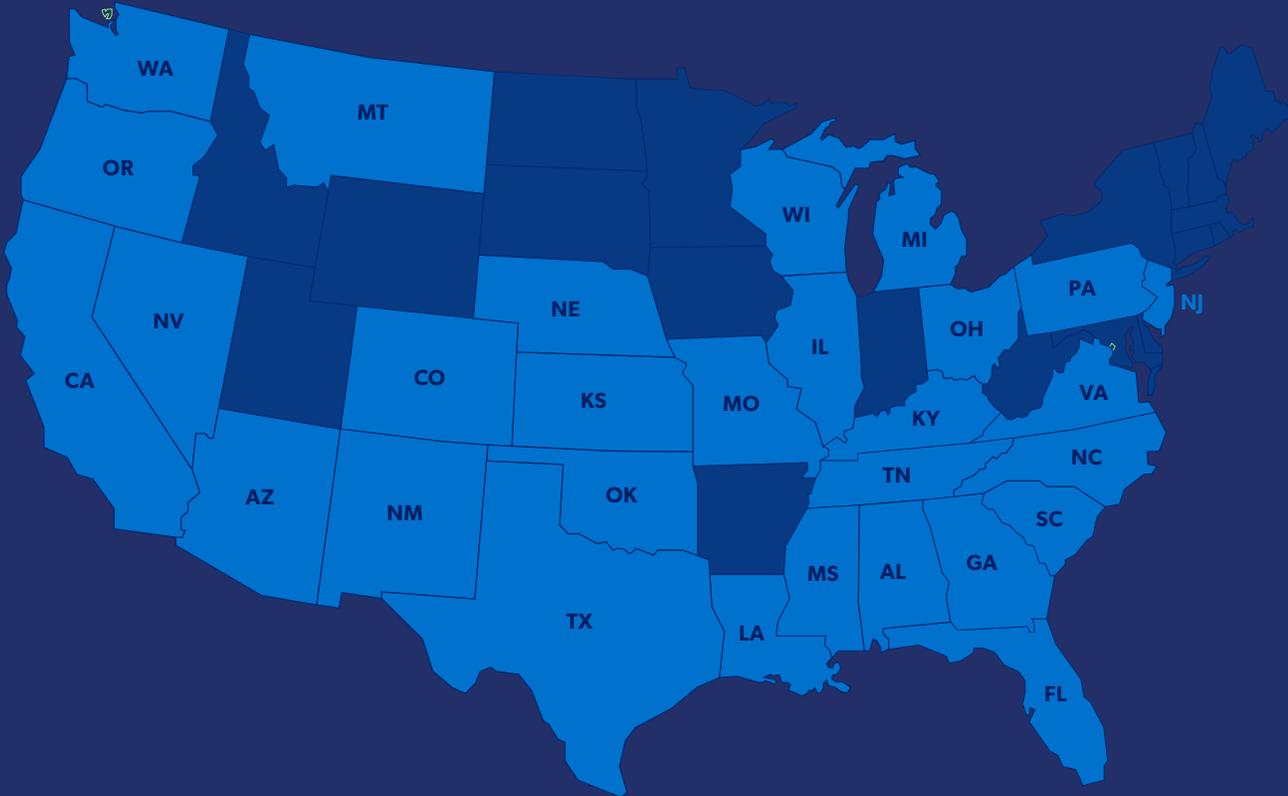


**Skilled Nursing Centers** provide restorative, rehabilitative and nursing care for people not requiring the extensive treatment available at acute care hospitals. Many skilled nursing facilities provide ancillary services that include occupational, speech, physical, respiratory, and medical therapies.

## BUILDING LONG-TERM VALUE

Our portfolio is well diversified by geography, operator, and property type.

as of December 31, 2022



29

STATES

222

INVESTMENTS

32

OPERATORS

<b>AL</b> 1 Skilled Nursing	<b>AZ</b> 3 Skilled Nursing	<b>CA</b> 3 Assisted Living 1 Skilled Nursing	<b>CO</b> 13 Assisted Living	<b>FL</b> 7 Assisted Living 7 Skilled Nursing	<b>GA</b> 2 Assisted Living
<b>IL</b> 5 Assisted Living	<b>KS</b> 8 Assisted Living	<b>KY</b> 1 Assisted Living 2 Skilled Nursing	<b>LA</b> 1 Skilled Nursing	<b>MI</b> 2 Assisted Living 22 Skilled Nursing 3 Others	<b>MS</b> 1 Assisted Living
<b>MO</b> 1 Assisted Living 2 Skilled Nursing 1 Other	<b>MT</b> 2 Assisted Living	<b>NE</b> 3 Assisted Living	<b>NV</b> 1 Other	<b>NJ</b> 4 Assisted Living	<b>NM</b> 7 Skilled Nursing
<b>NC</b> 33 Assisted Living 1 Other	<b>OH</b> 7 Assisted Living 2 Skilled Nursing	<b>OK</b> 6 Assisted Living	<b>OR</b> 6 Assisted Living 1 Skilled Nursing	<b>PA</b> 2 Assisted Living	<b>SC</b> 6 Assisted Living 2 Skilled Nursing
<b>TN</b> 2 Skilled Nursing	<b>TX</b> 17 Assisted Living 20 Skilled Nursing	<b>VA</b> 4 Skilled Nursing	<b>WA</b> 1 Assisted Living 1 Other	<b>WI</b> 7 Assisted Living 1 Skilled Nursing	

# Our ESG Strategy and Goals

We view ESG through an ecosystem lens that includes all of our key stakeholders. We know the best way to effectuate strong ESG practices across our Company and portfolio is to engage with our stakeholders to ensure they understand our operations and approach, and to hear from them about ESG needs and opportunities. We are committed to building long-term, sustainable value for our stakeholders, and making a meaningful, positive impact on the communities in which we operate.

As a capital provider and triple-net lessor, we have a unique view of our opportunities and challenges when it comes to ESG matters. We believe aligning our ESG interests with creative capital solutions and shared success across all stakeholders is a key element of being a good corporate citizen.

In the past year, we have initiated programs to assist our operators in identifying and implementing sustainable business solutions that positively benefit the environment and society as well as their financial sustainability.

LTC also provides free consultation with third parties to help our operators identify and better understand their options for adopting more sustainable practices. We encourage our operators to focus not only on remediation efforts, but also new methods that help ensure best practices. This is further supported by LTC's ability to provide attractive financing and incentives to support the implementation of more sustainable opportunities.



## ESG Accomplishments Through 2022

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### ENVIRONMENT

- Adopted and published an [Environmental Sustainability Policy](#)
  - Began “greening” new and amended operator leases and enhanced underwriting criteria to include ESG
  - Implemented third-party tools for analyzing, tracking, and reporting environmental data
  - Purchased carbon offsets for employee travel and corporate headquarters
  - Commenced alignment of our inaugural Environmental, Social and Governance report with the Sustainability Accounting Standards Board (SASB) reporting framework
- 



### SOCIAL

- Adopted and published a [Human and Labor Rights Policy](#) and [Human Capital Policy](#)
  - Conducted employee engagement surveys
  - Adopted select United Nations Sustainable Development Goals
- 



### GOVERNANCE

- Established a Board-level [ESG Committee](#) and an internal ESG working group
  - Enhanced our proxy to highlight ESG initiatives
  - Adopted and published a [Vendor Code of Conduct](#)
  - Conducted operator surveys to better understand where they are in their own ESG journeys
  - Engaged key external partners, consultants, and vendors to better understand our ESG opportunities and communicate our ESG story
  - Enhanced our Cybersecurity policy, disclosure, and training
- 

## 2023 ESG Agenda

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### ENVIRONMENT

- Measure and report on energy and water usage, and waste management at LTC across select operator portfolios
  - Continue to build out our use of ClimateCheck®, which provides detailed climate risk data for individual properties and portfolios, assessing exposure to extreme weather events
  - Enhance SASB reporting and initiate Task Force on Climate-Related Financial Disclosures (TCFD) reporting
  - Collect, analyze, and report environmental data for select properties in our portfolio
- 



### SOCIAL

- Continue to conduct annual employee survey
  - Enhance employee engagement programs
- 



### GOVERNANCE

- Update disclosures annually
  - Enhance stakeholder communication via proxy, website, and investor presentation
-

# Environment

**We recognize the impact the real estate sector can have on the environment and believe that using resources efficiently and minimizing waste is essential for maintaining clean air, water, and land.** We're committed to implementing environmentally sustainable practices in our own operations, and to encouraging, incentivizing, and assisting our operators in their efforts to address environmental opportunities and challenges. In 2022, we published our [Environmental Sustainability Policy](#), which guides our activities in this regard.

Under the triple-net structure, our operators are responsible for maintaining the properties in our portfolio that they lease. As such, we historically have not collected property data specific to environmental considerations. However, we recognize the importance of having access to this type of data as it may reveal opportunities for action that can inform our operators' decisions. That's why we have set a goal to collect, analyze and report energy, water, and waste data for 25 percent of our portfolio by 2024.

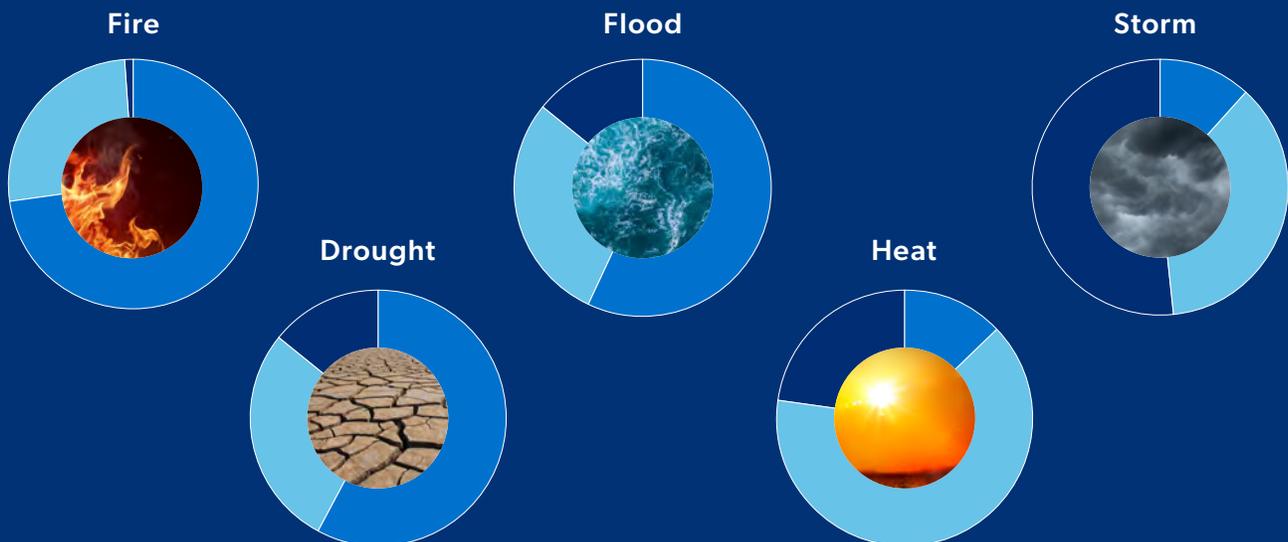
## MANAGING CLIMATE RISKS

Addressing climate-related concerns is important to our employees, operators, investors, and the communities in which we have properties. At LTC, we intend to align with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, which will help guide our strategy for identifying, managing, and disclosing climate risks and opportunities.

Most of LTC's assets are located outside of extreme high-risk areas. As a supplement to our ongoing enterprise risk management program, we utilize ClimateCheck® Enterprise Risk Application to perform both current and longer-term climate change risk analyses, which we share with our operators. Our goal is to help our operators identify how they can prevent and mitigate property damage and loss before extreme weather events occur.

We have integrated this analysis into our underwriting criteria and will continue to perform analyses for new business opportunities and ongoing portfolio management.

CLIMATECHECK® RISK PROFILE  
FOR LTC PROPERTY PORTFOLIO *as of November 2022*



## OUR ENVIRONMENTAL INITIATIVES

Throughout the LTC organization, we are committed to conducting business in an environmentally responsible manner. We actively pursue opportunities to mitigate environmental risks and reduce our environmental impact. Below we highlight a few of the day-to-day activities we engage in to promote environmental stewardship in our corporate offices.



## SUPPORTING OUR OPERATORS' ENVIRONMENTAL EFFORTS

We believe that assessing and improving the environmental footprint of our properties will ultimately increase the value of our portfolio as well as increase efficiencies for our operators, enhancing their own bottom line. We support our operators by promoting sustainable best practices, recommending environmentally friendly products and vendors, and financing environmental initiatives at attractive rates. We are also incorporating 'green lease' provisions into new and amended leases.

In addition, we recently surveyed a subset of our operators to better understand their current ESG practices. We learned that more than 70 percent of survey respondents are currently pursuing energy efficiency practices. The survey also revealed that 80 percent of respondents are engaged in waste management and recycling practices.



# Our Social Impact

**Being a good corporate citizen starts with our dedicated team.**

LTC employees drive our continued success through their expertise and passion for the work we do. Our ability to thrive as a capital provider in the seniors housing and care space is fully dependent on their commitment. We, in turn, support them through competitive compensation and leading benefits programs. We also are committed to investing in their futures and helping them develop professionally and personally to build their careers. This approach has enabled us to develop a very loyal employee base with an average tenure of 10 years at the Company.

*Celebrating 30 Years*

EST. 1992



10

YEARS AVERAGE  
EMPLOYEE TENURE

25

TOTAL EMPLOYEES

1 OF 11

OUR CEO  
IS ONE OF ELEVEN  
FEMALE REIT  
CEOs

## RESPECTING OUR EMPLOYEES

We foster an environment in which respect, collaboration, dignity, transparency, and integrity are embedded in our daily interactions, as well as in how we conduct business with all stakeholders. This has enabled us to attract, develop, and retain high-caliber, talented employees with diverse backgrounds and skills and to create a workplace that allows each employee to contribute to the collective success of our Company.

These values are reflected in our [Human and Labor Rights Policy](#), along with our many programs and initiatives developed to promote a positive and fulfilling employment experience.

- LTC does not discriminate based on an individual's race, gender, age, color, religion, national origin, mental or physical disability, sexual orientation, ancestry, genetic information, military or veteran status, creed, pregnancy, marital status, citizenship, gender identity, gender expression, or any other status protected by applicable law.

- We respect our employees' legal right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

- At LTC, we believe in sharing our success with our employees and we offer fair and competitive compensation at or above reasonable living wage standards. As inflation across the U.S. quickly rose in 2022, we recognized the financial burden this placed on our employees. As a result, we paid all VP and below employees an inflation bonus to alleviate the strain.

- All employees are offered a comprehensive package of benefits as detailed in the table on page 15.

- We believe everyone has the right to be treated with respect and we do not tolerate harassment or discrimination, child labor, or the use of slavery and other forms of forced or coerced labor or servitude.

- Employee safety and health are key elements of LTC's working environment, and we are dedicated to maintaining a safe and healthy workplace for our employees.



## LTC EMPLOYEE BENEFITS PROGRAM

<p><b>Medical Plans</b> Pay 100% of healthcare premiums for employees and all eligible dependents</p>	<p><b>401(k) Plan</b> Offer a 401(k) retirement plan with an employer matching contribution program</p>	<p><b>Paid Time Off</b> Flexible paid time off program for all employees</p>
<p><b>Dental &amp; Vision Plans</b> Pay 100% of premiums for employees and all eligible dependents</p>	<p><b>Discretionary Bonuses</b> Employees have opportunities to earn discretionary bonuses, restricted stock awards, and performance-based unit awards</p>	<p><b>Paid Holidays</b> LTC has 10 paid holidays annually</p>
<p><b>Life Insurance</b> Employer-funded life insurance</p>	<p><b>Professional Development</b> Internal and external programs to promote professional and personal development</p>	<p><b>Family/Pregnancy Leave Program</b> Leave for new parents and leave for pregnancy-related disabilities</p>
<p><b>Disability Insurance</b> Employer-funded short- and long-term disability insurance</p>	<p><b>Flexible Work Locations</b> Work from home options are available in most positions</p>	<p><b>Organ &amp; Bone Marrow Donation Leave</b> Paid time off</p>
<p><b>Employee Assistance Program</b> An external program to support employees' mental health and well-being</p>	<p><b>Bereavement Leave</b> Paid time off to an employee following the death of a family member</p>	<p><b>Disability and Medical Leave</b> Leave, if necessary, to accommodate a workplace injury or qualified disabled worker</p>



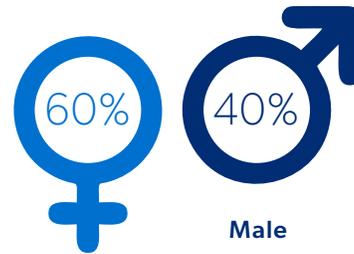
## DIVERSITY, EQUITY, AND INCLUSION

*We value the diversity of the unique individuals who constitute our team – from entry level to senior level to our Board of Directors. Seeking out and embracing individuals who bring diverse thoughts, backgrounds, skill sets, experiences, and talents has been the foundation of LTC's success for three decades. These unique perspectives have guided us with their experience and led us to explore new opportunities.*

## TOTAL EMPLOYEES

25

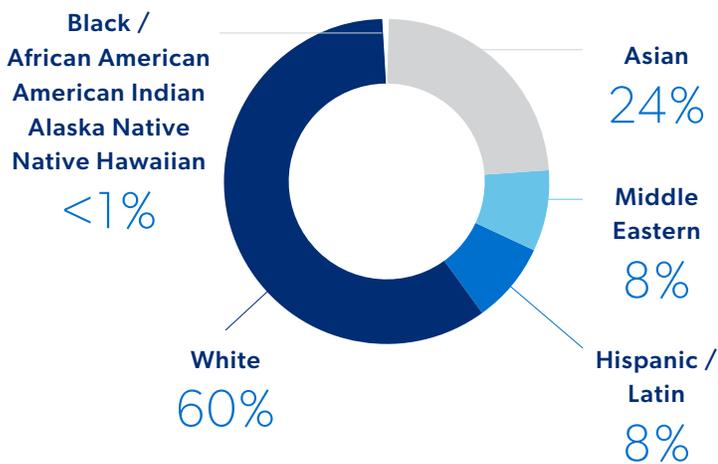
## GENDER



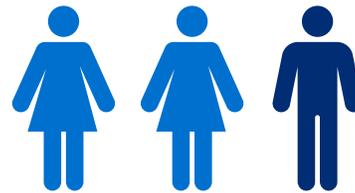
Female

Male

## DIVERSITY

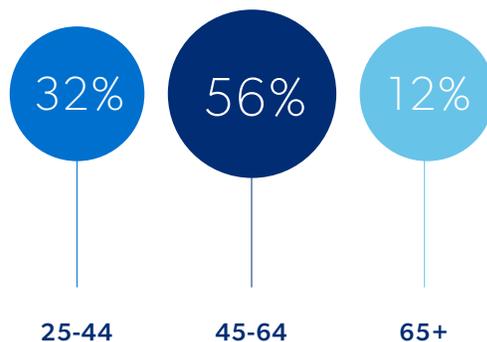


## EXECUTIVE OFFICERS



2 out of 3 are women

## AGE



## BOARD COMPOSITION

50% are women (3 directors)  
One woman from an underrepresented community



### EMPLOYEE TRAINING AND DEVELOPMENT

In today's fast-paced environment, maintaining skills and knowledge is no longer enough. We want to ensure our team members have professional development opportunities to build a fulfilling career at LTC. We invest in employee training by providing access to in-class and online learning. We also promote participation in professional seminars and continuing education, and pay for attendance at industry conferences.

In addition, for employees with at least one year of service, we grant up to three days leave each year to take professional licensing examinations. We also pay the annual renewal fee for a professional license and encourage membership and participation in professional societies.

### EMPLOYEE ENGAGEMENT

Effective employee engagement can increase productivity and tenure, strengthen company culture,

and generally foster healthier, happier professional and personal lives. We conduct employee engagement surveys to ensure we know how our employees are feeling and to solicit their input on a wide range of workplace preferences. In our most recent survey, 90 percent of our team members stated they were "Satisfied" or "Very Satisfied" with their employment at LTC.

### COLLABORATIVE WORK DAY

As the post-COVID option to return to the office emerged, we learned that our employees wanted to see one another and work together again in person, even if mostly prefer the remote option. That was the catalyst for our monthly Collaborative Work Day, which continues to this day.

One day a month, every locally based employee comes to the office to work on collaborative projects. Whether it's a major initiative or simply catching up with colleagues on routine work, these days in the office enable direct interaction that is strengthening the fabric of LTC's culture.



### LTC BOARD MEMBER, CORNELIA CHENG

*CORNELIA CHENG, WHO CHAIRS OUR ESG COMMITTEE, HAS BROUGHT AN EXPANDED LEVEL OF ESG EXPERIENCE AND EXPERTISE TO OUR BOARD AND TO OUR BUSINESS. SHE SERVES ON HER OWN FIRM'S ESG COMMITTEE, AS WELL AS BOARD COMMITTEE CHAIR OF THE DE&I COMMITTEE FOR ACG LOS ANGELES CHAPTER, AND SHE CO-CHAIRS ACG GLOBAL'S DE&I TASK FORCE FOR THE ASSOCIATION FOR CORPORATE GROWTH. CORNELIA'S VALUABLE INSIGHTS HAVE HELPED INFORM OUR ESG STRATEGY AND ACCELERATE OUR EXECUTION.*

## COMMUNITY & INDUSTRY ENGAGEMENT

We strive to make an impact by offering charitable support to our operating partners, their residents and employees, and the seniors housing and care industry. At our corporate headquarters, many of our employees support our local community through voluntary contributions and through our Company-wide initiative of supporting local underprivileged children during the holiday season. For example, we donated over \$3,000 in bicycles, tricycles, helmets and toys to the Los Angeles County Fire Department in 2022. We also organize a team of employees along with their families and friends to participate in the annual “Walk to End Alzheimer’s” event. The Company matches employee contributions, which amounted to more than more than \$21,000 over the last two years.



In addition, LTC supports a number of industry associations that operate at the national, state, and local levels.



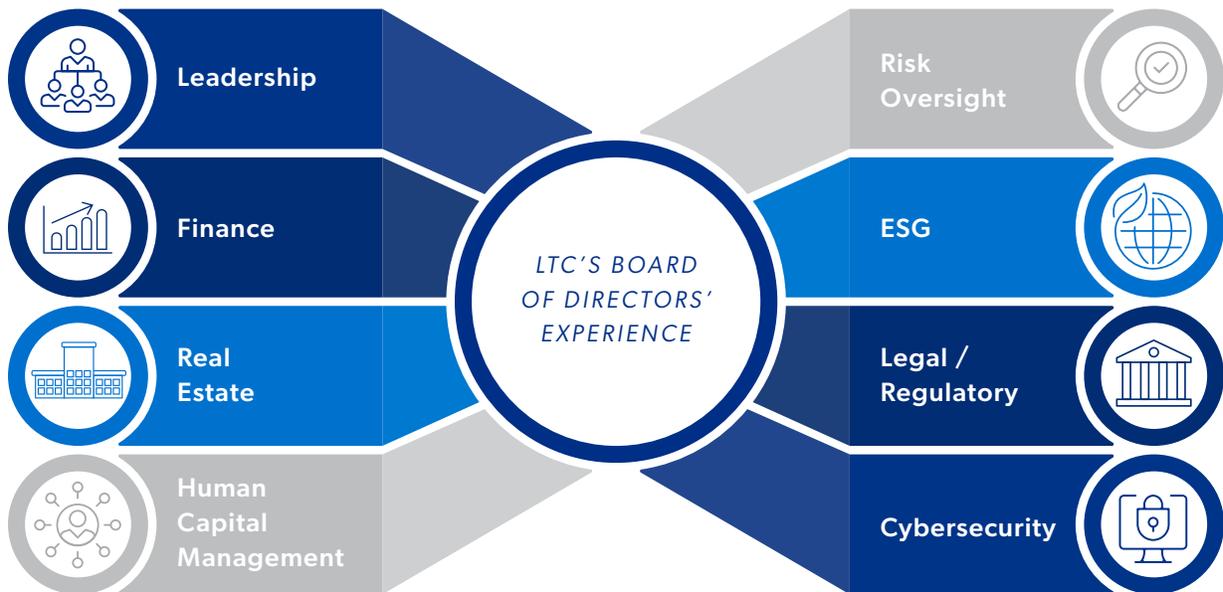
# Governance

**Good corporate governance is rooted in ethics, integrity, accountability, and transparency.**

We've built our business on sound governance principles and practices to ensure we are a trusted leader in our sector. These principles and practices are the foundation of sustainable value creation, building stakeholder trust, and driving responsible business practices.

## LTC'S BOARD OF DIRECTORS

LTC's Board of Directors consists of six members, five of whom are independent and three of whom are female. Each member of the Board brings a diverse set of backgrounds and leadership skills, including broad experience in leadership, finance, real estate, human capital management, risk oversight, ESG, legal/regulatory, and cybersecurity.



Our Board members sit on various committees, including an ESG Committee that was established in 2021 to oversee LTC's environmental, social, and governance practices and performance. Our ESG Committee receives quarterly updates from LTC leadership on a wide range of ESG matters. Additional committees include:

- **Audit Committee**
- **Compensation Committee**
- **Investment Committee**
- **Nominating and Corporate Governance Committee**

For more information about our Board of Directors, committee charters, and corporate governance measures, visit [Investor Relations at LTC Properties, Inc.](#) or refer to our [2022 Proxy Statement](#).

## STAKEHOLDER ENGAGEMENT

We actively engage with key stakeholders across our business as open dialogue helps us better understand and respond to emerging issues that may impact our business in the short- or long-term. Keeping our finger on the pulse of issues and topics that are important to our business strengthens our relationship with stakeholders and contributes to our success. Below is a sampling of how we engage with our stakeholders.

STAKEHOLDER GROUP	AREA OF FOCUS	HOW WE ENGAGE & RESPOND
<b>Employees</b>	<b>SATISFACTION</b> Employee satisfaction, engagement and retention	<ul style="list-style-type: none"> <li>• Annual employee engagement survey</li> <li>• Pay a fair living wage plus industry-leading health, financial, and personal benefits</li> <li>• Non-discriminatory, safe and healthy workplace</li> <li>• Opportunity for continuing education and industry conference attendance</li> <li>• Access to management team on all levels</li> </ul>
<b>Operators</b>	<b>RELATIONSHIPS</b> Creating and maintaining relationships with operators existing or new to LTC	<ul style="list-style-type: none"> <li>• Greening new and amended leases for mutual benefit</li> <li>• Offer financing for sustainable projects at attractive rates</li> <li>• Contribute to operators' charities and support staff who experience hardships</li> <li>• Host collaborative mindshare</li> <li>• Host educational calls on regulatory topics</li> <li>• Access to decision makers</li> </ul>
<b>Investors / Analysts</b>	<b>TRANSPARENCY</b> Open, honest, and consistent communication	<ul style="list-style-type: none"> <li>• Public disclosure reports</li> <li>• Quarterly earnings calls</li> <li>• Annual shareholder meeting</li> <li>• Press releases as warranted</li> <li>• Attend virtual and in-person conferences and roadshows</li> <li>• Site visits connecting operators with investors</li> </ul>
<b>Industry</b>	<b>PARTICIPATION</b> Actively engaged to help foster positive change	<ul style="list-style-type: none"> <li>• Support multiple industry associations and organizations</li> <li>• Sponsor industry conferences</li> <li>• C-suite participation on panels, webinars, media interviews</li> <li>• Host networking events to foster collaboration</li> <li>• Engagement with ESG ratings and rankings organizations such as "ISS" with engagement for investors</li> </ul>

## CODE OF BUSINESS CONDUCT AND ETHICS

Ethics, most especially integrity, have always been a significant part of our culture and dictate the way we conduct business. Operating with a strong sense of integrity is critical to maintaining trust and credibility with our lessees, mortgagors, financing sources, employees, and shareholders.

Our [Code of Business Conduct and Ethics](#) outlines expected behaviors for all employees and members of the Board of Directors. We expect all employees and Directors to conduct business fairly, ethically, and in compliance with applicable laws and regulations as well as Company policies.

## VENDOR CODE OF CONDUCT

We demonstrate our respect for operators and other stakeholders by always operating ethically and with integrity.

Similarly, our goal is to work with vendors that share our values – vendors who treat people with respect and conduct business in an ethical and honest manner. Our [Vendor Code of Conduct](#) shares with vendors our expectations with respect to ethical business practices and the treatment of their employees.

## POLITICAL CONTRIBUTIONS

LTC is transparent in its sharing of information related to public official engagement and political contributions. Our business is affected by public policy at the local, state, regional, and national levels. Our Code of Business Conduct and Ethics specifically details our expectations of employees when interacting with public officials, political action committees (PACs), party, or ballot measures. In 2021, LTC made no political contributions. Certain LTC executives personally contributed a collective \$10,000 to the American Seniors Housing Association (ASHA) PAC in both

2021 and 2022. ASHA works to address relevant policies such as long-term care financing and retirement incentives, senior living workforce shortage, and ensuring access to capital to meet the demand for seniors.

## WHISTLEBLOWER PROTECTION

Our [Human and Labor Rights Policy](#) provides protection for whistleblowers and prohibits retaliation for whistleblower reports made in good faith. We have established a whistleblower-dedicated email address. We encourage anyone, including employees, contractors, operators, and vendors, to report any issues or concerns about potential ethical, legal, or regulatory violations, including any issues or concerns regarding our internal controls or our accounting or audit practices.

## CYBERSECURITY

Cybersecurity is an integral part of risk management at our Company. Cybersecurity is overseen by the Board and the Audit Committee, who are assisted by subject matter experts, including our information technology director. The Board and the Audit Committee receive reports on cybersecurity from management at least quarterly and more often as needed.

We have a robust employee education program addressing tactics such as phishing campaigns to help mitigate cybersecurity risk. Various authentication technologies and third-party monitoring are also employed to mitigate these risks. We annually test our information security systems through a third-party vendor, and we annually review the information security protocols used by our vendors who have access to our financial data. We are not aware of any material losses to our business or results of operations in at least the past three years due to information technology failures, data breaches, or other cybersecurity attacks.



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# Standards and Frameworks

LTC’s Board and Leadership team have committed to alignment with or disclosure against the following frameworks.

FRAMEWORK	DESCRIPTION
 <p><b>United Nations Sustainable Development Goals</b></p>	<p>REITs and other public companies may choose to align with select UN SDGs that they have an ability to impact.</p>
 <p><b>Task Force on Climate-related Financial Disclosures</b></p>	<p>Comparable and consistent disclosures used to demonstrate corporate climate change risk assessment, scenario planning, and resilience. Unlike other environmental reporting initiatives, TCFD requires organizations to report their response to environmental pressures, rather than their impact on the environment.</p>
 <p><b>SASB Guidance</b></p>	<p>SASB is an ESG guidance framework that sets standards for the disclosure of financially material sustainability information by companies to their investors. SASB is the dominant framework for SEC-regulated companies to provide both specific disclosures and more general principles.</p>

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The U.N. Sustainable Development Goals (SDGs) are a collection of 17 global goals and 169 targets that are part of a collaborative effort to achieve peace, prosperity, and a protected planet. The goals address challenges associated with poverty, inequality, climate change, environmental protection, peace, and justice. The table below describes the goals for which we have the greatest opportunity for action and positive influence.

TOPIC	HOW LTC SUPPORTS THE U.N. SDGs
 <p><b>Ensure healthy lives and promote well-being for all at all ages</b></p>	<p>We pay 100 percent of the health care premiums for employees and all eligible dependents. The benefits we offer include medical, dental, and vision coverage, paid time off, paid holidays, bereavement leave, employer-funded life and disability insurance, an employee assistance program, disability and medical leave, family and pregnancy leave, and organ and bone marrow donation leave.</p> <p>As a REIT that invests primarily in seniors housing and care properties, the buildings in our portfolio enable our operators to provide safe environments, access to healthcare, good nutrition, socialization, and wellness activities for the residents that call them home.</p>
 <p><b>Achieve gender equality and empower all women and girls</b></p>	<p>We recognize, value, and are grateful for the diversity of the unique individuals who are members of our team. Sixty percent of our employees are white, 24 percent are Asian, eight percent are Hispanic, and eight percent are Middle Eastern. In addition, 60 percent of our workforce are female, and two-thirds of our executive team are women. Our Board of Directors is 50 percent female and 50 percent male.</p> <p>Recently, our Board of Directors committed to and adopted Board Diversity Guidelines to continue to enhance our outreach to diverse candidates.</p>
 <p><b>Promote inclusive and sustainable economic growth, employment, and decent work for all</b></p>	<p>We provide a living wage for all employees and comply with national wage regulations, such as the minimum wage and overtime payments. We also believe the benefits we offer meet or exceed market standards. For qualified employees, we offer a 401(k) retirement plan with an employer matching contribution program. We offer opportunities to earn discretionary bonuses, restricted stock and performance-based unit awards, and flexible working locations for certain job functions.</p>

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force on Climate-Related Financial Disclosures (TCFD) was created by the Financial Stability Board in 2015. Alignment with TCFD’s recommendations covers four areas including governance, strategy, risk management, and metrics and targets. Disclosures in alignment with TCFD provides comparable and consistent information that investors, lenders, and other interested stakeholders can reference to better assess the impact and effects an organization has on climate change.

At LTC, we committed to initiate our alignment with the TCFD framework beginning in November 2022. Our first step is disclosing the implementation of ClimateCheck® Enterprise Risk Application both at headquarters and across all properties, and discussing how climate change could potentially impact properties, operators, residents, and ultimately, shareholders.

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The SASB Standards provide guidance for the disclosure of material sustainability information by companies to their stakeholders. Below we present our 2022 SASB accomplishments for select accounting and activity metrics that are applicable to those in real estate. We are pleased with the progress we’ve made over the last year, and our goal for 2023 is to identify opportunities to expand our SASB real estate disclosures.

TOPIC	ACTIVITY METRIC	CATEGORY	SASB CODE	RESPONSE
<b>Energy Management</b>	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and analysis	IF-RE-130a.5	<p>We are enhancing our underwriting requirements and defining energy management ‘considerations.’ We also are evaluating existing infrastructure and developing recommendations for sustainable solutions.</p> <p>Additionally, we are evaluating opportunities for improved energy efficiencies and cost savings for operators.</p>
<b>Management of Tenant Sustainability Impacts</b>	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and analysis	IF-RE-410a.3	<p>We’ve contracted with select consultants to evaluate our properties and develop recommendations for sustainable solutions that add value.</p>

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) cont.

TOPIC	ACTIVITY METRIC	CATEGORY	SASB CODE	RESPONSE
<b>Climate Change Adaption</b>	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and analysis	IF-RE-450a.2	We utilize the ClimateCheck® platform to evaluate our headquarters and portfolio climate risk and identify risk mitigation opportunities.
<b>Properties</b>	Number of assets, by property subsector	Quantitative	IF-RE-000.A	<b>222 real estate investments in total as of 12/31/2022</b> <ul style="list-style-type: none"> <li>• 137 Seniors Housing (Independent / Assisted Living &amp; Memory Care)</li> <li>• 78 Skilled nursing</li> <li>• 7 Other investments</li> </ul>
	Percentage of indirectly managed assets, by property subsector	Quantitative	IF-RE-000.C	<b>100%</b> As non-possessory landlords, we do not directly control how our properties are managed or maintained as a triple net-lease real estate





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