



ESG POLICY


CORETRUST
CAPITAL PARTNERS, LLC

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AT THE CORE

The commercial real estate market has experienced a renewed emphasis on sustainability that has resulted in a movement called ESG (defined as Environmental, Social, Governance). Largely driven by occupiers and investors in response to a growing awareness of risks associated with climate change, corporate culture, corporate responsibility, transparency, and disclosure, ESG has significantly shifted global investing. Real estate entities are experiencing ESG pressure from the top (investors and financial markets), the side (peers), and downstream via tenants, consumers, and employees. The Department of Labor's October 13, 2021 proposal emphasized this trend: "Gradual, yet meaningful, shifts in investor preferences toward sustainability and the growing recognition that climate risk is investment risk may lead to a long-term reallocation of capital that will have a self-fulfilling impact on risk and return."

Participation in ESG investing and operations is growing at a rapid pace, and those who do not acknowledge this trend may be caught unprepared and forced to catch up. The incentives are all around us, and whether it be competition, tenants, access to capital or simply progressive company values, explicitly incorporating ESG into a company's investments and operations is critical to maximizing value for all stakeholders.

"98 of the largest REITs by equity market cap reported publicly on their ESG efforts."

NAREIT 2021 ESG Report



CORPORATE CULTURE + COMMUNITY

Coretrust Capital Partners, LLC (“Coretrust”) was established in 2014 by three former partners of Thomas Properties Group, Inc. (NYSE: TPGI): Thomas Ricci, Randall Scott, and John Sischo. This leadership team led the way to “greening” over 14.2 million SF between the TPGI and Coretrust portfolios through LEED certification and extensive energy and water savings. The team’s innovations in sustainability include developing the first LEED Platinum high-rise in the world, the Joe Serna Jr. Cal/EPA Headquarters building in Sacramento, CA, when at TPGI.

Since Coretrust’s founding, the company has grown tenfold - from 400,000 SF of owned and operated office assets to approximately 4.0 million SF in 2021. Driven by their shared vision of a forward-thinking and stakeholder-oriented approach to portfolio management, Messrs. Ricci, Scott and Sischo built Coretrust on their decades of collaborative leadership experience.

Coretrust is a private real estate investment manager focused primarily on the acquisition, repositioning, and operation of large office properties. Coretrust acquires under-performing trophy office properties in prime locations and reinvents each asset, accounting for building specific strengths and opportunities to increase asset value, attract and retain high-profile tenants and, wherever possible, reduce the building’s environmental footprint. Above all, the firm is driving towards a future in which human health and wellbeing are paramount. Coretrust prides itself on customer satisfaction and creating environments that meet the needs of both building users and the surrounding community.

ETHICS + ACCOUNTABILITY

It is core to the company culture to consistently strive to outperform investor expectations, improve the tenant customer experience, anticipate changing conditions, and address stakeholder needs. Coretrust's approach of purchasing and renovating outdated, underperforming office assets avoids emissions associated with building demolition and new building construction. Coretrust's deep value add program further contributes to environmental sustainability via initiatives aimed at maximizing resource efficiency, replacing outdated equipment, and staying current on the latest technological innovations in building systems.

Coretrust reinvigorates commercial properties and by extension their surrounding neighborhoods, creating space for progressively minded tenants with a vested interest in the economic wellbeing of their employees.

Coretrust requires "equal pay for equal work" for all genders internally and works with building service providers that have established non-discrimination policies. The firm is highly sensitive to its frontline building staff, and pays special attention to the compensation, outfitting, training, and growth opportunities for these individuals.



BUILDING THE BUSINESS CASE



Coretrust recognizes that investing in ESG initiatives as part of repositioning business plans yields substantial return on investment, in the form of reduced operating costs, risk mitigation, and tenant attraction and retention.

Coretrust is of the view that premier office users will increasingly insist that their facilities align with their own ESG policies, providing our assets a competitive advantage in attracting leading tenants. ESG-oriented properties see consistently higher occupancy rates than their counterparts, and Coretrust buildings are no exception.

Additionally, buildings operated with unsustainable environmental policies carry the risk of regulatory / financial penalties, competitive disadvantage, and negative value implications including, potentially, accelerated obsolescence.

ORGANIZATIONAL APPROACH

Implementation of Coretrust's ESG strategy and framework has been executed by the Firm's investments, asset management, operations, and development personnel. However, in 2022, this group will be structured as a Risk and Sustainability team. This Team will be led by the Coretrust Asset Management and Operations Management executives, who are charged with overseeing all major capital improvement, engineering, and maintenance projects at the portfolio level. The team will be responsible for:

- Ensuring all operational risks, including ESG risks, are identified, managed, and reported.
- Setting Coretrust's overall sustainability strategy and ESG framework, providing specialist expertise on environmental and certain social issues, and supporting the property management teams in harnessing ESG opportunities across the portfolio.



MATERIALITY

In 2021, Coretrust conducted its first materiality assessment across its portfolio to evaluate the environmental, social and governance ESG issues and opportunities relative to both the portfolio and internal and external stakeholders.

The following chart indicates priorities by current standing, relevance to stakeholders, and impact on Coretrust Capital Partners. The results clearly indicate a successful priority alignment for several of the most relevant concepts, including:

- Tenant Customer Satisfaction & Engagement
- Independent Certifications
- Employee Satisfaction & Engagement
- Human Rights
- Business Ethics

ENVIRONMENTAL

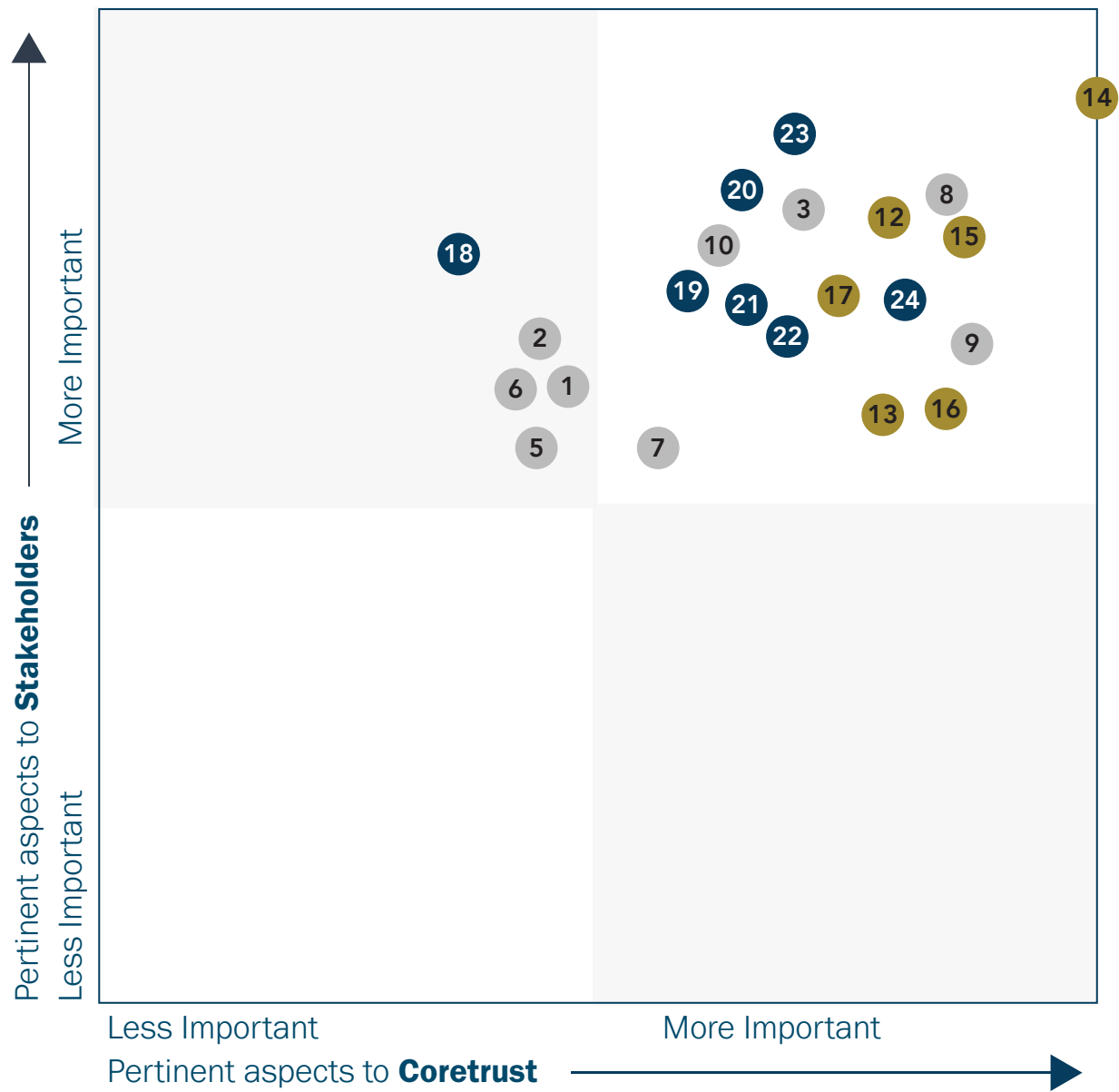
1. Climate Resilience
2. Carbon Profiling
3. Energy
4. Compliance
5. Waste
6. Water
7. Biodiversity
8. Certifications
9. Innovation & Technology
10. Cybersecurity
11. Sustainable Business Travel

SOCIAL

12. Human Rights
13. Tenant Risk
14. Tenant Satisfaction & Engagement
15. Employee Satisfaction & Engagement
16. Employee Education & Retention
17. Community Engagement & Philanthropy

GOVERNANCE

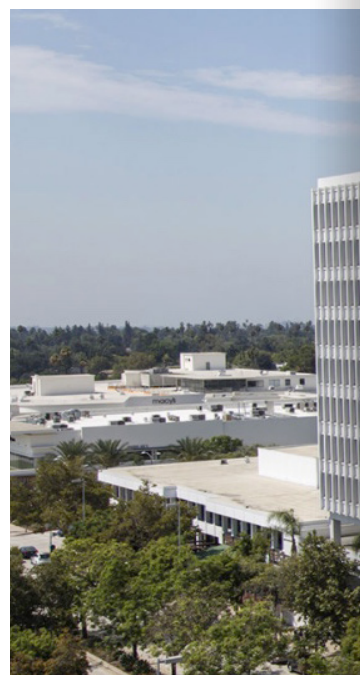
18. ESG Policies
19. ESG Disclosures
20. Risk Management
21. Financial Performance
22. DEI
23. Business Ethics & Whistleblower Protection
24. Anti-Harassment & Non-Discrimination



STEWARDSHIP

Coretrust employs stakeholder engagement strategies intended to create mutually beneficial outcomes that engender strong community support. Stakeholders include investors, tenants, employees, governments, trade unions, environmental organizations, and other NGOs as well as each asset's surrounding community. Key principles are as follows:

- Identify our key external stakeholders and implement an ongoing program of proactive engagement
- Focus on developing and maintaining constructive and enduring relationships
- Embed stakeholder engagement activities in our asset management framework
- Contribute to the community



ALIGNMENTS



UNPRI

Coretrust is a pending signatory to the United Nations-supported Principles for Responsible Investment (UNPRI), the world's largest reporting project on responsible investment. Our commitment to the UNPRI supports our larger goal of advancing sustainability and ESG. Our effort involves policies, assessments and investments at both the corporate and property levels, educational initiatives, and communications measures for the benefit of all Coretrust stakeholders. Under the UNPRI, we follow a specific set of procedures as an ESG disclosure mechanism to investors.



GRESB

Beginning in 2022, Coretrust will submit all three Coretrust Value Fund I ("CVF I") properties for evaluation by the Global Real Estate Sustainability Benchmarking (GRESB) organization on an annual basis. Results will be made available on each asset's website in addition to being published through the GRESB portal.



EMBEDDING ESG



PORTFOLIO LEVEL

Coretrust strives to maintain industry leading performance at the portfolio level by implementing the following programs and practices:

- **In 2021, Coretrust commenced its program seeking to achieve carbon neutrality through a combination of energy efficiency programs and purchased RECs and carbon offsets across its owned portfolio.**
- Coretrust is targeting carbon neutrality for all new assets within the first five years of ownership.
- Regional Health and Safety forums: Coretrust advocates for our service vendors' senior operational management teams to meet periodically for presentations from industry specialists, and with experts who share emerging and best practices with regards to staff, tenant, and contractor safety.
- Operational Effectiveness Transparency: Coretrust gathers portfolio-wide information to assist management in assessing and identifying opportunities for improvements in practice and operational effectiveness.
- Anti-Bribery and Corruption (ABC) Framework: All Coretrust employees and affiliates, including third-party management companies, must adhere to a strict code of conduct which provides a robust framework for management of ABC risks and issues on an ongoing basis, including:
 - Assessing procedures for selection of subcontractors
 - Identifying and reporting any potential ABC issues to the Coretrust Risk and/or Legal team
 - Monitoring any sanctions
 - Training of all Coretrust staff
 - As an SEC-Registered Investment Advisor, Coretrust administers its procedures on this subject through a compliance consultant, who provides oversight, continuous updates, and opportunities for improvement.

ASSET LEVEL

Coretrust utilizes a 360-degree review for its investment decisions, balancing transformational opportunities against fiduciary duty. This process allows the firm to ensure each property can serve its stakeholders effectively in accordance with company values. During the screening and due-diligence process, the Investments, Asset Management and Development teams evaluate the following ESG criteria for each asset:

Screening | Regional Risk Mitigation

- Climate Risk Evaluation
- Current and Future Regulation Compliance

Due Diligence | Impact Opportunity

- Asset Value and Impact Potential
- Building Performance Opportunity
- Climate Risk Assessment
- Grid Resiliency
- Renewable Energy Opportunities
- Carbon Reduction Potential
- Mobility Assessment
- Tenant Assessment
- Open space and Community Potential
- Health Evaluation (with focus on Indoor Environmental Air and Water Quality)
- Certification Opportunity
- ESG Target Alignment



Acquisition + Reposition | Coretrust currently maintains a staff of 33 people in three offices, ten of whom are directly involved in the acquisition process. Due to the organization's size, all parties are relevant and heavily involved in the acquisition process. Their expertise includes acquisitions, asset management, and development. Each plays an invaluable role informing business plan creation, due diligence, closing, and asset repositioning.

Environmental impact and social opportunity serve as foundational elements to the improvement of the asset. Building environmental performance is paramount to the success of the investment strategy, yielding reduced operational costs, increased asset value, lower risk, and improved long-term resiliency. Equally valuable, high-performing assets appeal to top tier tenants, help attract and retain quality staff talent, and serve the community at large in both practical and aesthetic ways.



Management + Operations



Education

Coretrust has embedded sustainability, resilience, health and wellness, and performance into the culture of the organization. Corporate and building management teams engage in ongoing ESG conversations as part of standard operations as well as periodic education relevant to current and future topics, including:

- Market Trends
- Investor Trends
- Tenant Trends
- Emerging ESG Concepts
- Carbon Transparency
- Innovative Technologies
- Health + Wellness
- O+M Best Practices
- Design and Construction Best Practices
- Tenant Customer Engagement
- Employee Engagement
- Vendor Education
- Diversity, Equity & Inclusion



Performance

Coretrust regularly evaluates individual asset performance specific to energy, water, waste, carbon profiling, air quality, capital projects and tenant, community, and employee engagement. Each asset is expected to achieve a targeted 20% energy reduction through its repositioning within the first 3-7 years of ownership. Additionally, ESG strategies are fundamental qualifiers for contractors, vendors, and consultants, translating to a community impact opportunity. Other metrics are listed below.

- **Waste** | Target of 55% landfill diversion for ongoing and durable goods waste by 2025; 100% diversion for e-waste and hazardous waste by 2022
- **Water** | Target of 25% decrease in water consumption across portfolio from 2019 to 2025
- **Janitorial Practices** | Target of 90% use of green cleaning products by 2023



Accountability

Coretrust has incorporated Green Lease language into select existing leases and seeks opportunities to incorporate such language into future leases. Coretrust seeks participation by its tenant customers in data-gathering related to sustainability and certification reporting. Data requested includes energy and water billings, waste diversion quantities, and transportation and occupancy information.

Coretrust maintains a robust tenant engagement program at each property, which includes periodic surveys, educational materials, and full access to ESG policies and procedures.

Certifications + Disclosure

Coretrust seeks industry-leading third-party building certifications at every opportunity. Despite the challenges of the Covid-19 pandemic – and in some instances in response to it – the firm undertook additional efforts in this regard as part of its strategy of continuous improvement. These efforts resulted in each of the Coretrust portfolio properties earning WELL Building Health & Safety, GBAC Star and UL Tier II designations in addition to LEED Gold certifications. These certifications support Coretrust's ESG disclosure efforts relating to UNPRI and GRESB.

While ESG concepts are embedded throughout each asset business plan, the annual investor reports include ESG-specific KPIs.

Coretrust views its ESG and repositioning program as incremental and comprehensive. Each upgrade and certification process compounds to create a dramatically improved customer experience and ESG profile.

Exit

As tenants and investors continue to seek properties with enhanced ESG values and performance, Coretrust will continue to execute on the ESG mission its Founders initiated in 1998 with their precedent setting LEED Platinum development of the Joe Serna Jr. Cal/EPA Headquarters.

