



IDS

REAL ESTATE GROUP

CORPORATE SUSTAINABILITY REPORT

2024-25

LETTER FROM OUR CEOs

IDS REAL ESTATE GROUP is a vertically integrated, privately held real estate owner, operator, developer, and asset manager. Since its founding almost forty years ago, the firm has built an extensive track record of delivering exceptional risk-adjusted returns by leveraging its local market knowledge, broad commercial real estate expertise, and performance-driven project teams. We are pleased to share our third report to describe how our operations have positively impacted the environment and communities in which we invest and operate.

IDS is committed to minimizing its environmental impact and has worked diligently to improve asset efficiency and resource use through strategic planning, data collection, and sustainable building practices. By embedding energy and water efficiency standards and pursuing green building certifications, IDS focuses on scalable solutions that strengthen environmental performance, operational resilience, and long-term value creation.

Our journey today would not have been possible without our dedicated employees, who help bring value to our assets and initiatives. We retain a strong culture year after year with comprehensive

and competitive compensation packages, career development, and engagement opportunities like regular employee events and charitable giving.

We are proud of our responsible investment achievements in 2024 and 2025. Key highlights include:

- Collected energy data for 97% of our owned assets.
- Achieved a **9-point increase** in our **GRESB score, exceeding our peers across all modules.**
- Tracked energy, GHG, water and waste production on our owned assets.
- Completed tenant satisfaction surveys.
- Conducted climate resilience assessments for our owned assets.
- Ensured full compliance with local and state regulations, avoiding fines and penalties.

From everyone at IDS, we thank you for taking the time to read about our Responsible Property Investment strategy and the impact we have made thus far. Sincerely,



David G. Mgrublian and Murad M. Siam
Chief Executive Officers



RESPONSIBLE INVESTMENT AT IDS

WE FOCUS ON MATERIAL FACTORS that have potential to bring value to our investments and create positive environmental and social impacts.

IDS Real Estate Group (IDS) believes that Responsible Investment principles are crucial to developing resilient assets that deliver long-term value for investors and clients. Below is a list of our objectives as outlined in our Responsible Investment (RI) Policy, which we use as a framework to evaluate business decisions.

PROPERTY

- Benchmark energy, water, waste, and greenhouse gas (GHG) emissions to disclose and map performance year-over-year.
- Prioritize emission reductions and increased efficiency through technical assessments, refurbishments, and installing ENERGY STAR® certified equipment and appliances where applicable.
- Implement measures to reduce or prevent pollution including noise, light, thermal, soil, and water pollution.
- Pursue green building certifications such as ENERGY STAR®, LEED, and IREM.
- Evaluate opportunities for renewable energy.
- Promote biodiversity through native and drought-tolerant landscaping at properties.
- Evaluate climate resiliency of our owned assets and new acquisitions.

PEOPLE

- Provide comprehensive and competitive compensation packages to our employees.
- Promote career development and continued education with financial support and an annual stipend for professional courses or seminars.
- Support employee health and wellness by offsetting health-related costs and providing ergonomic workspaces.
- Foster a healthy, safe, and inclusive work environment to advance equity and representation with open communication and harassment training, conducted every two years.
- Engage with tenants through third-party assessments to monitor stakeholder satisfaction.

GOVERNANCE

- Ensure compliance with applicable regulations at a corporate and jurisdictional level.
- Report our responsible investment progress and priorities to stakeholders through regular reporting and frameworks such as GRESB.
- Evaluate our policies and processes to identify areas of continual improvement.
- Identify, mitigate, and disclose physical and transitional risks associated with climate change.



GRESB REPORTING

GRESB is a globally recognized benchmark for responsible investment in the real estate sector. IDS submitted to the benchmark for the third time in 2025 (for the 2024 calendar year). Our overall score increased by 9 points from last year's, and we outperformed our peer group in all 3 modules of GRESB including the management, performance and property modules, as well as peer outperformance in energy use, greenhouse gas (GHG) emissions, water consumption, and waste management scoring.

PROPERTY & PLACE

WE FOCUS ON ENERGY, GHG AND WATER EFFICIENCY to reduce our impact on the environment and support our tenant's needs, investor priorities and performance.

Improving energy and water efficiency is central to our RI strategy and essential for reducing operating costs, enhancing asset resilience, and minimizing environmental impacts across our portfolio. Efficient resource management supports long-term value creation by lowering utility consumption, mitigating exposure to rising energy and water costs, and helping ensure our properties remain competitive and resilient in a changing climate. By focusing on efficient design, smart operations, and transparent performance measurement, we aim to continually improve resource performance while

supporting the well-being of our tenants and communities. We recognize the critical importance of responsible water management, particularly given that 77% of our portfolio is located in water-stressed areas where conservation is essential to long-term community and asset resilience. We are committed to reducing water use by installing high-efficiency fixtures, implementing drought-tolerant landscaping and drip-irrigation systems, and monitoring consumption to identify improvement opportunities.

42.7m kWh

Total Energy Use

97% Data Coverage

33.9M kWh Electricity consumption

8.8M kWh Fuel consumption

46% of GFA with an Energy Star score

23% of GFA with an Energy Star certification

68 ML

Total Water Use

Total water consumption in millions of liters.

77% Data Coverage

47.2 ML Total water consumption in areas with water stress

77% of GFA in water stress areas

9,173 MTCO₂e³

Total GHG Emissions

All Scope 3 Tenant Emissions

97% Data Coverage

2,865 MT

Total Solid Waste²

Total weight of waste in metric tons including:

48% Data Coverage

2,353 MT Landfilled Trash

512 MT Recycled

DATA COLLECTION

To make progress toward our environmental commitments of improved efficiency and reduced resource consumption, we measure our energy and water use, as well as waste produced across our assets. Working in tandem with our tenants and a third-party data management platform we upload available building data into ENERGY STAR® Portfolio Manager® where we are able to pull reports to interpret spikes or signals of overconsumption.

ENERGY & WATER EFFICIENCY

IDS institutes practices that promote efficiency to ensure assets operate with improved performance, benefiting the environment through efficient resource use and targeted capital investment to

reduce overconsumption and replace inefficient equipment. As such, IDS explores and/or deploys the use of:

- Energy and water-efficient equipment, appliances and fixtures using innovative technologies
- Drought-tolerant landscaping and drip irrigation
- Renewable energy systems

BUILDING CERTIFICATIONS

IDS’ efforts to improve efficiency measures including drought-tolerant landscaping, LED lights, and ENERGY STAR appliances are recognized through building certifications at multiple properties in our portfolio through LEED, IREM and Energy Star.

Building Certifications



LEED Certification

2 Properties

0.14 msf

2% of GFA



IREM Certified Building

17 Properties

4.7 msf

77% of GFA



ENERGY STAR Certification

9 Properties

1.4 msf

23% of GFA

To earn ENERGY STAR certification, eligible industrial properties must earn an ENERGY STAR score of 75 or higher (out of 100) – indicating that they operate more efficiently than at least 75% of similar facilities nationwide.*

CLIMATE RISK AND RESILIENCY

IDS reviews physical climate risk at both the property and portfolio level for new acquisitions as well as for the existing portfolio. This includes identification of potential climate risks at the property level through various climate scenarios and time periods through systems such as Munich RE.

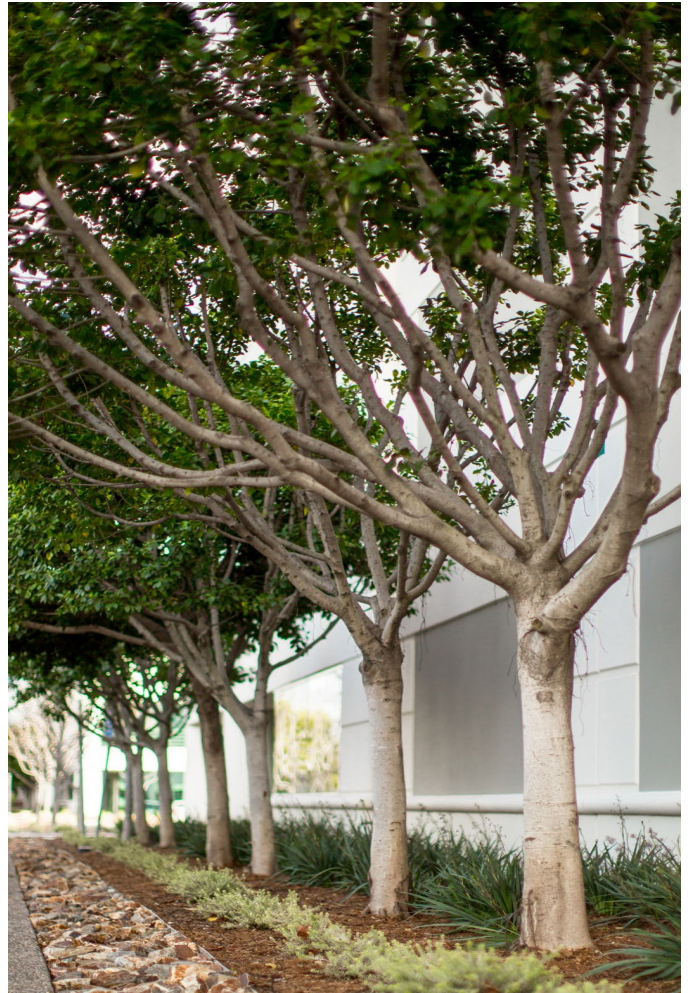
Transition Risk

In addition to assessing physical climate risks, IDS evaluates climate transition risks and related opportunities on an annual basis. This assessment is informed by research, regulatory reviews, and tenant engagement to identify material transition risks and opportunities in alignment with TCFD recommendations. Findings are further reviewed and prioritized by the investment team through a strategy planning workshop led by an external consultant, including evaluation of the likelihood and timing (short-, medium-, and long-term) of various transition scenarios and their potential business impacts.

Key transition risks identified include:

- Increased regulatory requirements and climate-related policies
- Higher construction and materials costs
- Expanded government reporting and disclosure obligations
- Increased climate-related scrutiny from investors, lenders, and insurers
- Potential impacts on insurance availability and premiums

These risks may affect IDS both directly, through increased operating and development costs, and indirectly, through changes in insurance markets. IDS assumes these risks will increase over time under a moderate base-case scenario that reflects a delayed policy response. Where risks are deemed significant at the property level, IDS evaluates feasibility through mitigation planning, which is reviewed, monitored, and reported regularly.



Market transitions may also create opportunities such as:

- Government incentives to improve energy and water efficiency
- Increased adoption of electric vehicles and supporting infrastructure
- Opportunities to develop or redevelop more energy- and water-efficient buildings

IDS integrates the results of these analyses across multiple risk management functions, including:

- Due diligence and underwriting
- Portfolio risk assessment and strategic planning
- Insurance procurement and management

PEOPLE

AT IDS, WE PRIDE OURSELVES on high employee and tenant retention in a historically high-turnover industry. We continue to attract and retain outstanding team members through our management approach and strong company culture.

HEALTH AND WELL-BEING

Ensuring our employees stay safe and healthy is paramount to our success. We provide a range of benefits and amenities for our employees to ensure they can show up every day as their best selves. These efforts include:

- Medical, dental, and vision care insurance as well as paid medical leave
- Flexible work hours
- Height-adjustable desks and ergonomic chairs
- Breakrooms equipped with exercise and relaxation equipment
- Mental healthcare
- Filtered water at all locations and healthy snacks in each main breakroom
- Health club membership reimbursement
- Subsidies for childcare and daycare
- Outdoor patios
- Parental leave
- Lactation rooms
- Free, annual flu-shot and biometric screening clinics

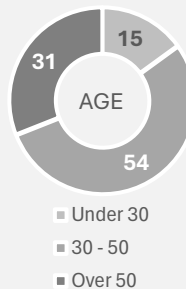
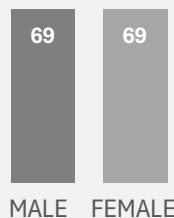


Facilitating Culture

IDS is committed to facilitating an inclusive and equitable workplace for employees, and we comply with all federal and applicable state anti-discrimination laws. IDS provides harassment, unconscious bias, and inclusivity training every two years and does not tolerate discrimination or harassment of any form. Our policy is to promote a diverse corporate culture that advances equality, representation, and accessibility across gender, socioeconomic backgrounds, education, and ethnicity.

EMPLOYEE DEMOGRAPHICS

138
TOTAL EMPLOYEES



54%
IDENTIFY AS A MINORITY

IDS grants tenure awards at its annual, company-wide Employee Appreciation year-end holiday lunch. For new hires, we publish and give recognition to those joining our team, highlighting their previous experience, and noting accomplishments in their new role. After five years of service, and at each five-year increment after that, IDS employees are rewarded with travel perks and tenure gifts to show appreciation for their time and effort over the years.

EMPLOYEE ENGAGEMENT

We recognize the importance of listening to our employees and tenants. To ensure we understand and can best support our stakeholders' needs, external consultants survey our tenants periodically focusing on operational performance, satisfaction, health and well-being and engagement. We review survey results to identify key trends, insights, and areas for improvement in satisfaction and engagement. Actionable feedback is incorporated into management plans, and progress is tracked over time to ensure continuous improvement. We also engage with tenants to address concerns and collaborate on implementing solutions that align with responsible investment and operational performance.

Team Building

Building a culture takes time and effort. At IDS we:

- Hold regular, firm-wide employee events, including an annual family picnic and team retreat
- Organize regular "Lunch & Learn" events with guest speakers
- Provide free lunches twice per week to encourage camaraderie among employees
- Support our employees with health benefits and office amenities
- Provide training on topics such as climate resiliency, energy, water and waste efficiency best practices, regulations and prop tech

Training & Development

To keep an agile and expert team, we explore different ways to drive our employees' professional growth. We support their continued success through:

- Continued pay while attending a work training during work hours
- Annual financial support up to \$1,500 for employees with at least one year of tenure for training in real estate
- Annual review of one, three, and five-year goals
- Employee awards and tenure recognition



95%
RETENTION RATE
IN 2024



Community Engagement Starts at the Top

COMMUNITY ENGAGEMENT

IDS gives back to local communities through different community engagement initiatives that have a focus on health and well-being, economic development, charitable giving, and sponsorship of community groups. In 2023-24, IDS and its employees donated their time and financial support to the following organizations:

- Pasadena Community Foundation
- UCLA
- Regents of UC Berkley
- YMCA

IDS is dedicated to making a positive impact beyond the workplace. For the third consecutive year, IDS employees took part in the YMCA Los Angeles Annual Stair Climb and Urban Hike, which raised funds for children's programs, including after-school and summer camp activities. This annual event supports IDS's commitment to community engagement, specifically the principles of ending poverty, eliminating hunger, improving health, and ensuring access to education.



IDS CEOs, David Mgrublian and Murad Siam take on active roles in their communities, setting an example for giving back.

David is a member of the Urban Land Institute's Urban Development/Mixed-Use Green Product Council and the Policy Advisory Board of UC Berkeley's Fisher Center for Real Estate and Urban Economics. From 2014 to 2024, David was also the Chair of the Board of Trustees at Claremont McKenna where he founded the Mgrublian Center for Human Rights.

Murad Siam is the Founder and Chairperson of the Valley Sports Foundation, which serves over 1,000 high school-aged athletes annually in the Greater San Fernando Valley and a Board Member of American Near East Refugee Aid, which provides humanitarian and development aid to the Middle East.

David and Murad's active participation in community groups and leadership roles outside of the company speaks to the type of culture IDS has created, one that centers on and celebrates both work and life events.

GOVERNANCE

AT IDS, OUR GOVERNANCE APPROACH IS ROOTED IN STRONG oversight, transparency, and stakeholder engagement. We use policies, leadership, and effective communication to integrate responsible investment principles into our business for long-term success and value.

CORPORATE GOVERNANCE

Oversight of IDS RI efforts is governed at the Executive Vice President level including ensuring appropriate policies and guidelines, staffing, needs, legal and regulatory requirements and budget. Responsible investment (RI) efforts are managed by a team which is led by a RI specialist and includes investment team members, an external RI consultant, an external data collection and software consultant, and IDS team members from various business units as needed to implement RI efforts.

Industry Associations

IDS is engaged in multiple industry associations where it is able to share and explore best practices with industry leaders and key stakeholders.





CORPORATE GOVERNANCE POLICIES

Our Responsible Investment Policy, which is unchanged from last year, is available through our website and provides guidelines for our responsible investment activities. Our employee handbook sets a precedent for conduct at IDS, containing governance policies pertaining to bribery and corruption, cybersecurity, data protection and privacy, fiduciary duty, and fraud. We also have environmental and social policies in place to drive the entirety of our RI strategy. Those policies focus on various topics from utility consumption and climate change adaptation to employee health and community development.

Green Leasing

Where possible, we institute responsible investment-specific requirements into lease agreements with tenants to improve the sustainability of assets. IDS received recognition for its efforts, earning a Silver Green Lease Leader designation from the Institute for Market Transformation and the Department of Energy's Better Buildings Alliance's Green Lease Leaders standard.

Materiality

We conduct an annual Responsible Investment Materiality Assessment to identify and prioritize the topics that are most likely to impact our investment performance. We use the results to drive our initiatives, goals, and overall strategy for responsible investments.



LOOKING FORWARD

AS WE PROGRESS ON OUR RESPONSIBLE INVESTMENT JOURNEY, we have identified initiatives or strategies that we plan to pursue in the future to bolster our positive environmental and social impacts.

We are in progress and working towards the following initiatives:

- Pursuing IREM Certified Sustainable Property certifications for existing owned assets
- Certifying new development projects under CALGreen and LEED
- Enhancing and updating policies and procedures to advance our responsible investment agenda
- Reducing building emissions, utility consumption, and waste
- Obtaining additional ENERGY STAR® certifications
- Conducting energy audits following the ENERGY STAR® Checklists of Energy-Saving Measures
- Expanding our climate resiliency strategy and managing associated risks

This report covers the reporting period spanning January 1, 2024 to December 31, 2025. Policies, data and governance described herein are applicable to our owned portfolio unless otherwise specified.

DISCLAIMER AND DISCLOSURES

The information provided in this Annual Report has been prepared by IDS Real Estate Group for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the information presented, the company does not guarantee its accuracy, nor does it assume any liability for any errors, omissions, or discrepancies in the content. The data, projections, and opinions included in this report are based on information available at the time of preparation and may be subject to change.

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Responsible Investment Information (RI): The RI data and initiatives presented in this report reflect IDS Real Estate Group's commitment to responsible investment. The RI metrics and progress outlined are based on internal assessments, industry

benchmarks, and available data. These statements should not be construed as guarantees of future performance or results. We make no representations regarding the future accuracy of the reported RI performance or the ability to meet future goals.

Investment Risks: Investments in commercial real estate are subject to a range of risks, including but not limited to market risk, property-specific risk, economic factors, regulatory changes, and environmental considerations. The company does not make any representations or warranties regarding the future value of any real estate investment or the financial performance of any properties. The inclusion of any property, strategy, or forecast in this report should not be considered an investment recommendation.

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