

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY





BACKGROUND & COMMITMENT TO ESG

IDS Real Estate Group (IDS) believes that Environmental, Social and Governance (ESG) principles are crucial to developing resilient assets that deliver long-term value for investors and clients. Our ESG program endeavors to drive value, enhance returns, mitigate risk and help create better outcomes for people and communities.

Our ESG policy was developed to focus on climate action, reduce inequalities, provide quality education and good health and wellbeing. We are committed to integrating ESG into our operating philosophy and investment process because we believe that these factors can positively impact financial performance.

PURPOSE & SCOPE

Our ESG policy applies to our operations and investment management platforms. The purpose of this policy is to provide guidance on integrating ESG into our organizational structure.

OVERSIGHT

IDS is committed to thoughtfully evaluating and implementing ESG practices across organizational levels. Our asset-level employees are trained in ESG, and our senior leaders are involved in IDS' ESG decision-making processes. The IDS ESG program is overseen by the ESG Task Force, which consists of senior leaders, investment managers, project representatives and team members whose responsibility is ESG.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

IDS is dedicated to a range of ESG goals that includes the following indicators.

Environmental	Social	Governance
Carbon Emissions	Diversity, Equity and Inclusion (DEI)	Leadership
Energy Reduction and Efficiency	Health and Wellness	Reporting and Disclosure
Biodiversity	Employee Engagement	Business Ethics
Water and Waste Reduction	Community Impact	Risk Management

ENVIRONMENTAL

IDS is committed to minimizing our environmental impact, mitigating climate risk and building and managing a portfolio of high-performing, efficient buildings. Action steps that may be taken to achieve this goal are enhanced efficiency standards, renewable energy systems, water reduction fixtures, emission reduction interim goals, sustainable materials, indoor environmental quality, green building certifications and a resiliency strategy for existing and new assets. The following initiatives are being implemented subject to client direction, with asset-level recommendations made as appropriate on a case-by-case basis:

- Benchmark energy, water, waste, and greenhouse gas data and compile institutional-quality reports to disclose environmental performance.
- Recommend energy, water and waste technical assessments at least every three years.
- Prioritize reducing emissions, energy and water use, and consider capital expenditures and refurbishments to improve efficiency in landlord-controlled meters and systems.
- Support sustainability, energy efficiency, carbon reduction and renewable energy goals set by clients.
- Monitor environmental impact on an annual basis by comparing year-over-year performance.
- Implement measures where applicable that reduce or prevent pollution, such as noise, light, thermal, soil, and water pollution.
- Pursue certifications such as CalGreen for new developments, and ENERGY STAR for stabilized assets, to externally and transparently demonstrate our dedication and commitment to ESG.
- Evaluate opportunities for renewable energy, then consider Green Energy Certificates and other carbon offsets to reduce energy use, costs, and emissions.
- Communicate ESG initiatives to employees, tenants, and other stakeholders.
- Promote biodiversity through wildlife habitat installations and native landscaping at properties.
- Evaluate and implement energy-efficient and innovative building technologies in alignment with property-specific strategies.
- Install ENERGY STAR equipment and appliances in our corporate offices and in landlord-controlled areas of properties.



SOCIAL

IDS prides itself on employee and tenant retention in an industry characterized by rapid turnover, constant management restructuring, and frequent ownership changes.

Key elements of our company strategy include a dedicated focus on employees and tenants: diversity, equity and inclusion, health and wellness, and maintaining a strong company culture so we continue to attract and retain outstanding team members. The following are highlights of our social commitments:

- Provide a competitive and performance-oriented compensation package, comprised of base salaries, annual bonuses, health and wellness benefits and financial programs such as matching 401k plans.
- Give employees annual performance reviews and encourage career development by providing an annual stipend to use towards continuing education and training. Train employees on compliance, which includes topics such as DEI and harassment prevention, in addition to initial training during onboarding.
- Support parents by providing a dedicated sanitary, equipped, secure and comfortable room for pumping to nursing mothers, and help offset childcare costs for working parents by providing access to contribute to a Dependent Care Account.
- Promote health through offering a monthly subsidy to offset the cost of fitness club memberships and classes, facilitating a Health Spending Account for employees to offset health-related costs and expenses, and providing ergonomic equipment to all employees.
- Promote a diverse corporate culture that advances equality, representation, and accessibility across gender, socioeconomic backgrounds, education, and ethnicity.
- Follow occupational safety, worker rights and labor management regulations as defined in the IDS Employee Handbook.
- Provide and promote opportunities for team members to dedicate their time, talent, and funds to community service.
- Engage with tenants through third-party assessments to monitor stakeholder satisfaction annually.



GOVERNANCE ISSUES

IDS is committed to engaging with all stakeholders to promote transparency, effective communication and strong oversight as we integrate ESG principles into all areas of our business. By focusing on ESG integration throughout management and investment sides of our business, IDS can proactively drive positive long-term financial, environmental and social outcomes. We believe it is our obligation to be responsible stewards of the environment and ensure our business plays a significant role in empowering people and creating a more resilient, sustainable world. The following are our specific governance commitments.

- Ensure compliance with all applicable ESG-related laws and regulations required at the corporate and property level.
- Operate an ESG Task Force to ensure that material issues help guide our business decisions, shape our overall ESG and DEI strategy and engage with our stakeholders. Members of our Task Force meet once per quarter and as needed.
- Report on our ESG progress and priorities to ESG frameworks such as GRESB and others required.
- Report ESG results for our investment funds in our annual report.
- Identify, mitigate and disclose both acute and chronic physical and transition risks associated with climate change. Conduct climate risk assessments of each asset to identify any high physical risks such as flooding, extreme heat, extreme cold, tropical cyclones and wildfires. Monitor local regulations related to disclosure and building performance standards to identify transition risks. Develop risk mitigation plans at a property level to minimize exposure to identified risks and implement resiliency measures.
- Ensure compliance with corporate regulations regarding fraud, cybersecurity, bribery, data protection and expectations on fiduciary duty.

This ESG Policy was last updated in May 2023 and is subject to change. This policy is intended to be reviewed on an annual basis. This ESG policy is applicable to our corporate operations and investment management platform.

Additional Resources at our website: <https://www.idsrealestate.com/about/our-esg-strategy/>

