



S H O R E N S T E I N

2022 ESG REPORT



SHORENSTEIN
SUSTAINABILITY



**“SUSTAINABILITY IS NOT
JUST A COMPETITIVE
EDGE OR AN OPTIONAL
BUSINESS STRATEGY—
IT’S A COLLECTIVE
OBLIGATION.”**

—DOUG SHORENSTEIN FORMER CHAIRMAN OF THE BOARD, SHORENSTEIN INC.

The root of Shorenstein’s sustainability program came from Doug Shorenstein’s desire to be an impactful corporate citizen. He chose three initiatives to support: Environment, Access to Education, and Healthcare. Doug realized that his business was an apparatus that could be leveraged to conserve the environment—something we continue to do to this day.

Message from Brandon Shorenstein



Brandon Shorenstein
Chairman and
Chief Executive Officer

Some say that everything in the universe is bound by unseen connections. The power of connections even forms the basis of an effective sustainability reporting program: Environmental activities have a social impact and the way a company is run—its governance—affects both social and environmental aspects and can also have a large financial impact.

We embrace sustainability as an opportunity to improve our business practices while reducing our impact on the environment and strengthening our communities. That's really what sustainability is all about. And we know we can't go it alone: ESG solutions are far more effective when they're part of an effort comprising our employees, tenants, partners, and others.

In this report, we explore the validity of connections, examine how they apply to Shorenstein, and describe how we leverage the value of ESG to enhance investment performance, operational resilience, and business governance for the benefit of our properties, tenants, employees, investors and communities.

For example, because we can learn more about ourselves when we take a different perspective, last year we conducted our first ESG materiality assessment. Its aim: to identify the topics that are most important to our key stakeholders in

the areas of environmental, social, and corporate governance. The assessment showed us that Shorenstein stakeholders are most concerned about enhanced building performance; water management and conservation; ESG education and communication, and stakeholder engagement.

We work with experts in specialized fields—such as Gridium, iES Mach, Stem and Black Bear—who help us identify opportunities for added efficiency and effectiveness throughout our operations. In turn, we share best practices with industry groups such asGRESB, Green Lease Leaders, LEED, and ENERGY STAR for buildings to gain knowledge with a focus on saving energy and reducing carbon. Along these same lines, we're part of several initiatives from the U.S. Department of Energy (DOE)'s Better Buildings program that are designed to drive leadership in energy innovation. These initiatives include participation in the Better Buildings Summit, Better Buildings Challenge, and the Low Carbon Pilot.

Perhaps nothing illustrates the power of connections better than our people. Training them about sustainability—and its importance to Shorenstein—as soon as they come on board connects them with every other Shorenstein employee and enables them to communicate



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**THAT'S REALLY WHAT
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ALL ABOUT.**

Message from Brandon Shorenstein (continued)

knowledgably with tenants about sustainability. Of course, our employees' interests go beyond sustainability, and so do ours. Last year, for instance, we launched a Diversity, Equity and Inclusion (DEI) committee that is now implementing a series of DEI initiatives across Shorenstein.

Tenants are part of our sustainability program too. We directly engage our tenants in sustainability by providing educational resources and measuring satisfaction. At the end of the year, our annual tenant feedback survey gives

us the opportunity to gauge tenant satisfaction regarding our sustainability initiatives.

If you need additional proof of the power of connections, look no further than the communities where Shorenstein buildings are located. Our employees connect in very direct ways by donating their time and money to causes that are meaningful to them. To encourage giving, we match employee donations to registered nonprofit organizations dollar-for-dollar, up to \$750.

We donate as a company too, supporting organizations ranging from Children's Hospital Oakland to the National Eating Disorders Association. We also support Community Benefit Districts (CBD) and Business Improvement Districts (BID) when they are formed in our operating markets. Our Governance efforts are focused on key sustainability issues, such as our Property Resources for Emergency Preparedness (PREP) Committee. The PREP Committee prepares our property management teams to anticipate, plan for, and respond to emergencies.

Ultimately, it's all about connections. They multiply our accomplishments and guide our actions. They underscore the urgency of our environmental priorities and extend our social efforts into our communities. They reinforce our commitment to conducting business ethically, legally, and in a way that's consistent with our core values—and they touch others in ways we may never know.

**ESG SOLUTIONS
ARE FAR MORE
EFFECTIVE WHEN
THEY'RE PART OF AN
EFFORT COMPRISING
OUR EMPLOYEES,
TENANTS, PARTNERS,
AND OTHERS.**



A history of sustainability

Shorenstein began its sustainability program more than 13 years ago, when the Walter H. Shorenstein Asia-Pacific Research Center convened the first Stanford Kyoto Trans-Asian Dialogue in Kyoto, Japan. The Dialogue included experts on energy and environmental issues drawn from the greater Stanford community and from countries across Asia.

The Dialogue’s final report noted that, “Even exceptionally fast growth of the alternative energy sector will take years to make a significant dent in the total U.S.

carbon footprint. Increased energy efficiency, however, can have a much larger impact, much more rapidly.”

At Shorenstein, we continue to seek ways to have a much larger impact, much more rapidly—from achieving LEED Certification to increasing our use of renewable power. We’re applying these kinds of energy-smart concepts to enhance investment performance, operational resilience, and business governance for the benefit of our properties, tenants, employees, investors, and communities.



Early sustainability initiatives



2008	2008	2008	2009	2010	2011	2014	2015	2016	2021	2021	2022
Started G.R.E.E.N.	Joined USGBC as Member	Joined ENERGY STAR as Partner	Climate Corps host organization	1st World Energy Tour launched	Internal Flip the Switch tenant program launched	1st GRESB Submission	2nd World Energy Tour	Achievement of initial Better Buildings goal of 20% Energy Reduction	WELL Health-Safety Rating	Kickoff of ESG Materiality Assessment	Portfolio baseline and long-term target reset



About This Report

This report includes statistical information representing our ESG efforts and achievements through December 31, 2021.

Company Profile

Name of Organization

Shorenstein Properties LLC

Primary Business

Vertically integrated owner and operator of high-quality office, and mixed-use properties throughout the U.S.

Headquarters Location

San Francisco, California

Real Estate Services Provided

Asset Management, Leasing, Capital Markets, Property Management, Construction, and Development.

Number of Employees

251

ESG Policy

Our ESG Policy reflects our commitment to incorporate the consideration of sustainability and other ESG matters in our investment activities. As evident in our participation in GRESB since 2014, sustainability and ESG to Shorenstein means enhancing investment performance, operational resilience, and business governance for the benefit of our properties, tenants, employees, investors, and communities. We embrace sustainability as an opportunity to improve our business practices while reducing our impact on the environment and strengthening the communities in which we operate.

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2021 GRESB results

In the 2021 Global Real Estate Sustainability Benchmark (GRESB) assessment, Shorenstein saw an increase in our total Environmental, Social, and Governance (ESG) score. In 2021 Shorenstein received an overall score of 87 out of 100 possible points, up from our 2020 score of 82. This equates to an increase of 38% in our score since we first submitted to GRESB in 2014. This year we also achieved one additional green star from 2020, for a total of five stars, the maximum possible.

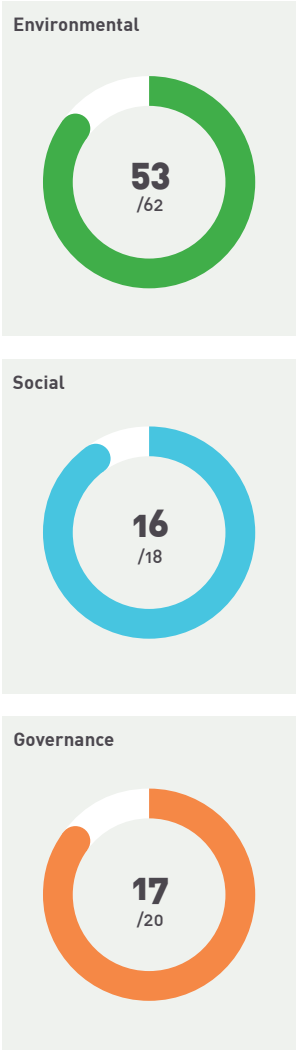




**IN 2021
WE ACHIEVED
ONE
ADDITIONAL
GREEN STAR,
LAUNCHING
US TO THE
FIVE STAR
MAXIMUM**



2021 ESG Breakdown

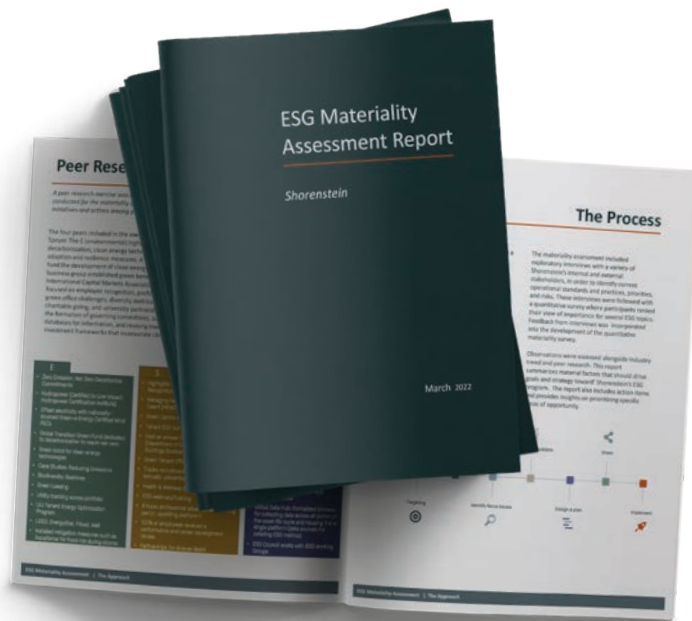


Identifying what's material to Shorenstein

In support of our ongoing sustainability strategy, we conducted our first Environmental, Social, and Governance Materiality Assessment with an outside firm to identify our most material sustainability topics. This assessment involved engagement with our key stakeholders—including employees, partners, and investors—in order to gather insights on the importance of key ESG issues.

This exercise reaffirmed our ongoing commitment to being an industry leader in ESG by helping establish contemporary objectives that align with our business strategy and a roadmap to achieve these goals.

We have incorporated these material sustainability topics into our ESG planning roadmap and will be including them in our reporting going forward. We will re-assess our material topics annually and will repeat our materiality assessment in future years as needed.



Materiality matrix: Top right quadrant



ENVIRONMENTAL

**WE HAVE MADE
A STRONG
COMMITMENT
TO ENERGY
CONSERVATION
AND
RESPONSIBLE
ENVIRONMENTAL
PRACTICES.**



Shorenstein's prioritization strategy

Our strategy prioritizes energy and carbon reductions across our portfolio.

Energy Efficiency: We use Gridium and iES Mach to monitor daily usage and identify opportunities for added efficiency. The platforms identify anomalies and other abnormal spikes in electrical or steam consumption to allow engineering to take actions expediently rather than waiting for utility bills on a monthly basis. The data is real time at 15-minute intervals to an internal cloud.

Gridium helps us manage energy spend with easy-to-use tools for today's buildings: mobile, always-on, and data-driven.

iES Mach helps us unlock our buildings' potential by enhancing our operational expertise with our energy monitoring system's powerful reporting and analytics. The iES Mach system also identifies utility reduction opportunities with calculated savings if a measure is implemented. There is also a useful tool for generating budgets and tracking performance against the budget.

Off- and On-site Renewables: We have recently acquired and are continually developing office buildings that make use of renewable energy. One Platte, a mixed-use project, has on-site solar, while Rev360 uses off-site renewables through wind power (Windsource).

Purchasing of renewables: We have purchased off-site renewables for 100% of our electricity consumption at all Bay Area properties, and continue to pursue them when and where feasible.

RECs and LEED points: Per LEED v4 in 2013, Green-e certified renewable power purchases, renewable energy credits (RECs) and offsets can qualify for up to two points toward LEED certification.

High Priority

Energy Efficiency

Utilize highly efficient equipment and building management practices, resulting in 40-60% less energy use than typical peers

On-site Renewables

Install solar, wind, waste-to-energy, energy storage, and other distributed generation on or near the site, where feasible

Grid Interactivity

Reduce emissions by interacting with the electric grid – including peak shaving, load shifting, energy storage, and demand management

Low Carbon Plan

Off-Site Renewables

Invest in or purchase renewables from off-site sources through models such as PPAs, green power procurement, community solar, or utility-scale renewables

RECs and Offsets

Purchase renewable energy certificates or carbon offsets for any emissions that can't be reduced by the above – focusing on high-quality, local products with clear additionality



One Platte, our new development in Denver.

Energy storage

After we acquired two Class A office buildings in North San Jose last year—America Center I and II—we partnered with energy consulting firms Stem and Black Bear to evaluate the buildings' energy usage and identify possible savings from reductions in demand charges. As the leader in the Class A Office subsector, Stem was a natural fit to develop and build the project as we oversee the development and construction of all types of clean tech projects.

The system works by analyzing the buildings' energy profiles and strategically recharges and discharges to ensure that the load is reduced to the point where it drives down energy costs. It's estimated that the energy savings from the America Center project will total approximately \$17,000 annually. Black Bear is also working with us to capture and create value from the energy opportunities in our portfolios. The firm analyzed our portfolios to identify potential opportunities either for onsite solar, standalone storage, or solar plus storage solutions. According to the organization Climate Change Resources, battery storage has become an essential component of a transition from dirty fossil fuels to clean renewables, ranging from larger utility-scale installations to the individual home and vehicle. While hydro, biomass, and thermal are all examples of energy storage, the battery is currently the key component that will make electricity derived from clean and renewable but intermittent sources like solar and wind available where and when it is needed. Implementing battery storage will establish a much-needed battery-based resilience to complement other types of storage.



Tesla battery storage units at America Center.

Leveraging Gridium and Mach tools

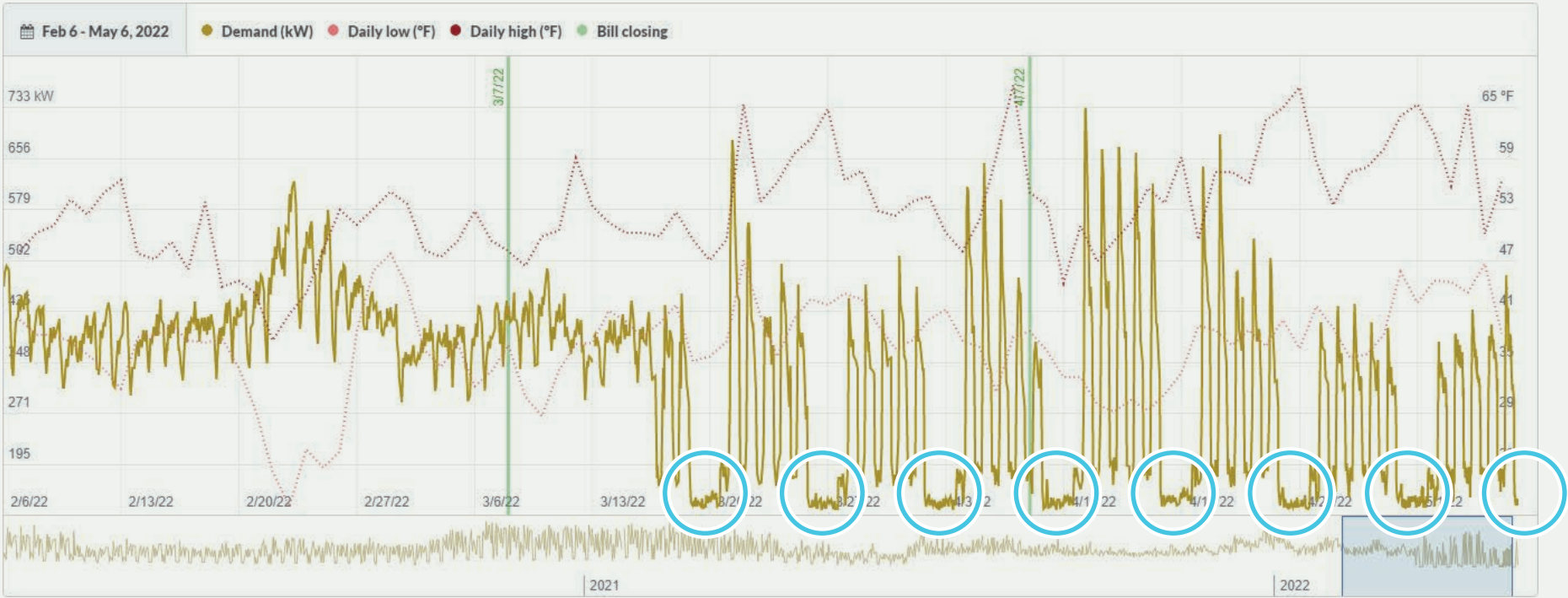
Gridium and Mach simplify the challenge of managing energy spend, utility bills, and efficient operations. At our 2601 Elliott building in Seattle, the Chief Engineer noticed during an early morning visit to the property that all the building lights were on. When controls engineers came in to review the lighting schedules, they discovered that the building automation systems (BAS) weren't communicating with the Watt Stopper panels, which

turn lighting systems on and off based on occupancy.

The engineers spent the day going through each panel and found that some relays were either in the ON mode or had a separate schedule; they were able to immediately remediate the situation so that the system operated correctly. The Gridium chart below shows the drop in energy consumption immediately following

remediation. Due to the ability to quickly identify an operational inefficiency using Gridium's data, the property was able to reduce its energy usage and cost during the times in which lighting is not in use. The repair was done on March 15, 2022 with a note added where the first blue circle is located. Using technology to improve efficiencies helps us achieve our sustainable objectives.

Gridium and Mach simplify the challenge of managing energy spend, utility bills, and efficient operations.



Connecting best practices

At Shorenstein, we believe that rating building performance in terms of energy usage can mean even better performance and greater efficiency by sharing knowledge and best practices with third parties that can objectively evaluate our sustainability practices against our peers. Participating with these organizations also provides access to continued learning opportunities—such as webinars—and knowledge-sharing opportunities—such as conferences—that help Shorenstein remain a leader in sustainability practices. Here are key programs that we're involved with:



GRESB: The ESG benchmark for real estate assets, GRESB works in collaboration with the industry to define the global standard for sustainability performance in assets and providing standardized and validated ESG data. We have been participating in the GRESB Real Estate Assessment since 2014 and continue to be a leader among the company's peer group.



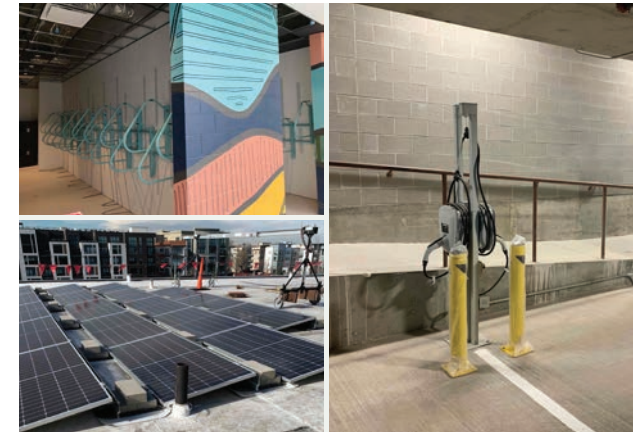
Green Lease Leaders: Shorenstein has been involved with this program, which recognizes building owners who are effectively using the lease to drive energy and environmental savings in commercial buildings. In 2021, Shorenstein was awarded the Gold level designation, the program's highest designation.



LEED: The Leadership in Energy and Environmental Design rating system is an internationally recognized green building certification developed by the U.S. Green Building Council (USGBC) and administered by Green Business Certification, Inc. (GBCI). Shorenstein is a Platinum member of USGBC. We require that all Shorenstein existing buildings and development projects pursue LEED certification where feasible. During 2021, our portfolio consisted of 33 assets totaling 16.6 million square feet that are LEED certified.



ENERGY STAR Certification: This program is a part of the U.S. Environmental Protection Agency's (EPA) broader consumer products certification program. The platform dynamically scores each building on a percentile scale, measuring its energy performance compared to a nationally representative statistical model. As of year-end 2021, Shorenstein's portfolio had a weighted average score of 84 with 35 assets ENERGY STAR certified.



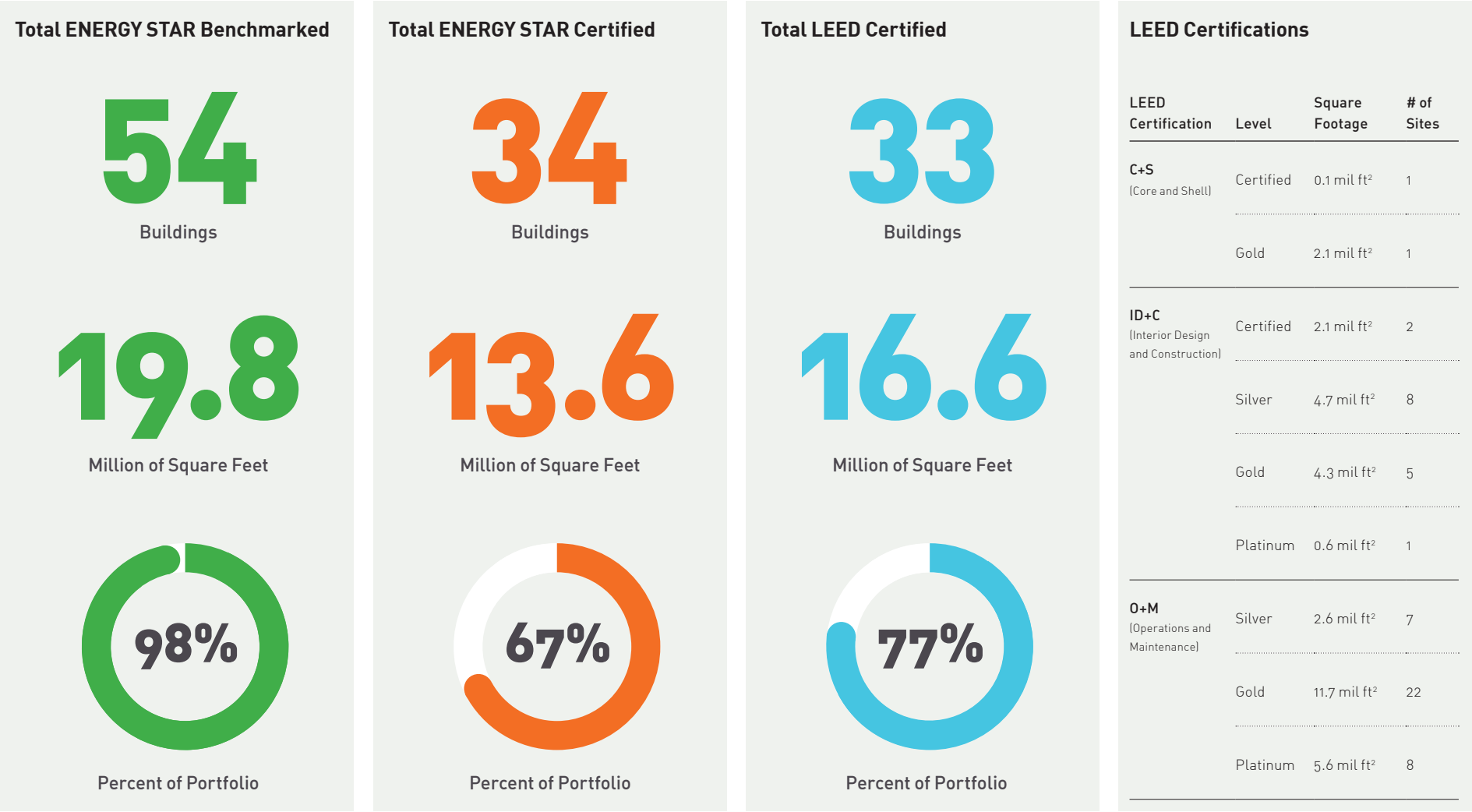
Working efficiently in Denver

One Platte, our new development project in Denver, offers a number of excellent examples of how this approach to development can boost efficiencies. One Platte's environmentally efficient features include:

- 12 parking spaces within the garage are equipped with Level II car chargers.
- The ground level landscaping will be irrigated using recycled water supplied by Denver's purple pipe system, offsetting the need for potable water for irrigation by 100%.
- Through use of low flush and flow plumbing fixtures, indoor potable water consumption is reduced by over 30% compared to a typical baseline.
- The project's roof houses a photovoltaic system that will produce an estimated 68,667 kWh, offsetting approximately 3% of the total building energy cost.

A COMMITMENT TO RENEWABLE ENERGY: OUR SAN FRANCISCO BAY AREA PROPERTIES PURCHASE 100% RENEWABLE ENERGY.

Building certifications and ratings



All data presented is based on investment activity and building certifications as of 12/31/2021. All square foot calculations are based on ENERGY STAR Gross Floor Area, and percentages represent the percent certified by square foot of total portfolio. All statistics are based on portfolio of office buildings under Shorenstein’s management, not including retail or multifamily assets.

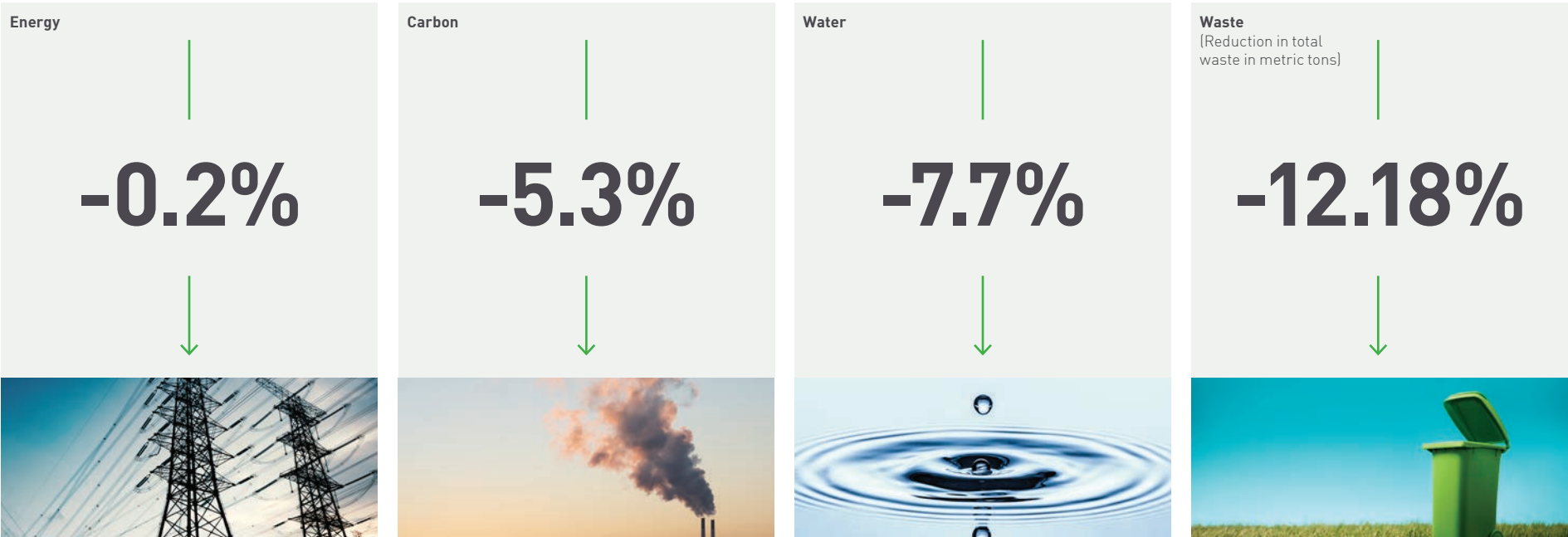
Performance indicators summary

Year Over Year

Energy	Carbon	Water	Waste
Total Energy Consumption in 2021..... 262,200 MWh	Total MTCO2e Emissions in 2021..... 73,200	Total Water Consumption in 2021..... 409,500 m³	2021 Total Waste (Tonnes)..... 2,046
Data Coverage..... 95.3%	Scope 1..... +15.2%	Data Coverage..... 93.8%	Diverted Rate..... 48%
	Scope 2..... -6.6%		Data Coverage..... 77%
	Data Coverage..... 95.3%		

Data coverage: This reflects the floor area of the portfolio for which Like-for-Like data is available, per utility type.

2020-2021 Like-for-Like Change



Assets represented in the performance indicators mirror those included in the reporting boundary scope for 2022 GRESB.

Climate statement

Shorenstein subscribes to the United Nations Climate Change statement, which says:

Climate Change is the defining issue of our time and we are at a defining moment. From shifting weather patterns that threaten food production, to rising sea levels that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Without drastic action today, adapting to these impacts in the future will be more difficult and costly.

The real estate business plays an important role in mitigating climate change—according to [facilityexecutive.com](#), the buildings sector currently contributes nearly 40 percent of carbon emissions globally and nearly 70 percent of emissions in urban areas. That's why we continually seek better, more efficient ways to operate our buildings.



Building better buildings through knowledge sharing



Better Buildings is an initiative of the U.S. Department of Energy (DOE) designed to improve the lives of the American people by driving leadership in energy innovation. Through Better Buildings, DOE partners with leaders in the public and private sectors to make the nation's homes, commercial buildings, and industrial plants more energy-efficient by accelerating investment and sharing successful best practices.

At Shorenstein, we're honored to be involved with many Better Building programs, including:

Better Buildings Challenge: In 2008, we committed to the Better Buildings Challenge of a reduction of 20 percent reduction of the total portfolio's energy use by 2020. We met this goal in 2016, and have since set a new goal of 40 percent energy reduction by 2025 from our 2008 baseline.

Low Carbon Pilot: We are part of a Better Buildings pilot program to understand and demonstrate how to achieve real carbon emission reductions by working toward truly low carbon buildings. We plan to transparently share our experiences, successes, and challenges pursuing low carbon emissions strategies at two or more buildings through the duration of the pilot.

Green Building Standards: We subscribe to Green Building Construction Standards, a certification system that advocates for transformation in the design, construction, and operation of buildings. In addition to encouraging improved environmental and health performance, the Standards supports building structures that are restorative, regenerative, and an integral component of the local ecology and culture.

Seeking low-carbon solutions

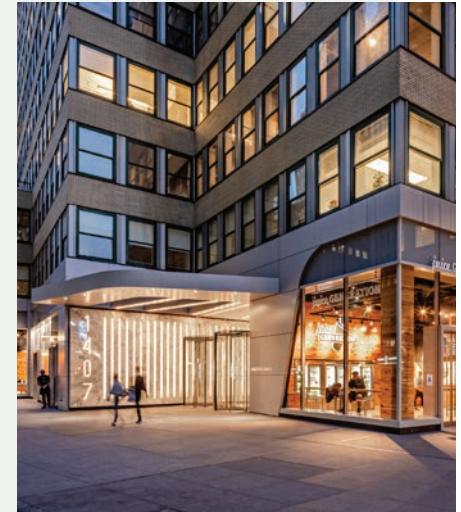
Through Better Buildings and Better Plants, the Department of Energy, has launched a pilot program to understand and demonstrate how to achieve real carbon dioxide emission reductions.

Buildings and manufacturing plants represent significant opportunities to achieve a low carbon economy as they represent roughly two thirds of U.S. CO₂ emissions. Across the public and private sectors, zero carbon goals are becoming increasingly common and central to efficient operations and robust financial performance.

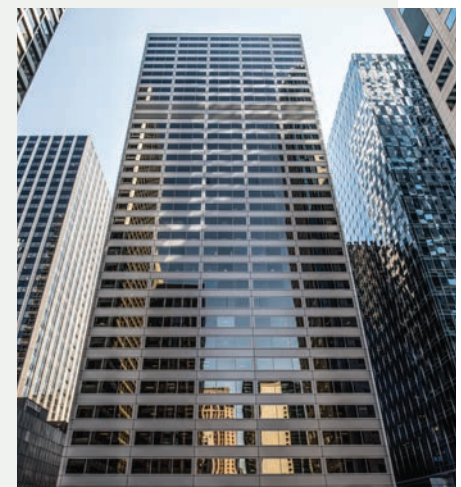
In fact, more than half of the Better Buildings, Better Plants partners have set enterprise-wide carbon reduction or renewable energy related targets. While these commitments exist across sectors, there is a need to better understand next steps to be successful in reaching these goals. Through this pilot, DOE is working with interested partners—such as Shorenstein—to highlight what's possible and what leadership looks like today to advance the goals of tomorrow.

We're participating in this pilot program with two of our properties: 1407 Broadway in New York City and 45 Fremont in San Francisco. These buildings were selected to address specific low carbon goals. For 1407 Broadway, New York City recently introduced Local Law 97 (LL97), which places carbon caps on buildings larger than 25,000 square feet. For 45 Fremont, the city of San Francisco has set a goal of net-zero greenhouse gas emissions by 2050.

By partnering with the DOE and Lawrence Berkeley National Labs—a DOE-supported laboratory system conducting leading research across environmental, health, and energy systems—Shorenstein is provided additional support in the form of research on emerging technologies in energy efficiency and peer working groups to help brainstorm possible initiatives to achieve low carbon pathways at each of the pilot properties. We look forward to describing our progress in our next report.



1407 Broadway, New York City.



45 Fremont, San Francisco

CASE STUDY:

Spring district LEED project

A vibrant, thriving community with over 800 residential units, millions of square feet of office and tens of thousands of square feet of retail now flourishes where there used to be only an industrial use site. The Spring District's transformation is an example of how sustainability and energy efficiency can be integrated into restoration projects.

From a former industrial use site to LEED certification for Neighborhood Development (LEED-ND) certification for mixed-use development: it was a challenging journey, but Shorenstein—along with co-developer Wright Runstad & Co.—made it happen.

Like many projects of its kind, the Spring District in Bellevue, WA started out with a solid direction and unwavering vision. In this case, that vision rotated around sustainability.

The Spring District features that are central to achieving the LEED-ND certification are access to transit, with the neighborhood centered around a new East Link light rail station and access to a bus rapid transit station a quarter-mile away. Additionally, the District

features a design conducive to walking and biking, including a multipurpose path and cycle track providing a protected bike connection to the 42-mile EastLink as well as a bike facility near the rail station for bike storage, showering, and changing. Furthermore, the District has a public open space with native plants and trees in addition to a bioretention site to filter rain run-off. Finally, there are lower parking site ratios in the District to encourage alternative and sustainable transportation.

The Spring District has delivered more than 800,000 square feet of LEED-certified buildings, with an additional 650,000 square feet of LEED Silver-targeted projects under construction, and another 530,000 square feet under design and permitting review.



The Spring District, near Seattle, demonstrates sustainability and energy efficiency.

CASE STUDY:

Capella Tower

In 2018, Shorenstein purchased Capella Tower in Minneapolis. When acquired, the 58-story tower built in 1991 was approaching the age when recommissioning can offer valuable energy savings. Recommissioning applies to the commissioning process of a previously-commissioned building, comprising of a systematic process to ensure that a building performs in accordance with the design intent.

Our management strategy focuses on continuous evaluation and improvement of building performance. Through industry-leading operating procedures and proven efficiency technologies, we embrace opportunities to improve building sustainability.

Our utility provider, Xcel, offers a recommissioning service and study that provides up to a \$25,000 rebate. Under the Xcel Energy Recommissioning Program, consulting firm Edward H. Cook & Associates completed a recommissioning study for Capella Tower.

The goal of the recommissioning program is to achieve demand and energy savings. The recommissioning study focuses on integrating efficiency into the building's existing equipment. Savings are realized through the systematic evaluation of building systems and implementation of low-cost and no-cost measures targeted to improve system operation and, in many cases, improve occupant comfort.

The study identified 19 Energy Conservation Opportunities (ECOs) with \$20,158 in annual cost savings. These ECOs included modification of air handling unit discharge air temperature, installing Variable Frequency Drives, and other adjustments to the building controls systems. The estimated electrical energy savings for the implemented recommissioning measures totals 720.938 kWh/year and \$92,433 in cost savings. The estimated District Heating savings totals 1,040 M lbs./year. The implementation cost for these measures was \$144,809 resulting in a simple payback of 1.57 years, before rebates, and 1.22 years after rebates.

This recommissioning demonstrates an important aspect of our sustainability approach: no project is too small if it cost-effectively reduces carbon.



Recommissioning the Capella Tower in Minneapolis resulted in \$92,433 in annual cost savings.

SOCIAL

**OUR EMPLOYEES,
TENANTS,
AND INVESTORS
MAKE US WHO
WE ARE.**



Our employees

Our people are and always have been essential to the success of our business. We recognize employees in several ways, from celebrating milestone anniversaries to helping develop and grow our talent internally to maximize their potential.

Our employees are at the heart of all we do:

We acknowledge the dedication of our employees in several ways, including:

- Interdepartmental celebrations and recognition
- Pay for Performance programs
- Annual review and evaluation of compensation and position structures.

In addition, all employees working at least 20 hours per week are eligible for a range of benefits from competitive health insurance plans, to scholarships for children of employees, a company 401k match, participation in corporate donation matching, an education assistance program, and much more.

Employee training emphasizes sustainability:

New employees quickly learn the importance of sustainability to Shorenstein—all new property staff are required to complete sustainability training. Emphasizing the importance of sustainability from the beginning of an employee's tenure ensures that the employees managing our properties are advocates for our ESG principles. Property

Managers are trained on:

- Sustainability
- ENERGY STAR
- Tenant Engagement
- Waste Management

They learn how sustainability objectives fit into the day-to-day operations at every building in our portfolio. By empowering our employees, we give them the knowledge and resources to engage their tenants in sustainability matters as well.

Employees are educated on our commitment to sustainability during the onboarding process and are regularly reminded of this commitment. To incentivize performance, we include sustainability objectives in every Property Manager and General Manager's job description. It's a defined indicator of a commitment to environmental responsibility and is a core principle in how work is performed.

Recognizing the contribution of our employees:

We celebrate our employees to ensure outstanding achievements are recognized. Our employee recognition includes:

- Engineering Awards for excellence in energy efficiency
- Employee anniversaries and birthdays
- LEED credential achievement awards

Employees take advantage of our California sunshine to enjoy a friendly game of volleyball.



- Recognition for property management staff at LEED certified buildings
- Walter H. Shorenstein and Stanley L. Berger Memorial Scholarship providing financial assistance for children of employees
- Spot bonus program to highlight actions and achievements
- Company-wide emails recognizing individual accomplishments and expressing gratitude

Introducing our new diversity, equity and inclusion committee

Last year, we established a Diversity, Equity and Inclusion (DEI) committee composed of leaders from across the company to advance our DEI efforts. The committee has developed a series of nine DEI initiatives that will provide the foundation of our overall approach to DEI. We are now moving

forward to implementing those nine initiatives over the course of the next year and look forward to providing more detail about our approach to DEI in our next ESG report. The DEI Committee will continue to evolve and will extend to non-committee members who can be liaisons to the committee.

Our statement on Diversity, Equity, and Inclusion: At Shorenstein, we believe diversity of thought, inclusivity, and integrity are critical to achieving our mission to create a positive impact for our communities. We value each employee's unique experience and perspective, which guide their contributions towards successfully developing and operating properties that meet ever-changing tenant requirements. We are committed to hiring and fostering a diverse workforce and to collaborating with our employees, investors, tenants and vendors of all races, colors, national origins, gender identities, sexual orientations, ages, religions, and abilities.

Encouraging philanthropy by doubling donations

We encourage employees to donate to their favorite causes—and match their donations to make their gifts go further. In fact, we match employee donations to registered non-profit organizations dollar-for-dollar, up to \$750. This program aligns with our philanthropic efforts by encouraging employees to donate and engage with organizations they support.

In 2021, more than 130 causes benefited from the Donation Matching Program with 24% of Shorenstein employees participating. A total of \$217,806 has been donated and matched since we launched the program in 2018.



WELL-HSR (Health Safety Rating)

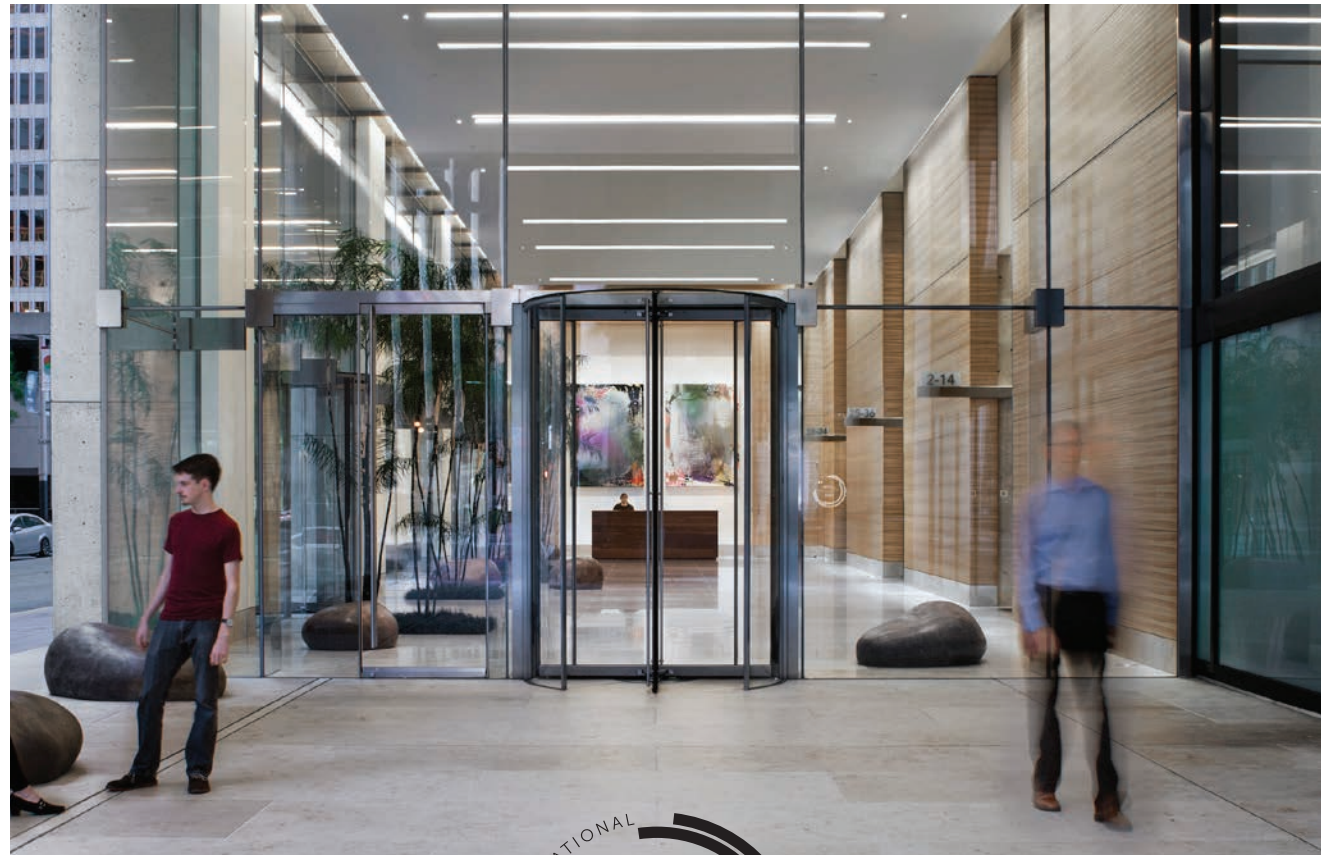
We have achieved this rating at 25 Shorenstein properties.

WELL-HSR is an evidence-based, third-party verified rating for all new and existing building and facility types focusing on operational policies, maintenance protocols, occupant engagement, and emergency plans. Shorenstein responded to COVID-19 with advanced policies, protocols, and efforts that were assessed and evaluated to meet the standards required to be awarded the WELL-HSR Rating.

As organizations across the globe respond to the COVID-19 pandemic by making updates to their policies and protocols, the WELL Health-Safety Rating provides an efficient and effective opportunity to guide, validate, recognize, and scale the efforts of owners and operators on critical health and safety issues. The third-party review process ensures integrity and consistency, and results in a WELL Health-Safety seal that communicates leadership and a commitment to the health and well-being of the people who frequent the space.

Shorenstein achieved the WELL Health-Safety Rating at 25 properties by reviewing these five key features:

- Cleaning and Sanitization Procedures
- Emergency Preparedness Programs
- Health Service Resources
- Air and Water Quality Management
- Stakeholder Engagement and Communication
- Innovation



Shorenstein achieved the WELL Health-Safety Rating at 25 properties in 2021.

Partnering with the Environmental Defense Fund (EDF)

Over the years, Shorenstein has funded and beta tested several EDF building sustainability initiatives. Through the EDF's Fellowship program, we have taken on summer interns in both the corporate and property-level settings. Many of these interns have gone on to work in commercial real estate or in the environmental fields.

In 2018, Shorenstein engaged the EDF Climate Corps Program to support the LEED certification process and identify energy and cost saving projects at two properties: 1700 and 1818 Market Street in Center City Philadelphia. EDF brought on Climate Corps fellow Burr Tweedy to support Shorenstein's sustainability efforts in Philadelphia, which also included organizing and facilitating a tenant engagement workshop addressing sustainability.

Tweedy worked with Shorenstein staff and outside vendors to identify optimization strategies for the HVAC, steam, lighting, and controls systems at both properties. Tweedy's recommended projects had the potential to substantially reduce operating costs and improve the environmental impact of the properties. The implemented recommendations were projected to save an estimated \$173,000 and 998,000 kilowatt-hours of electricity, as well as 812 metric tons of carbon emissions.

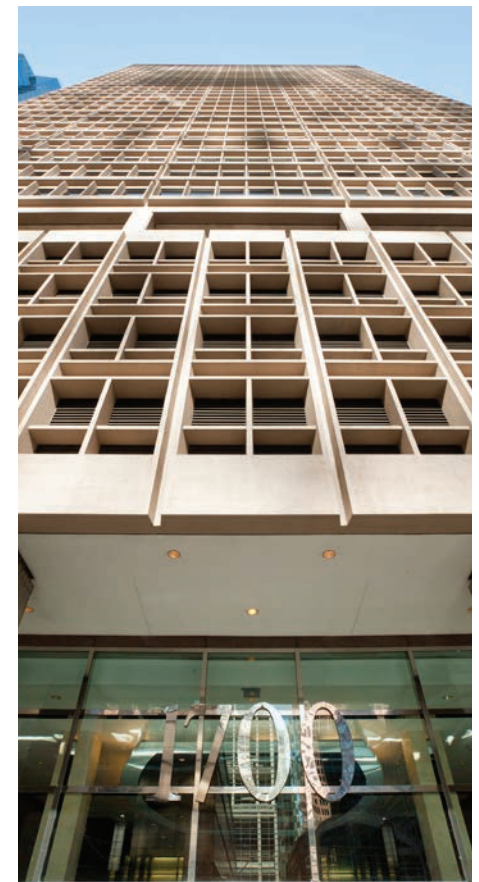
Engaging with tenants and helping communities: Our tenant engagement is supported by our corporate Sustainability Program, making it possible for building staff and tenants to participate in reducing the environmental impact of their location.

As the primary end users of energy and water, as well as generators of waste at any given building, tenants are the most critical stakeholders to engage to achieve building sustainability. We do this

by providing educational resources and measuring satisfaction. Online resources and in-person workshops provide building occupants with the knowledge, tools, and technical support to enhance the sustainability of their own workplace. Property websites offer resources, including Green Scorecards, training on Recycling at Shorenstein, and dynamic ENERGY STAR score visibility. Our tenant feedback survey offers the opportunity to gauge tenant satisfaction regarding our sustainability initiatives.



1818 Market Street, Philadelphia.



1700 Market Street, Philadelphia.

Helping our communities thrive

The communities where Shorenstein buildings are located are very much like our second homes and we support them accordingly. Through leadership, volunteerism, and financial support, Shorenstein continues meaningful relationships with these organizations:

- **Aim High**
Expands opportunities for low-income middle school students and teachers through summer programs to prepare the students for high school and beyond.
- **Children's Hospital Oakland**
Specializes in providing exceptional children's medical care to children in the Bay Area and around the country.
- **SF MOMA**
The San Francisco Museum of Modern Art creates art experiences that foster inspiration, enjoyment, and discovery.
- **Girl Ventures**
Aims to encourage leadership and resiliency in girls through outdoor adventures, inner discovery, and collective action.
- **Jewish Vocational Services** Transforms lives by helping people in need build in-demand skills and find good jobs.
- **Lincoln Center Real Estate and Construction Council**
Brings together leaders from the real estate and construction industries to form a partnership that supports the arts and art community of Lincoln Center.
- **National Eating Disorders Association**
Supports individuals and families affected by eating disorders while advocating for prevention of, treatments for, and access to quality care for those affected.
- **Reaching Out MBA**
Offers over a dozen unique programs dedicated to educating, inspiring, and connecting the LGBTQ MBA community to impact change in the workplace and create the next generation of leaders.
- **Shorenstein Center on Media, Politics and Public Policy**
Founded by Walter and Phyllis Shorenstein in honor of their daughter Joan Shorenstein, the Shorenstein Center on Media, Politics and Public Policy is a Harvard University research center dedicated to exploring and illuminating the intersection of media, politics, and public policy in theory and practice.
- **University of California San Francisco**
Among the top health sciences universities in the world, UCSF attracts and retains the best students and faculty members who make groundbreaking discoveries and deliver compassionate care.



Improving the community

Shorenstein participates and supports Community Benefit Districts and Business Improvement Districts in our operating markets where they are formed. These non-profit organizations supplement local municipal services, enhancing the cleanliness and safety of neighborhoods. Through financial support, professional leadership, and active involvement, we play key roles in these communities:

San Francisco

- Downtown Community Benefit District
- Civic Center Community Benefit District
- Mid-Market Community Benefit District
- Tenderloin Community Benefit District

Oakland

- Downtown Benefit District

Sacramento

- Downtown Sacramento Partnership Property Based Improvement District

Minneapolis

- Minneapolis Downtown Improvement District

Pittsburg

- Downtown Pittsburg Business Improvement District

Philadelphia

- City Center District

ROMBA (Reaching Out MBA)

Supporting the Club Leaders' Summit

For the past several years, Shorenstein Properties has partnered with Reaching Out MBA (ROMBA) to honor Rich Chicotel, who was a prominent member of the San Francisco LGBTQ+ community as well as CFO at Shorenstein until he passed away in 2012.

In 2021, Shorenstein renewed its commitment to support the Club Leaders' Summit. Shorenstein's support helps underwrite the cost of bringing together nearly 80 LGBTQ+ business school leaders for skills development and training.

Shorenstein also sponsors a competition as part of this summit, which engages club leaders to develop and present a business plan to address Club challenges. Shorenstein's support helps fund a scholarship prize to the winners of the competition.



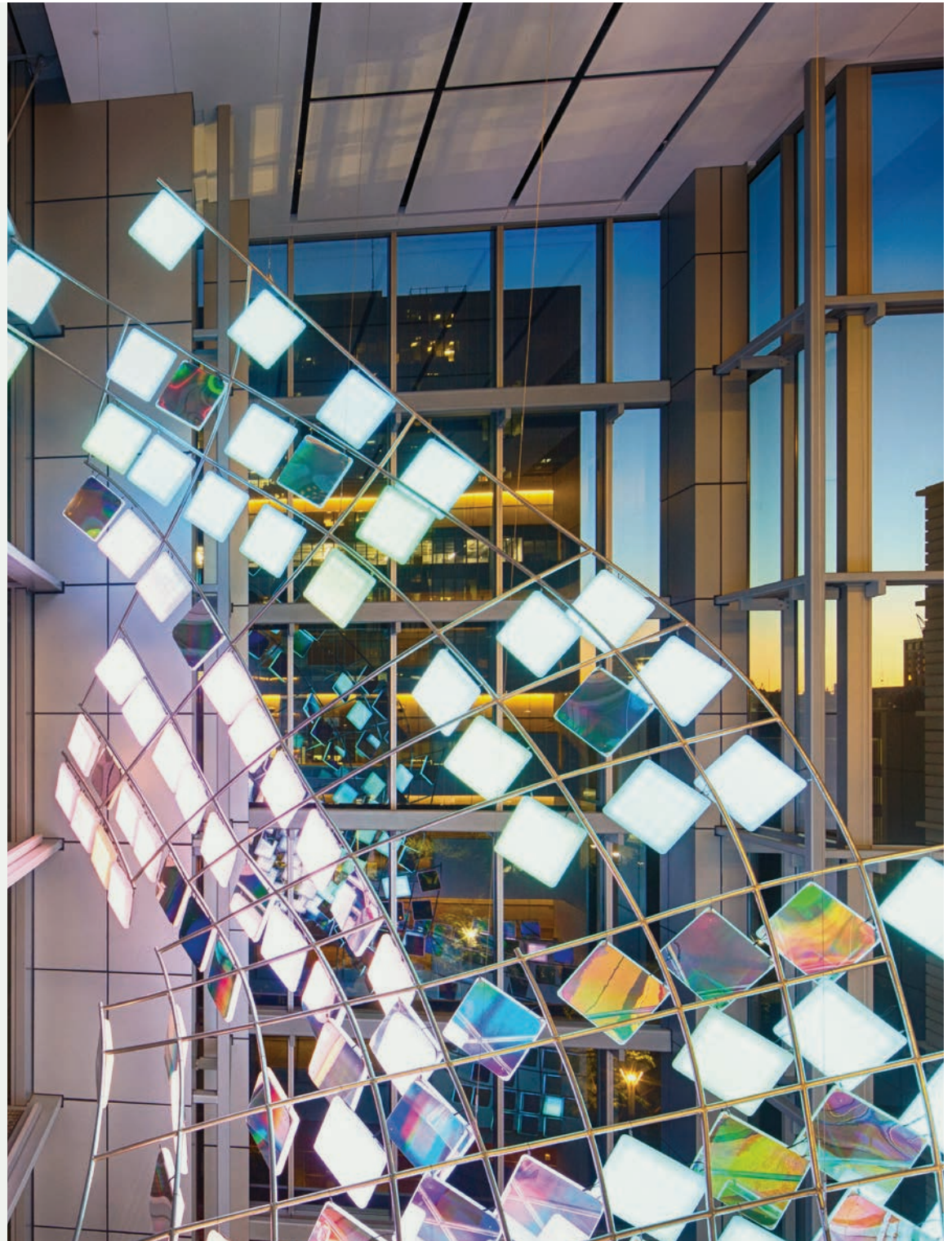
Shorenstein employees participate in BOMA associations across the country.

Involvement with BOMA

In addition to supporting the Building Owners and Managers Association (BOMA) as an organization, we encourage our employees to get involved on an individual level. As a result, Shorenstein employees participate and hold leadership positions in local, regional, or national BOMA associations across the country.

GOVERNANCE

**USING BUSINESS
GOVERNANCE
TO UNITE
THE INTERESTS OF
OUR PROPERTIES,
TENANTS,
EMPLOYEES,
INVESTORS, AND
COMMUNITIES.**



We embrace sustainability as an opportunity to improve our business practices

Ethical, effective governance underlies everything we do as a company. That's why it's essential that every aspect of our governance practices work to keep moving our company—and our ethics—forward.

Exercising our Fiduciary Responsibility:

Our Operational Risk Management Committee is a standing cross-departmental body that monitors Shorenstein's legal and regulatory environment, contractual obligations, prudent business practices, and industry norms. This committee:

- Identifies and assesses operating risks to the company
- Selects and oversees projects to address risks
- Communicates and documents policies and procedures to manage risks

- Reviews risk management policies and procedures for ongoing effectiveness

Maintaining Business Continuity: Our Crisis Management Team oversees and implements a comprehensive program assuring continued business operation in the event of a disaster. Various Crisis Management Team resources—such as an internal emergency hotline, crisis management plan, and procedural playbook—enable the team to effectively assess, manage, and contain a potential disruptive incident. Essential business could continue through the restoration

of communications with employees, investors, tenants, vendors, and joint venture partners.

The Business Continuity Operations Team has successfully tested the cross-departmental business functions and department-specific operation assuring critical processes perform. These plans address the key elements of business and technology recoverability and life safety.

Shorenstein's Business Continuity Plan consists of:

1. Business Continuity Operations
2. Crisis Management Plan

3. Cybersecurity Incident Response Plan
4. Information Technology Disaster Recovery Plan
5. Property Resources for Emergency Preparedness

These five components are designed to enable us to continue vital company operations in response to incidents that could cause significant business disruption.

Securing our data—and keeping it that way

Shorenstein has continued to make significant investments to advance its position relative to information and data security. Proactively securing data and information entrusted to us remains a top priority. To accelerate these endeavors Shorenstein has increased IT time dedicated to InfoSec (Information Security) activities, and augmented the team with an on-staff cybersecurity/IT security architect. Internally, Shorenstein continues to advance its corporate standards. The NIST CSF (National Institute of Standards and Technology CyberSecurity Framework) and the CCPA (California Consumer Protection Act) are examples of frameworks covered by Shorenstein efforts.

Traditional security measures (such as firewalls, corporate phishing, intrusion detection, segmentation, sandboxing, and endpoint security) have been automated and centralized. All software installed (or already resident) in building systems is vetted using a zero-trust security solution. Ransomware and building seigeware is no longer an issue after a solution to resolve those problems was implemented. Supply chain monitoring is now in effect, and has led to a GRC (Governance, Regulation, Compliance) program for Shorenstein. All alarms are sent to a outsourced 3rd party SOC (Security Operations Center) which collects, analyzes, and triages events for Shorenstein. A 2022 assessment by a 3rd party auditor confirmed an increasingly mature posture represented by significant advancements.



Our business practices (continued)

Preparing and Practicing for

Emergencies: Our Property Resources for Emergency Preparedness (PREP) Committee prepares property management teams to anticipate, plan for, and respond to emergencies with the priority of protecting people and our assets.

PREP ensures that our building teams adapt and respond to threats and disaster situations and recover as quickly and effectively as possible. In 2018, DNV GL, a third-party consultant, assessed our portfolio of buildings based on their resilience to natural hazards. At a regional level, the analysis identified the natural hazards that are most likely to impact the buildings within that region. Across the entire portfolio, heat waves, drought, and coastal surge and riverine flooding are some of the highest frequency events.

The assessment found that we have already adapted many of our buildings to mitigate the impacts of these potential events. Proactive measures include comprehensive operations and maintenance plans, drainage maintenance plans, and pre-negotiated emergency recovery agreements. Approximately 90% of our buildings have some form of backup power and most have been built to withstand extreme

wind and burning debris from wildfires. We have implemented a plan and procedures for all properties to recover from natural hazard events.

Each year, we share our knowledge and gain new insights at a three-day conference for property staff from across the portfolio. The conference emphasizes the ongoing importance of planning for the unexpected and provides the opportunity to share experiences and discuss relevant materials.

Ethics are an essential part of

everything we do: At Shorenstein, we foster a culture that values excellence, measurable achievement, accountability, clarity, integrity, and teamwork. We are committed to conducting business ethically, legally, and consistent with our core values. Our Code of Ethics provides ethical principles and standards to guide the actions of our employees as they conduct Shorenstein business.

The Code of Ethics addresses:

- Integrity in company relationships

- Legal compliance
- Confidentiality and proprietary information
- Protection of Shorenstein's assets and reputation
- Conflicts of interest
- Interaction with auditors
- Procedures for reporting violations.

Company officers and other key professionals are required to complete an online Code of Ethics training course every two years.

Detecting leaks, avoiding damage

We mandate leak detection systems across our portfolio. Sensors are located at key locations and equipment throughout the building, each with the ability to identify moisture and alert property staff at any time via email, text and phone. The system has prevented scenarios that would have caused millions of dollars in damage.



Our ESG Committee: Guiding our sustainability efforts

Our newly formed ESG Committee is committed to incorporating the consideration of sustainability and other environmental, social, and corporate governance matters in its investment activities. For Shorenstein, responsible investment is the integration of ESG considerations into investment management processes and ownership practices with the belief that these factors can have a positive impact on financial performance. Shorenstein recognizes that material ESG risks could affect performance of portfolio investments, and, furthermore, that the effective management of ESG issues may contribute positively to returns through alignment of interests of Shorenstein investors, the general partner, joint venture partners, employees, and other key stakeholders.

Building Performance Reports: Our internal quarterly reporting process is critical to maintaining utility data quality as well as accountability for implementing sustainability at each building. Since 2018, Shorenstein has been engaged with utility data automation provider Measurabl; for all-possible properties, ENERGY STAR Portfolio Manager automates utility data upload into Measurabl which ensures data quality and efficiency. For those properties where manual upload is necessary, property management staff is required to enter all energy, water, and waste use and cost data into ENERGY STAR Portfolio Manager on a monthly basis.

In addition to leveraging Measurabl's Online Utility Sync services, various data quality, analyses, and reporting features are utilized to further track and inform sustainability initiatives at the property-level. Building Performance Reports are generated on a quarterly basis and reviewed at each property's quarterly engineering meeting, which are a useful tool for peer comparison and to incentivize improvement and track progress. Each property is encouraged to identify the cause of significant year-over-year changes and formulate an action plan to meet building-specific energy, carbon, and water performance goals. This information can be used as the basis for focused building staff and tenant engagement actions.



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