



**DERMODY  
PROPERTIES**

**ESG  
2023**

ESG initiatives, practices and objectives



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PROPERTIES**

## **ABOUT THIS REPORT**

This report covers Dermody Properties' environmental, social and governance (ESG) initiatives and progress during our fiscal year 2023 (FY 2023). The report is aligned with Sustainability Accounting Standards Board (SASB) Standards — now part of the International Sustainability Standards Board (ISSB) — related to the Real Estate industry. As an additional layer of transparency, selected topics from the SASB framework for the Home Builders industry are also referenced. The specific ESG topics were selected due to their relevance to our business model, including how Dermody Properties operates and the products and services that are offered. The report also identifies the United Nations Sustainable Development Goals (SDGs) that best align with the business and the key priority areas in which Dermody Properties can have the most impact. Both are included in the Appendix at the end of this report.

Unless otherwise noted, all quantitative company data provided covers our FY 2023, reflecting data for the period from January 1 through December 31, 2023. Throughout the report, additional sources of information available on the Dermody Properties corporate website and other references are included for your convenience. Please see the disclosure on forward-looking statements at the end of this report for more information.

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## OUR MISSION

Our mission is to create satisfied customers by providing responsive service and innovative real estate solutions, thereby sustaining long-term relationships and customer referrals.

## OUR VALUES

- We create customer satisfaction by treating people fairly, giving them the benefit of our experience and knowledge, and providing responsive service and good value.
- We are fair, honorable and reasonable people. Our word is our bond; we will do what we promise.
- We strive to develop functional, affordable, attractive and high-quality buildings that enhance our communities.
- We use the most cost-effective means of constructing and operating our properties to create value for our customers and company.
- We strive to use the most advanced technology; the efficiency of our operations is key to providing the best service to our customers.
- We continually search for improvement; our learning never ends. We listen to and learn from our customers. Their needs are our priorities.
- We welcome suggestions for improvement. No question or comment is without merit.
- We, as individuals and as a company, give back to the communities where we work and live.
- We strive to develop pride and enthusiasm in our employees through respect for the individual and appreciation for the contribution each makes as an individual and as part of the Dermody Properties team.
- We will provide opportunities for our employees to help them achieve their potential. We will ensure that our employees are informed through open communication.
- We understand that problems are opportunities. If there is a way to reach consensus, we will find it. We will not be constrained by convention in seeking solutions, and we will think creatively.





**Dermody Executive Committee**, left to right: Michael Dermody, Douglas A. Kiersey Jr., Kathleen Briscoe, Amy Curry, Doug Lanning, Elizabeth Kauchak, Timothy Walsh

## INTRODUCTION

### A Message from the Executive Committee

We are thrilled to present our second environmental, social and governance (ESG) report, marking another milestone in Dermody Properties' enduring dedication to our mission, values and to the profound legacy of community engagement that defines us.

At Dermody Properties, our mission remains steadfast, guiding our actions beyond mere rhetoric. It underscores our commitment to develop projects that not only foster business growth but also contribute meaningfully to the enhancement of the communities we serve and to the health and well-being of our employees. Our values of diligence, discipline and integrity form the bedrock of our ongoing commitment to responsible business practices, serving as the compass for our decision-making processes.

In line with our mission and values, we've embarked on a journey toward a more comprehensive ESG strategy. This strategy integrates our commitment to responsible investing, which has been ingrained in Dermody Properties' DNA since inception, and aligns our practice with the fundamental principles of corporate sustainability, including ethical leadership and environmental stewardship. By nurturing existing partnerships and forging new ones, we're broadening our impact and making positive contributions in the communities in which we operate. Our dedication extends to fostering an inclusive workplace where every team member is valued and empowered, demonstrating that our success is a collective endeavor.

We express gratitude to our stakeholders for their continued support and confidence as we collectively shape a brighter future. As we navigate the dynamic sustainability landscape, we remain committed to transparency and sharing progress. We invite you to explore this 2023 ESG Report describing our efforts to contribute to a more sustainable and equitable world.

Michael Dermody, Douglas A. Kiersey Jr., Kathleen Briscoe, Amy Curry, Doug Lanning, Elizabeth Kauchak, Timothy Walsh



19730 Northeast Sandy Boulevard, Portland, OR

### About Dermody Properties

Dermody Properties LLC (“the Company”) is a privately owned real estate investment, development and management firm that specializes in the acquisition and development of logistics real estate in strategic locations for e-commerce fulfillment centers, third-party logistics and distribution customers. Founded in 1960, the Company has offices and properties strategically located in targeted Tier 1 and Tier 2 cities across the United States.

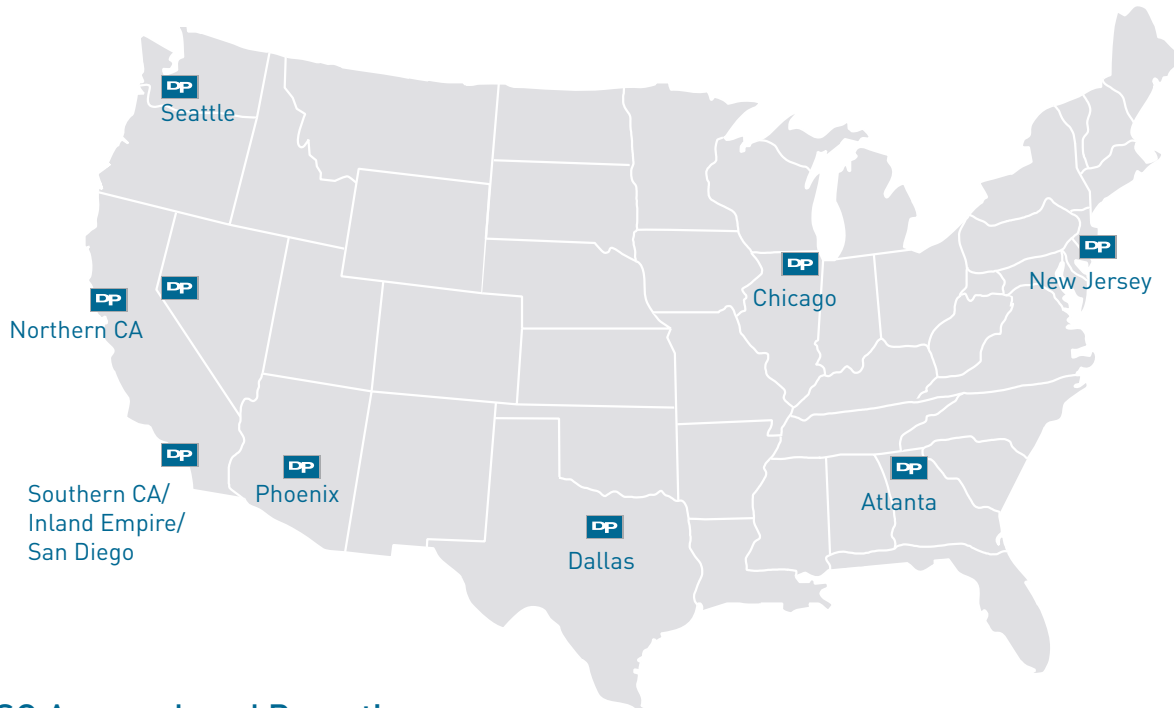
Customer satisfaction is at the heart of our mission and business practices. We

strive to create customer satisfaction by treating people fairly, giving them the benefit of our experience and knowledge, and providing responsive service and good value. It is our belief that a company is only as good as the people who represent it. Dermody Properties has a team of people who care about each other, our customers and our investors, and we apply that care to every project, with every client.

The Company’s past and current customer list includes many market leaders, such as:



## Dermodity Properties Regional Offices



## ESG Approach and Reporting

Dermodity Properties is focused on logistics real estate. The ethos of our ESG strategy is to align financial value creation with doing the right thing.

The core tenets of our ESG program are:

- 1**

Long-term financial value creation
- 2**

Management of relevant ESG risks and opportunities
- 3**

Upholding sustainable business practices

The following core pillars guide our ESG program and are fundamental to our business. Efforts and progress across each are described in more detail in the pages that follow.

Responsible Business Practices	Responsible Investing	Environmental Impact	Community Well-being	Prioritizing Our People
We strive to be known for integrity and high ethical standards.	As diligent stewards of capital, our goal is to create high-quality portfolios and satisfy customers, to help us deliver long-term financial value creation for our investors.	We are focused on environmental stewardship and the sustainability efforts of our customers.	We are committed to customer satisfaction and providing support for the communities in which we conduct business.	We invest in our culture and the development of our teams to build a highly skilled and engaged organization. Our people are our greatest asset.



## ESG Oversight

The Dermody Properties leadership team is composed of our Executive Chairman, Chief Executive Officer and President, Chief Capital Officer, Chief Strategy Officer, Chief Financial Officer, Chief Operating Officer and Chief Investment Officer, all senior professionals with an average of 35 years of industry experience. Collectively, these individuals make up the Executive Committee. The Executive Committee is responsible for the ESG framework of Dermody Properties and for delegating the execution of strategic initiatives across the organization.

The ESG Working Group, led by our Chief Capital Officer, is composed of cross-functional leaders throughout the company and is responsible for developing and implementing the Company’s ESG strategy, programs and reporting. In 2023, with oversight from the Executive Committee, the ESG Working Group spearheaded the development and implementation of the Company’s Responsible Investment Policy. This policy guides the integration of ESG analysis into Dermody Properties’ investment practices. In 2023, the ESG Working Group also developed a road map for ESG areas of focus in 2024 and beyond.

*The ESG Working Group provides updates to the Executive Committee on the Company’s ESG programs and progress on a monthly basis.*



In 2023, the ESG Working Group also developed a road map for ESG areas of focus in 2024 and beyond.

# RESPONSIBLE BUSINESS PRACTICES

Maintaining integrity, high ethical standards and business continuity throughout our operations is at the core of our business.

## Corporate Governance and Business Ethics

### Executive Committee

Dermody Properties promotes the long-term interests of our stakeholders through the leadership of our Executive Committee members, who have decades of industrial and logistics real estate experience. We consider diversity of backgrounds, skills and experience in the selection of our leadership and will continue to seek individuals whose talents and backgrounds reinforce our culture and enhance the success of our business.

### Ethics and Compliance Program

At Dermody Properties, we believe that integrity is the foundation for all company relationships, including those with investors, customers, suppliers and communities and among employees. Our Employee Handbook, overseen by the Executive Committee, consists of the documented policies outlined in the following section, as well as standards for communication and employee education.

### Documented Policies

Our Code of Ethics (“Code”) details our commitment to conduct business in an ethical and fair manner, and in compliance with applicable laws and regulations. The Code covers issues such as conflicts of interest, discrimination and harassment, anti-corruption, anti-trust and competition laws, fair dealing, relationships with suppliers and financial reporting and disclosure. All employees are required to review and acknowledge the Code and its contents both upon hire and on an annual basis.

Additionally, our Anti-Money Laundering Policy sets out the minimum requirements that must be followed when collecting and retaining Customer Due Diligence documentation with respect to investors in the Company’s funds<sup>1</sup> and investment vehicles.

Annually, Dermody Properties reviews, revises and adds to published policies and communicates any changes to employees.

### Employee Education

All employees undergo annual compliance training on ethics, conduct and fraud prevention. New hires receive training on both the Employee Handbook and the Code.

### Whistleblower Procedures

Every employee has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with the Code. Misconduct or concerns may be reported through the Company’s compliance platform or directly to management. The compliance platform is maintained by a third-party consultant who manages anonymous incident reporting on behalf of Dermody Properties and who also conducts regular audits of compliance procedures. Should a relevant incident arise, the Executive Committee will investigate the concern and resolve the issue. We do not tolerate retaliation against employees who raise concerns.

<sup>1</sup> Dermody Properties maintains a series of closed-end funds with investments from a variety of limited partners, known as “investors.”

## Data Security and Customer Privacy

### Cybersecurity at Dermody Properties

Protecting our data and the systems in which our data is processed, stored or transmitted is vitally important to the Company's success. Our Information Security Policy, informed by the National Institute of Standards and Technology (NIST) cybersecurity framework, establishes the company's standards to ensure confidentiality and integrity of our data. The policy applies to all employees, contractors or other parties we do business with. The Information Security Team (IST), which includes our IT manager and other senior leaders, oversees our cybersecurity program and leads incident response efforts with support from our third-party IT provider. The COO receives regular updates on cybersecurity incidents and resolution from the IST.

### Incident Response

In the event of a cybersecurity incident, our Incident Response Plan (IRP) outlines response and recovery procedures. The IRP provides employees and the IST with a well-defined, organized approach to mitigating and remediating incidents. The IRP is reviewed annually by a third-party consultant, and required updates and improvements are incorporated as needed.

### Risk Assessments and Testing

In partnership with the IST, our third-party IT provider conducts periodic cybersecurity assessments to identify risks in the organization's security controls, technical infrastructure or procedures. As part of a proactive approach to protection, vulnerability scans and penetration tests are also performed. Based on the findings and recommendations from risk assessment

exercises, necessary updates are made to the cybersecurity program and related policies.

### Cybersecurity Training

As part of the Company's ongoing cybersecurity efforts, we conduct annual training for all employees and monitor completion rates. The training addresses a variety of topics relating to information security policy, the IRP and related procedures, cybersecurity events recently in the news, common phishing techniques, how to identify red flags and other topics deemed relevant. Phishing exercises are also required for all employees upon hire and on an annual basis, along with ad hoc email phishing tests throughout each year.

In 2023, 99% of our employees completed annual cybersecurity training.

### Sustainability in Our IT Infrastructure

As part of our commitment to sustainability and energy efficiency, all new IT products (such as computers, displays and mobile phones) are EPEAT Gold certified, an ecolabel for electronics managed by the Global Electronics Council. We also leverage efficient cloud infrastructure services, which contribute to lower energy usage in our operations.

### Customer Privacy

Our Information Security Policy provides guidance on how we collect, store and access personal data belonging to investors, customers, business partners, employees and vendors. Dermody Properties complies with all applicable laws and respects the confidentiality of information collected. We strive to protect

**In 2023, 99% of our employees completed annual cybersecurity training.**



LogistiCenter<sup>SM</sup> at Miner's Mesa

personal data by implementing reasonable security safeguards against unauthorized or improper disclosure of such personal data.

### Business Continuity

As part of the Company's approach to managing risk and maintaining business continuity, we take precautions in the event of a significant business disruption, such as a network outage, system failure, natural disaster or any other event that could disrupt the ability of Dermody Properties to operate. The formal Business Continuity Plan (BCP) outlines procedures and guidance for emergency response and crisis communication, as well as recovery strategies for critical systems and services to restore the Company's operations.

The SVP of Property Management and EVP of Finance are responsible for managing, approving and reviewing the BCP on an annual basis, or more frequently if warranted.

The assigned Recovery Management Team, which includes leaders from the Finance, IT, Property Management and Investor Relations teams, initiates the BCP if needed, overseeing the recovery and communication process. The BCP is distributed to all employees upon hire, on an annual basis or after plan updates.

### Suppliers and Third-Party Providers

We utilize cloud-based infrastructure for all investment processes and maintain due diligence procedures for new IT service vendors and systems prior to onboarding.

We have built strong partnerships with a select set of third-party providers who we believe share our commitment to responsible business practices. We rely on these providers for services such as property management, software and IT, lease tracking, compliance and investor portal maintenance. We expect our vendors to comply with our Information Security Policy and other relevant policies, as well as demonstrate high levels of ethical behavior and integrity.

# RESPONSIBLE INVESTING

As diligent stewards of capital, our goal is to create high-quality portfolios and satisfied customers to deliver long-term financial value creation for our investors.

## Responsible Investment Policy and Approach

We understand the impact that relevant ESG factors can have on our business. Dermody Properties' Responsible Investing Policy outlines how the Company approaches and defines ESG factors that are integrated into

the investment process. This policy details our approach to responsible investing as it relates to our overall corporate strategy to manage risk and create long-term financial value for our stakeholders.

**Dermody Properties seeks to integrate the six Principles for Responsible Investment (PRI) into our investment management approach.**

### DERMODY PROPERTIES' ALIGNMENT WITH THE SIX PRINCIPLES FOR RESPONSIBLE INVESTMENT

**1**

**"We will incorporate ESG issues into investment analysis and decision-making processes."**

ESG analysis is integrated into the Company's investment process through sourcing, due diligence, construction and leasing, as appropriate, depending on the investment.

**2**

**"We will be active owners and incorporate ESG issues into our ownership policies and practices."**

Dermody Properties seeks to engage with tenants on sustainability issues. This can include conducting surveys and on-site visits, as well as inserting green lease provisions in our leasing agreements.

**3**

**"We will seek appropriate disclosure on ESG issues by the entities in which we invest."**

Dermody Properties will collaborate with external vendors to ensure appropriate disclosure on ESG issues.

**4**

**"We will promote acceptance and implementation of the Principles within the investment industry."**

Dermody Properties will continue to be involved with ESG events (conferences, panels, discussions, etc.) and initiatives throughout the real estate industry.

**5**

**"We will work together to enhance our effectiveness in implementing the Principles."**

Dermody Properties is committed to collaborating with our investors, customers and other stakeholders to implement ESG principles.

**6**

**"We will each report on our activities and progress towards implementing the Principles."**

Dermody Properties is committed to providing annual updates on our ESG-related activities and progress.

LogistiCenter<sup>SM</sup> at Rialto

## ESG in Dermody's Investment Process

Dermody Properties intentionally invests in projects where modern logistics buildings can be developed or redeveloped in infill locations. We seek to integrate ESG considerations throughout the investment process by evaluating relevant ESG-related risks and value-creation opportunities.

### Sourcing, Due Diligence and Underwriting<sup>2</sup>

The investment process begins with sourcing opportunities. We strive to source Class A, infill industrial acquisition and development opportunities and follow a disciplined investment strategy based on yields, returns, geography, timing, size and more. Following initial sourcing, prospective investments are subject to preliminary approval by the Dermody Properties Investment Committee prior to formal due diligence. The Investment Committee is composed of the Executive Committee and select third-party members with proven industry experience and a history of partnership with the Company. Following Investment Committee approval, the sourcing team will commence due diligence.

### Environmental Site Assessments

Environmental considerations are incorporated from the beginning of the acquisition or development process. New and prospective development sites and acquisitions undergo a Phase I Environmental Site Assessment (ESA). Prior to ordering a Phase I ESA, the site is internally assessed to identify any nearby sites that may be a concern, such as a fueling station, heavy manufacturing facility or landfill. An internal review of public documents may also be conducted to identify potentially relevant environmental cleanup in the surrounding area.

### Due Diligence Checklists

Additionally, when relevant, we utilize unique due diligence checklists tailored to the specific type of investment (development or acquisition) that incorporate a review of factors such as environmental reports, wetland and habitat considerations, site plan issues, access and traffic, transportation studies, labor studies and utilities. We also incorporate an asset's exposure to climate risks, including earthquakes, floods, wildfires and water stress.

<sup>2</sup> There can be no assurance that the list of material ESG topics is exhaustive, and additional topics may be identified as material on an investment-by-investment basis. There is no guarantee that any of the steps taken by Dermody Properties and/or third parties to mitigate, prevent or otherwise address material ESG topics will be successful in preventing or mitigating impacts on returns, completed as expected or at all, or will apply to or continue to be implemented in the future.





The Park at McCarran

## INVESTMENT COMMITTEE MEMORANDA

Findings from the due diligence process, along with financial considerations and market information, are included in an Investment Committee Memorandum and circulated for discussion and review prior to deal approval. Investment Committee Memoranda also include specific ESG questions to track data for better decision-making, including:

- Will the project target ENERGY STAR certification?
- Will the project target LEED certification?
- Is the project, or any portion thereof, located in a flood plain?
- Is the project located in a region with high or extremely high baseline water stress?
- Is the project, or any portion thereof, located in an earthquake special geological study zone?
- If this project is a development or an acquisition, will the building be designed to or does it have:
  - Structural support for roof-mounted solar panels?
  - LED lighting with motion sensors?
  - Skylights/clerestory windows?
  - Reflective roofing systems?
  - Capacity for EV charging infrastructure?



### ***Approval, Closing and Construction***

Once all due diligence is finalized and the transaction is approved by the Investment Committee, loan closing and transaction documentation take place.

Buildings are developed or redeveloped based on the standards of Dermody Properties, which include maintaining compliance with relevant local, state and federal regulations. Our focus on creating modern logistics buildings encompasses everything from rainwater management to preparing parking lots for future EV charger installation.

We believe that sustainable development makes our assets more attractive, potentially yielding higher return on investment while lowering the cost of capital. As part of our ESG program, all new projects are developed to LEED-certified standards.

In 2023, Dermody Properties made a commitment to expand GRESB Real Estate Assessment for submission in 2024. We also expanded our ENERGY STAR and BREEAM certification to include additional portfolios, with results to be reported in 2024. Read more in the [Environmental Impact](#) section of this report.

### ***Leasing***

Dermody Properties began incorporating a green lease provision into leases in 2022, assisting the Company in efforts to pursue environmental certifications, collect utility information and install on-site power generation, such as solar, where feasible.

For more information, see the section on [Tenant Engagement](#) later in this report.

## Stakeholder Engagement and Stewardship

We regularly engage with investors, architects, engineers, contractor teams, tenants and local communities throughout our investment and development process.

STAKEHOLDERS	WAYS WE ENGAGE	KEY ESG TOPICS ADDRESSED
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Investor portal</li> <li>• Annual investor meetings</li> <li>• Advisory Board meetings and calls</li> <li>• Regular individual investor updates as appropriate</li> </ul>	<a href="#"><u>Stakeholder Engagement and Stewardship</u></a>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Regular Associate calls</li> <li>• Opportunity to participate in Investment Committee meetings</li> <li>• One-on-one meetings for employees with a member of the Executive Team</li> <li>• Annual reviews, goal-setting discussions and individualized career growth plans</li> <li>• Employee volunteering efforts through the Dermody Properties Foundation</li> </ul>	<a href="#"><u>Training, Development and Employee Engagement</u></a>
<b>Tenants</b>	<ul style="list-style-type: none"> <li>• Tenant newsletter</li> <li>• Tenant satisfaction survey (Kingsley Survey)</li> <li>• Property management team meetings with tenants on-site on a regular basis</li> <li>• Lease agreements</li> </ul>	<a href="#"><u>Tenant Engagement</u></a>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Community engagement activities through the Dermody Properties Foundation</li> <li>• Annual grants and scholarships to nonprofits and industry organizations</li> <li>• Dermody Properties Thanksgiving Capstone Award</li> <li>• Labor study reports</li> </ul>	<a href="#"><u>Training, Development and Employee Engagement</u></a>
<b>Industry Associations</b>	<ul style="list-style-type: none"> <li>• Partnership with industry organizations to support commercial real estate opportunities for underrepresented individuals</li> <li>• Participation in training programs conducted by industry associations</li> <li>• Green building certification programs</li> </ul>	<a href="#"><u>Training, Development and Employee Engagement</u></a>
<b>Contractors &amp; Vendors</b>	<ul style="list-style-type: none"> <li>• Regularly scheduled site visits</li> <li>• Contractual negotiations and reviews</li> <li>• Vendor service agreements</li> </ul>	<a href="#"><u>Suppliers and Third-Party Providers</u></a>



# ENVIRONMENTAL IMPACT

We are committed to environmental stewardship within our operations in the design, construction and acquisition of properties.

## Operational Sustainability and Green Building Practices

### Corporate Operations

We are committed to reducing the environmental impact of our corporate offices and operations. For example, in our offices and at company-hosted events, we encourage the use of biodegradable paper products, recyclable and reusable materials, paperless initiatives and recycling.

### Green Certifications

Dermody Properties seeks to leverage several frameworks and certifications to guide our ESG program and to demonstrate our commitment to appropriate environmental standards. These standards and certifications incorporate best-practice strategies for creating sustainable, healthy and high-quality buildings. We are committed to developing all new projects to LEED-certified standards as part of the LEED Volume Program. In 2023, we implemented a process to track the status of green building certifications and sustainable features across all our properties.

### Sustainable Features

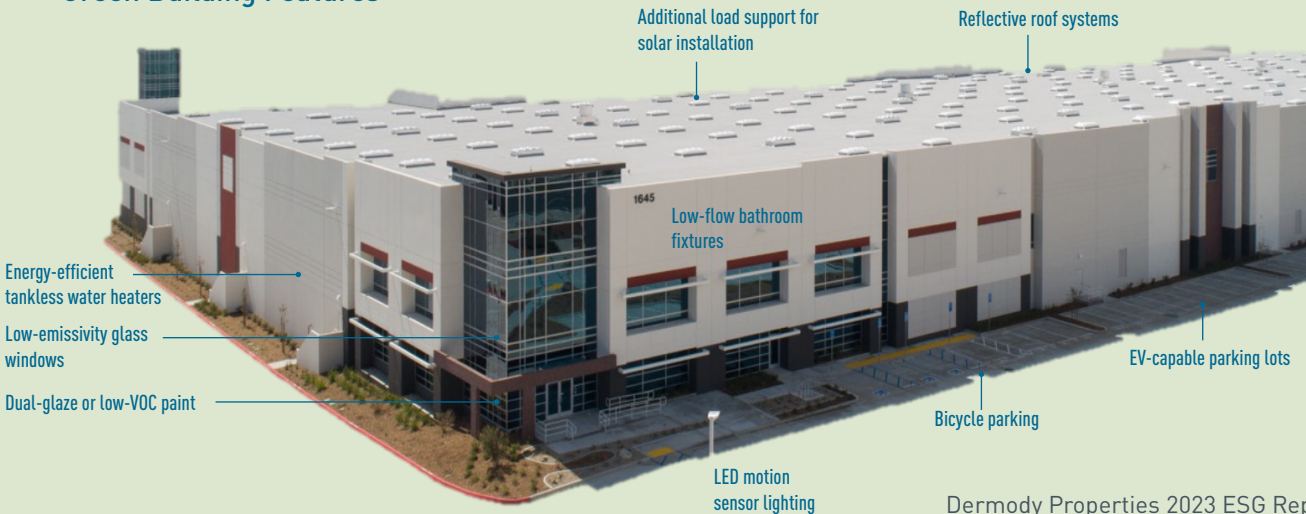
We seek to incorporate sustainable features and upgrades in the design of existing

properties, new developments and acquisitions. These features may include, but are not limited to, installing LED lighting with motion sensors, mechanical systems that meet or exceed ASHRAE standards, EV charging capabilities and reflective roofing systems, depending on what is appropriate for each property. Other sustainable features include energy-efficient tankless water heaters, low-flow bathroom fixtures, low-emissivity glass windows and dual-glaze or low-volatile organic compound (VOC) paint. Select buildings also include built-in EV charging for vehicles and parking lots prepped for future EV installation.

We are also committed to evaluating the feasibility of solar installation for select new and existing developments to increase efficiency and decrease electricity costs for our tenants or future tenants. On many new developments, roofs are built to accommodate the weight of solar panels.

<p><b>41%</b> of our properties (~13.8M SF) achieved or are in the process of LEED certification</p>	<p><b>3M SF</b> of properties are ENERGY STAR certified</p>	<p><b>2M SF</b> of properties have BREEAM certification</p>
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### Green Building Features



### **Data Tracking**

To maximize both cost savings and efficiency, we need to understand how much energy, water and waste our buildings are consuming and generating. Dermody Properties utilizes the Environmental Protection Agency's ENERGY STAR platform to track real-time utility usage across select portfolios. We are working on developing a process to collect data for every asset, which will guide future opportunities for reductions.

### **Construction Waste Management**

The Company's Construction Waste Management Plan (CWMP) guides our approach to reducing construction and demolition waste on jobsites that is disposed of in landfills and incineration facilities. We do this through waste prevention and conservation, when commercially feasible, reusing, recovering and recycling materials at each jobsite. Every general contractor that we partner with on new developments receives the CWMP and is expected to comply. Oversight throughout the course of construction is handled by our LEED consultant.

Each construction or demolition material stream has a disposal method, a handling procedure and owner and a list of acceptable materials. Common material streams on our jobsites that are included in the CWMP are concrete, asphalt, scrap metal, wood and drywall. In accordance with the LEED certification process, we quantify each material stream and strive to achieve a minimum waste diversion rate of at least 50% for each project.

### **Hazardous Waste**

In accordance with LEED, hazardous materials must be tracked, stored separately and disposed of in a manner appropriate for that waste and in compliance with local regulations. Select construction personnel are trained regarding hazardous waste

management as part of broader safety training in compliance with the Occupational Safety and Health Administration (OSHA). Safety training, including OSHA, is typically managed monthly by the general contractor's safety manager at the jobsite and/or as new subcontractors start work on the site. We require the subcontractor or general contractor to be prepared to respond to spills or leaks that occur anywhere on a project site. Spill cleanup kits are maintained on-site at all locations to expedite cleanup.

### **Tenant Engagement**

At Dermody Properties, we continuously build resources and mechanisms for tenant interaction that are focused on retention and engagement. Specifically, we monitor tenant satisfaction through an independent, industry-recognized survey known as the Kingsley Tenant Survey. As part of the survey, we ask tenants to provide feedback on areas such as accessibility to property management, level of communication, satisfaction with property features and sustainability.

In 2023, we distributed the survey to tenants in 45% of our assets under management and are currently working to expand distribution to the remainder of our assets in 2024.

Dermody Properties received very positive overall scores:

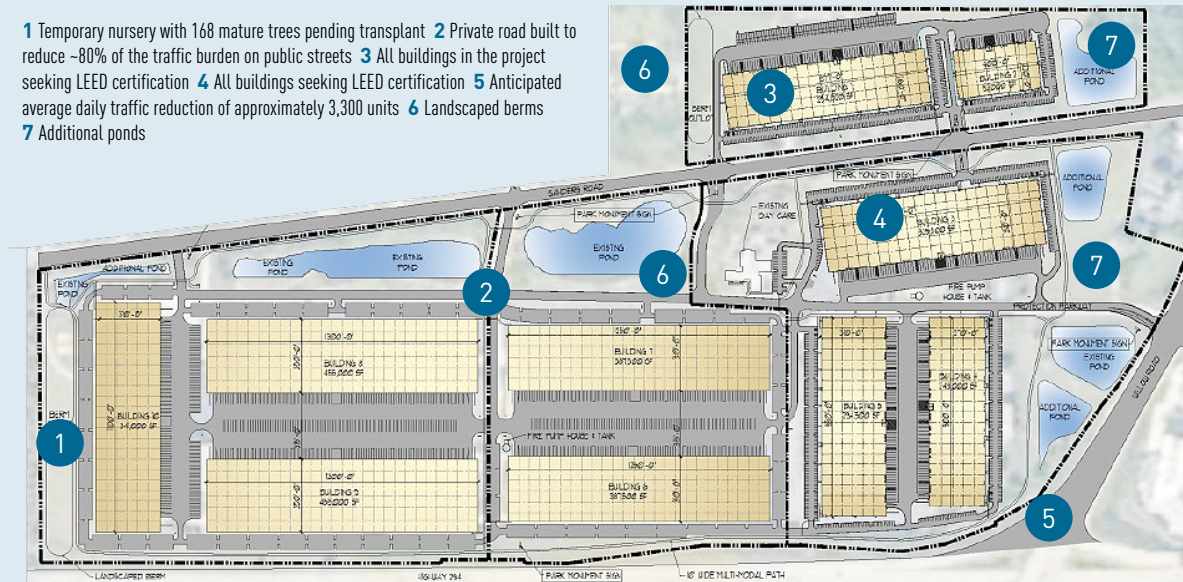
**5.0/5.0****Overall leasing satisfaction****4.5/5.0****Management accessibility****4.7/5.0****Building functionality**

Following survey completion each year, the responses are discussed and feedback is addressed directly with the tenants as necessary.

## PROJECT SPOTLIGHT: SUSTAINABLE REPURPOSING AT THE ALLSTATE CAMPUS

Dermody Properties acquired the 232-acre Allstate corporate campus located in Glenview, Illinois, in October 2022.

- 1 Temporary nursery with 168 mature trees pending transplant 2 Private road built to reduce ~80% of the traffic burden on public streets 3 All buildings in the project seeking LEED certification 4 All buildings seeking LEED certification 5 Anticipated average daily traffic reduction of approximately 3,300 units 6 Landscaped berms 7 Additional ponds



Throughout 2023, the site underwent a transformational process from office corporate campus to a logistics-focused campus designed to serve e-commerce customers in the Chicago area. At completion, the 10-building Logistics Campus will total over 3 million available square feet with flexibility to accommodate build-to-suits. Our goal is for all buildings to feature sustainable design and construction elements, including recycling building waste and repurposing existing mature landscaping and ponds.

The project implemented recycling programs during demolition, repurposing 2,673,000 square feet of asphalt parking lots for reuse under new paved areas and 320,000 tons of building concrete for new building site fill and pad subgrade. Eleven thousand tons of copper, metal and steel have been diverted from landfills to recycling centers.

The general contractor leveraged local connections to source additional fill

materials from two nearby projects, with 3,000 truckloads of soil suitable for fill operations reused on our site.

To preserve natural elements, 168 mature trees were transplanted to a temporary nursery while the site is under construction — 457 trees will be removed, and 3,178 new trees will be planted.

The project is seeking LEED certification, incorporating features such as 100% LED lights, optimized energy performance and reduced water use.

All roofs are designed to accommodate future solar panels to generate energy for tenants or to be sold back to the power grid.

Traffic volumes at the project are expected to be significantly lower than previous levels, with an average daily traffic reduction of approximately 3,300 units. A private road within the park accommodates approximately 80% of the traffic, reducing the burden on public streets.

### Tenant Sustainability Efforts

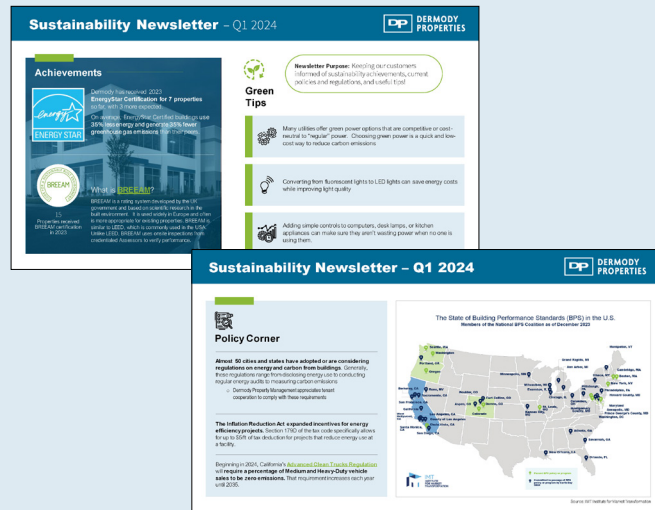
Understanding tenant sentiment around sustainable building operations is another key output of the Kingsley Survey. We ask several targeted questions centered on sustainable initiatives, metrics tracking and interest in collaborating with Dermody Properties to reduce impact. Gathering this information is critical to improving the Company’s

sustainability service offerings, as it provides an opportunity to evaluate the practices that are of most interest to our tenants. It also moves us toward collaborating with tenants to create ESG road maps that align with their goals and toward creating more sustainable properties.

### SUSTAINABILITY NEWSLETTER

The environmental impact of our business is affected by the behavior and actions of our tenants within their individual spaces. To increase tenant education and engagement around sustainable practices, we developed a Dermody Properties Sustainability Newsletter that launched for all tenants in mid-2023. The newsletter highlights our ESG priorities and tenant energy- saving opportunities.

See the Appendix for the full-size newsletter.



### Green Leases

Another part of our engagement strategy includes partnering with tenants to obtain information on their energy, waste and water usage. The green lease provision we began incorporating in 2022 assists Dermody Properties in its efforts to pursue environmental certifications or rating programs, such as ENERGY STAR, Green Globes, LEED, BREEAM, IREM Certified Sustainable Property, Fitwel or WELL.

The green lease language also includes the ability to obtain tenant utility data and allows

for installation of on-site power generation, such as solar, at our properties. In 2023, 100% of Dermody Properties’ new and renewed leases included these green lease provisions. We believe this addition to our leases will help propel our ESG strategy and actions forward and demonstrates our commitment to sustainability initiatives for current and future tenants.

**In 2023, 100% of Dermody Properties’ new and renewed leases included Green Lease provisions.**



## COMMUNITY WELL-BEING

We are committed to customer satisfaction and providing support for the communities in which we conduct business.

### NEWS SPOTLIGHT: MICHAEL C. DERMODY RECEIVES INAUGURAL NAIOP 'LEGEND AWARD' FOR LIFETIME ACHIEVEMENT IN NORTHERN NEVADA



Michael Dermody at the NAIOP Awards, February 24, 2024

**Executive Chairman Michael C. Dermody is the first recipient of the Legend Award from NAIOP Northern Nevada,** a commercial real estate development association. This prestigious honor recognizes Mr. Dermody's lifetime of dedication to and profound impact on the industrial real estate sector and his philanthropic service to the northern Nevada community.

During the event, Mr. Dermody was honored for his leadership skills, integrity, dedication, professionalism, long-standing relationships and keen focus on providing outstanding customer service. Mr. Dermody served as CEO of Dermody Properties from

1982 to 2023, assuming the role of Executive Chairman in 2023. A member of the Executive Committee, the Investment Committee and the Advisory Board, Mr. Dermody continues his long-standing protocol of signing every lease as part of the Company's customer-based mission.

Beyond honoring his dedication to the industry, the Legend Award recognizes Mr. Dermody for his extraordinary community service contributions, including establishing The Children's Cabinet, Sage Ridge School and Safe Talk for Teens and creating the Dermody Properties Foundation, an employee-managed foundation that has donated more than \$3.65 million to a variety of nonprofits in the communities Dermody Properties serves.

“

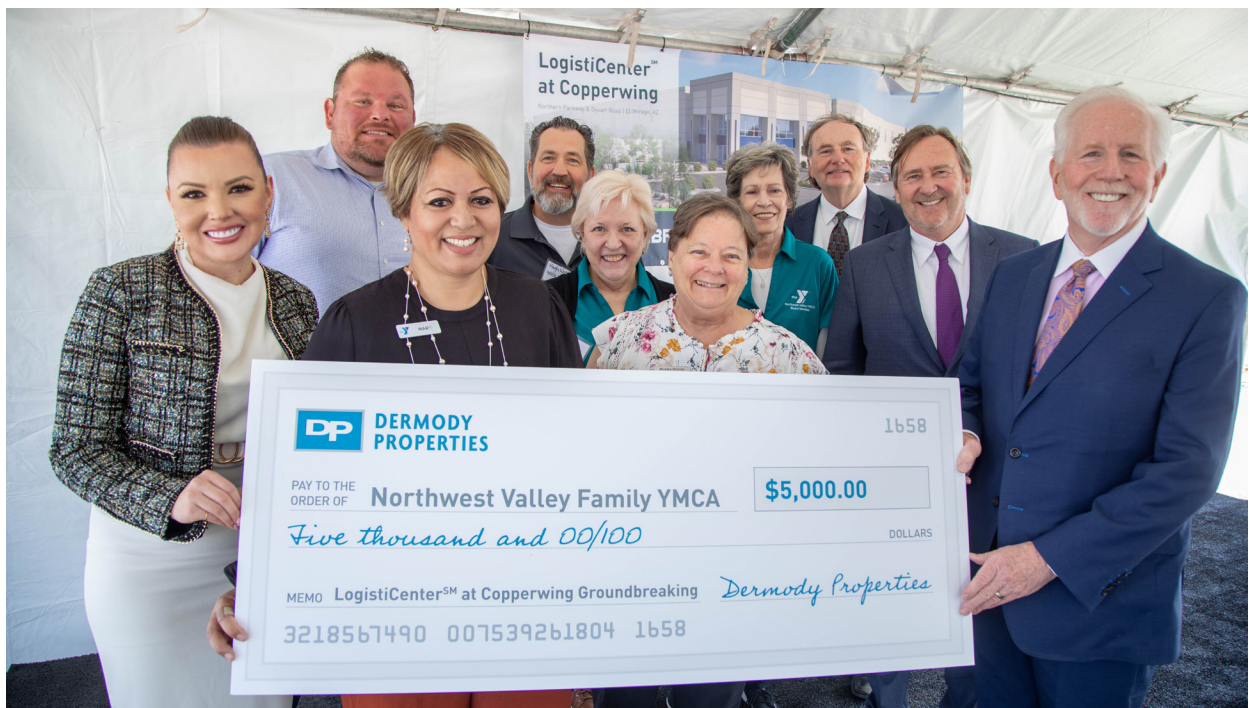
NAIOP Northern Nevada has established the Legend Award to recognize those in our community who have brought significant and notable value to our region, both through their profession and through their support of our community," said Ben Harris, President of NAIOP Northern Nevada. "Michael Dermody has contributed to making northern Nevada a better place in both of these arenas, and we are honored to recognize him. ”

### Engaging with Communities

As an industrial developer, Dermody Properties incorporates tenant and community needs from the start in the design and construction phases. Before construction kicks off, several steps are taken to understand and engage with the communities in which we operate to minimize disruption.

These may include, for example:

- 1 Attending community meetings to actively listen to important issues in the neighborhoods where we operate
- 2 Performing traffic and noise studies
- 3 Conducting labor studies to assess the nearby population and partnering with local organizations to better align with tenants likely to lease our spaces



LogistiCenter<sup>SM</sup> at Copperwing Groundbreaking Event

### Developing Relationships

Developing relationships and lending support to local communities that surround our projects is important to us and is part of the Company’s philanthropic approach. For example, in April 2023, Dermody Properties broke ground on the LogistiCenter<sup>SM</sup> at Copperwing project in El Mirage, Arizona.

As part of our commitment to the surrounding community, Dermody Properties presented a \$5,000 donation at the groundbreaking event to the local YMCA in support of its programs. The YMCA, located directly adjacent to the site, offers a variety of amenities to potential tenants of the project, including corporate memberships and childcare. It is an invaluable asset in the community.

### Charitable Giving

Our broader vision of building for tomorrow extends beyond property development to helping the communities in which we conduct business. We support various nonprofits and partner with industry organizations to provide monetary donations, volunteer time and provide scholarships across the country.

#### **Dermody Properties Foundation**

To further assist the families in our communities, we established our own nonprofit, the Dermody Properties Foundation (Foundation), in 1988.

The Company’s charitable giving program is guided solely by our employees who live and work in the communities where we do business. The Foundation has been providing grants and volunteer support to worthwhile community causes across the country since 1988. With a focus on six specific impact areas (please see below), the employee-managed Foundation has provided, on average, more than \$100,000 in donations per year since its inception.

#### IMPACT AREAS



Children & Youth at Risk



Basic Family & Medical



Seniors & Elderly



Scholarships & Education



The Arts



Disabled & Substance Abuse

The Dermody Properties Foundation has donated more than \$3.65 million to a variety of nonprofits since 1988. In 2023, the Foundation donated \$212,500 to 133 nonprofit organizations across the country.



## Community Impact Initiatives

### Thanksgiving Capstone Awards

The Dermody Properties Thanksgiving Capstone Award began in 2008 as a way to say thank you to communities that help our business thrive. Each year during the Thanksgiving season, Dermody Properties makes a substantial donation to one or more nonprofit organizations to help them continue their good works throughout the holiday season. In 2023, we donated \$100,000 to various organizations across our operating regions, including a \$25,000 donation to the Northern Nevada Food Bank in Reno, Nevada — the location of the Company’s headquarters.

#### ADDITIONAL 2023 CAPSTONE AWARD DONATIONS INCLUDE:



\$10,000



\$10,000



\$10,000



\$10,000



\$10,000



\$10,000

### Commercial Real Estate Industry Support and Donations

Diversifying the commercial real estate industry as a whole and increasing opportunities for underrepresented individuals in this sector are important to us. To support this mission, Dermody Properties makes yearly scholarship contributions. In 2023, we provided \$36,000 to foundations and scholarships across seven industry groups.

The Company’s donation to AFIRE, for example, directly supports the AFIRE Mentorship Program. This program facilitates mentorship relationships between three levels: C-Suite Executives (executive leaders with decades of industry leadership), Rising Leaders (mid-level leaders) and Fellows (graduate and early-career professionals from diverse backgrounds). These “mentorship families” connect through regular calls and in-person meetings at the annual conference to discuss industry trends, career paths and plans for personal growth. The Company’s support of this program provides funds for the Fellows to travel and attend AFIRE events and meetings associated with their mentorship.

#### INDUSTRY FOUNDATIONS SUPPORTED INCLUDE:



### Event Sponsorships

Dermody Properties sponsors industry events to further support charities and nonprofits. Recent events sponsored include:



Los Angeles Real Estate & Construction Industries, Spirit of Life Celebration



NJ Real Estate Awards Reception



Way Legacy Luncheon NJ



Veterans Alliance Charity Golf Outing



Chicago



Northern NV Golf Tournament



## CASE STUDY



### Founded by Dermody Properties Executive Chairman

**Michael Dermody** in 1985, The Children's Cabinet is a nonprofit organization whose mission is to keep children safe and families together. The organization partners with the private sector and public agencies in Nevada to provide services and resources for families who need them most.

Programs include parenting classes, childcare subsidy assistance, childcare resource and referral, an on-site food pantry, an on-site high school, free family counseling and crisis intervention. Today, The Children's Cabinet serves more than 12,000 Nevada families each year from six locations throughout the state in Reno, Carson City, Las Vegas and Elko.



Every year, Dermody Properties "adopts" families from The Children's Cabinet during the holidays. Driven by staff leadership, for decades employees have pitched in to purchase presents and host present-wrapping days at the Company's Reno headquarters. These gifts are then donated to the "adopted" families. Thankful for all we have, we are grateful to be able to make the holidays a bit brighter for families in need.

“

*The Dermody team supports two families each year to bring Christmas joy to the parent(s) and children. Our goal is to open our hearts and help these families, not only on Christmas but hopefully for the next couple of months with the gift cards that are purchased. The highlight of my Thanksgiving is preparing for my annual Black Friday purchase of toys and gifts for our adopted families. Each year, purchasing these gifts and working with my colleagues to wrap and deliver them brings such joy for everyone involved. ”*

– Alice Swanson, Senior Accountant (31 years and counting with Dermody Properties)

“

*Through the tireless efforts of The Children's Cabinet and together with partners such as Dermody Properties, we're not just shaping futures; we're building bridges to brighter tomorrows for every child. Our impact resonates beyond statistics, nurturing dreams and empowering possibilities in the hearts of the 15,000 children and families that we serve in Nevada. ”*

– Kim Young, Chief Executive Officer,  
The Children's Cabinet

## PRIORITIZING OUR PEOPLE

We invest in our culture and the development of our teams to build a highly skilled and engaged organization.

### Training, Development and Employee Engagement

We want our employees to have the opportunity to grow professionally while at Dermody Properties. This includes encouraging all employees to play an active role in the real estate industry by providing access to training programs conducted by industry associations, such as the Society of Industrial and Office Realtors (SIOR), the Urban Land Institute (ULI) and the Certified Commercial Investment Member Institute (CCIM).

We also provide certification, accreditation and degree support assistance to employees. This assistance can cover anything from a CCIM accreditation or a real estate license fee to tuition support for advanced degrees. In 2023, two employees participated in certificate/accreditation programs sponsored by Dermody Properties for their continuing education.

Dermody Properties and our employees participate in the following industry associations:

AFIRE	NAREIM
CCIM	RERT
CREW	SIOR
IREI	ULI
NAIOP	USGBC (LEED)

### Career Growth and Performance Feedback

When a new employee joins Dermody Properties, they receive a custom 30–60 day onboarding plan to welcome them to the team and orient them to their role and the company. Annual comprehensive performance reviews and goal setting discussions occur to support continued career growth for each employee. We aim to ensure all employees are provided with opportunities to grow in their expressed areas of interest to support career mobility.

For example, we make an effort to rotate our analysts through different regions to provide them with exposure to the different markets in which Dermody Properties operates. As a growing company, we wear many different hats and like to encourage exposure to all sides of our business for any interested employee.

### Engagement

Building a rich culture of employee collaboration and connection is something that is important to us. Dermody Properties places a strong focus on employee engagement and open communication as part of a commitment to fostering a positive work environment and maintaining a strong connection between employees and leadership. This culture contributes to a high retention rate at the company. In 2023, employee turnover was less than 3%.

In 2023, employee turnover was less than 3%.



**Dermody Properties Engagement Strategy:**

***In-Person Meetings:*** Brings employees together, provides a chance for face-to-face interaction and encourages team building.

***Regular All-Associate Calls:*** Keeps all employees informed about Company developments, goals and progress, allowing for real-time feedback and questions.

***Leadership Accessibility:*** Demonstrates that the executive team is approachable and values the input and concerns of all employees.

***One-on-One Meetings with New Hires:*** Helps new employees feel welcome and connected to the organization and the executive team from the beginning.

***Cross-Team Collaboration:*** Encourages the sharing of best practices and cross-pollination of ideas between regional teams, both in person at regularly scheduled asset management meetings and on recurring team calls.

***Encouraging Direct Feedback:*** Demonstrates that the Company values the input of our workforce and is willing to make improvements based on their suggestions.

By prioritizing communication, inclusivity and action on feedback, Dermody Properties aims to foster a positive, motivated and engaged workforce.



## Diversity, Equity and Inclusion

### Diversity in Recruitment

At Dermody Properties, our priority is to hire exceptional talent. We also understand the importance of maintaining a workforce with many different voices.

To do our part in helping to diversify the real estate industry as a whole, we support mentorships, scholarships, foundations and programs across the industry to build a broad pipeline of talent. Although Dermody Properties may or may not be the beneficiary of this more diversified industry-wide pool of talent, it is important to us that the entire industry continues to evolve.

### Equal Opportunity and Anti-discrimination

Dermody Properties is an equal opportunity employer and makes employment decisions based on merit. We also believe employees should be able to enjoy a work environment free from harassment or discrimination.

In accordance with applicable law, we prohibit discrimination or harassment based on race, color, creed, gender identity, religion, age and any other consideration protected by federal, state or local laws. This policy applies to all terms and conditions of employment and must be upheld by all Dermody Properties employees.

## Employee Health, Safety and Well-being

### Workplace Safety and Security

Dermody Properties is committed to providing a safe and healthy working environment. We make every effort to comply with relevant federal and state occupational health and safety laws and develop the best feasible operations, procedures and programs conducive to such an environment. Our workplace safety and security policy is aimed at minimizing the exposure of our employees, customers and other facility visitors to health or safety risks.



LogistiCenter<sup>SM</sup> at Speedway | North Las Vegas, NV

Our jobsites are managed by third-party construction groups that are regulated by OSHA and and, accordingly, are expected to follow all applicable federal and local laws. When visiting a jobsite, employees, customers and other visitors are encouraged to abide by safety standards, such as wearing protective gear.

### Benefits Program

The Dermody Properties employee benefits program is designed to assist employees and their dependents in meeting the financial burdens that can result from illness, planning for retirement, dealing with job related or personal problems and enhancing job-related skills. All regular full-time and part-time employees are eligible to participate in the Company’s medical, dental and vision insurance programs. We also offer a 401(k) profit-sharing plan, generous leave of absence options, time off for voting in public elections and an Employee Assistance Program (EAP). The EAP is a free, confidential service provided to all employees that covers areas such as mental health counseling, stress management, grief and loss and financial counseling.








# FRAMEWORK AND STANDARDS

## United Nations Sustainable Development Goals (SDGs)



The United Nations SDGs provide strategic guidance to achieve a better and more sustainable future for all. Represented by 17 global goals and 169 targets, the SDGs address challenges of good health and well-being, inequality, climate change, environmental degradation and sustainable development. We have identified five goals that we believe align with our business strategy.<sup>3</sup>

GOAL	DESCRIPTION	ALIGNMENT WITH DERMODY PROPERTIES	REPORT SECTION
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being for all at all ages	Dermody Properties Foundation, the Company’s charitable giving program, provides grants and volunteer support to worthwhile community causes. In 2023, the Foundation donated \$212,500 to 133 nonprofit organizations across the country.	<a href="#">Charitable Giving</a>
 <p><b>4</b> QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Dermody Properties partners with the following industry groups focused on increasing diversity in the commercial real estate industry: <ul style="list-style-type: none"> <li>• PREA Foundation</li> <li>• AFIRE Mentorship Program</li> <li>• SIOR Foundation</li> <li>• BOMA Foundation</li> <li>• IREM Foundation</li> <li>• Crew Network Foundation</li> <li>• ULI Foundations</li> </ul> In 2023, Dermody Properties provided \$36,000 in scholarship donations across seven industry groups.	<a href="#">Charitable Giving</a> <a href="#">Other Community Impact Initiatives</a>
 <p><b>5</b> GENDER EQUALITY</p>	Achieve gender equality and empower all women	To do our part in helping to diversify the real estate industry as a whole, the Company consistently invests in mentorships, scholarships and leadership programs industry-wide to build a pipeline of more diverse talent.	<a href="#">Other Community Impact Initiatives</a> <a href="#">Diversity, Equity and Inclusion</a>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	To demonstrate our commitment to sustainable development, we have published a Responsible Investing Policy.  Dermody Properties is committed to developing all new development projects to LEED-certified standards. The Company also participates in the GRESB real estate assessment directly, or in collaboration with our investors who report directly, and several of our portfolios are certified by ENERGY STAR or BREEAM. As part of our sustainable tenant engagement strategy, we have incorporated green lease provisions into all new and renewal leases that were signed in 2023.	<a href="#">Responsible Investment Policy and Approach</a> <a href="#">Operational Sustainability and Green Building Practices</a>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable	Dermody Properties is committed to developing all new development projects to LEED-certified standards. The Company also participates in the GRESB real estate assessment directly, or in collaboration with our investors who report directly, and certify several of our portfolios to ENERGY STAR or BREEAM. <ul style="list-style-type: none"> <li>• 41% of our properties (~13.8M SF) have either achieved or are in progress to achieve LEED certification.</li> <li>• 3M SF of our properties have ENERGY STAR certification, and 2M SF of our properties have BREEAM certification.</li> </ul>	<a href="#">Operational Sustainability and Green Building Practices</a>

<sup>3</sup> Alignment of Dermody Properties’ investments and business practices with the SDGs varies across the business and does not necessarily guarantee that all future investments or business practices will be aligned with an SDG. The SDGs are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to or support progress toward the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on Dermody Properties’ application of the SDGs, as such application is subject to change at any time and in Dermody Properties’ sole discretion.

## Sustainability Accounting Standards Board (SASB)

The following tables incorporate the accounting standards from SASB, now housed under the International Sustainability Standards Board (ISSB), related to Real Estate. As an additional layer of transparency, we have also referenced the SASB frameworks for the Home Builders industry. They include the relevant topic metric(s) when available and/or references to sections within this report where specific topics are discussed.

### SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	ACCOUNTING METRIC	SASB CODE	RESPONSE	REPORT REFERENCE
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector	IF-RE-130a.1	Dermody Properties operates only industrial developments. We are in the process of determining how to best capture energy consumption data across our portfolio.	<a href="#">Operational Sustainability and Green Building Practices</a>
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector	IF-RE-130a.2	Dermody Properties operates only industrial developments. We are in the process of determining how to best capture energy consumption data across our portfolio.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	IF-RE-130a.3	Dermody Properties operates only industrial developments. We are in the process of determining how to best capture energy consumption data across our portfolio.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	IF-RE-130a.4	Dermody Properties operates only industrial developments. In 2023, 3M SF of our properties had ENERGY STAR certification.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Refer to the ESG in Our Investment Process section of this report.	<a href="#">ESG in Our Investment Process</a>
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with high or extremely high baseline water stress, by property sector	IF-RE-140a.1	Dermody Properties operates only industrial developments. We are in the process of determining how to best capture water consumption data.	<a href="#">Operational Sustainability and Green Building Practices</a>
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with high or extremely high baseline water stress, by property sector	IF-RE-140a.2	Dermody Properties operates only industrial developments. We are in the process of determining how to best capture water consumption data.	<a href="#">Operational Sustainability and Green Building Practices</a>

TOPIC	ACCOUNTING METRIC	SASB CODE	RESPONSE	REPORT REFERENCE
<b>Water Management (continued)</b>	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	IF-RE-140a.3	Dermody Properties operates only industrial developments. We are in the process of determining how to best capture water consumption data.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Refer to the Operational Sustainability and Green Building Practices section of this report.	<a href="#">Operational Sustainability and Green Building Practices</a>
<b>Management of Tenant Sustainability Impacts</b>	1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property sector	IF-RE-410a.1	As of 2023, all new and renewal leases that were signed contain a green provision that will assist our efforts to gather utility data and undertake resource-efficiency-related capital improvements.	<a href="#">Tenant Engagement</a>
	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property sector	IF-RE-410a.2	Dermody Properties operates only industrial developments. We are in the process of tracking separately metered electricity consumption. We do not currently track separate water withdrawals.	<a href="#">Tenant Engagement</a>
	Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants	IF-RE-410a.3	Refer to the Tenant Engagement section of this report.	<a href="#">Tenant Engagement</a>
<b>Climate Change Adaptation</b>	Area of properties located in 100-year flood zones, by property sector	IF-RE-450a.1 IF-HB-420a.1 IF-HB-160a.2	Dermody Properties operates only industrial developments. As of year-end 2023, 12 properties were located in flood zones.	<a href="#">ESG in Our Investment Process</a>
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	IF-RE-450a.2 IF-HB-420a.2	Refer to the ESG in Our Investment Process and Risk Management sections of this report.	<a href="#">ESG in Our Investment Process</a>
<b>Land Use &amp; Ecological Impacts</b>	Number of (1) lots and (2) homes delivered on redevelopment sites	IF-HB-160a.1	Dermody Properties operates only industrial developments. Periodically, the company will acquire sites for redevelopment; however, it is not a core part of our business.	<a href="#">ESG in Our Investment Process</a>
	Number of (1) lots and (2) homes delivered in regions with high or extremely high baseline water stress	IF-HB-160a.2	Dermody Properties is tracking this metric for future reporting as it applies to industrial logistics projects.	<a href="#">ESG in Our Investment Process</a>

TOPIC	ACCOUNTING METRIC	SASB CODE	RESPONSE	REPORT REFERENCE
<b>Land Use &amp; Ecological Impacts (continued)</b>	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	IF-HB-160a.3	Dermody Properties has had zero monetary losses as a result of legal proceedings associated with environmental regulations.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	IF-HB-160a.4	Refer to the ESG in Our Investment Process section of this report.	<a href="#">ESG in Our Investment Process</a>
<b>Workforce Health &amp; Safety</b>	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-HB-320a.1	Refer to the Employee Health, Safety and Well-being section of this report.	<a href="#">Employee Health, Safety and Well-being</a>
<b>Design for Resource Efficiency</b>	(1) Number of homes that obtained a certified HERS® Index Score and (2) average score	IF-HB-410a.1	Not applicable. Dermody Properties does not develop homes.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Percentage of installed water fixtures certified to WaterSense® specifications	IF-HB-410a.2	We currently do not track this metric.	<a href="#">Operational Sustainability and Green Building Practices</a>
	Number of homes delivered certified to a third-party multi-attribute green building standard	IF-HB-410a.3	Dermody Properties operates only industrial developments: <ul style="list-style-type: none"> <li>• 41% of our properties (~13.8M SF) have either achieved or are in progress to achieve LEED certification.</li> <li>• 3M SF of our properties have ENERGY STAR certification.</li> <li>• 2M SF of our properties have BREEAM certification.</li> </ul>	<a href="#">Operational Sustainability and Green Building Practices</a>
	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	IF-HB-410a.4	Dermody Properties operates only industrial developments. Refer to the ESG in Our Investment Process section of this report for ESG analysis throughout our project process.	<a href="#">ESG in Our Investment Process</a>
<b>Community Impacts of New Developments</b>	Description of how proximity and access to infrastructure, services and economic centers affect site selection and development decisions	IF-HB-410b.1	Refer to the ESG in Our Investment Process section of this report.	<a href="#">ESG in Our Investment Process</a>
	Number of (1) lots and (2) homes delivered on infill sites	IF-HB-410b.2	Dermody Properties operates only industrial developments.	<a href="#">ESG in Our Investment Process</a>
	(1) Number of homes delivered in compact developments and (2) average density	IIF-HB-410b.3	Dermody Properties operates only industrial developments.	<a href="#">ESG in Our Investment Process</a>



### Forward-Looking Statements

This Report contains certain forward-looking statements that do not relate strictly to historical or current facts, and are based on current expectations, estimates, projections, opinions or beliefs of Dermody Properties LLC, its affiliates, or its subsidiaries (collectively, “Dermody”), or its sources of information as of the date of this Report. Such statements are forward-looking and are usually identified by the use of words such as “hope,” “should,” “target,” “continue,” “seek,” “strive,” “anticipate,” “estimate,” “could,” “would,” “will,” “may,” “forecast,” “approximate,” “expect,” “project,” “intend,” “plan,” “believe” and other words of similar meaning, or the negative thereof, in connection with any discussion of future operating or financial matters. The forward-looking statements included in this Report involve known and unknown risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, that could cause actual results to differ materially from projected results expressed or implied by the forward-looking statements in this Report. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results or actual performance. Dermody has based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently known by Dermody. These expectations and assumptions are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond Dermody’s control. Additional risks of which Dermody is not currently aware could cause actual results to differ. The risks and uncertainties that may affect the operations, performance and results of Dermody’s business and forward-looking statements include, but are not limited to, those set forth in this Report and in the governing documents of the relevant Dermody investment vehicle.

No representation or warranty is made as to future performance or such forward-looking statements. Neither the delivery of this Report at any time nor any sale shall under any circumstances create an implication that the information contained herein is correct as of any time after the earlier of the relevant date specified herein or the date of this Report. In addition, unless the context otherwise requires, the words “include,” “includes,” “including” and other words of similar import are meant to be illustrative rather than restrictive.

Any forward-looking statement speaks only as of the date on which such statement is made, and Dermody assumes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Materiality is used within this document to describe issues relating to ESG strategies that we consider to be of high or medium importance in terms of stakeholder interest and potential business impact. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other Dermody reporting or filings. No part of this Report shall be taken to constitute, an invitation or inducement to invest in Dermody.

### ESG

All content included in this Report, such as any third-party firm and/or company names, brands, graphics, logos, and other materials, is the property of Dermody or others noted herein and is protected by copyright and other laws. All trademarks and logos displayed in this Report are the property of their respective owners, who may or may not be affiliated with our organization. None of the firms, organizations or companies mentioned herein have endorsed Dermody, or any of its affiliates. Any person receiving this Report is permitted to copy and print individual pages for informational, non-commercial use. These

copies must not alter the original Report's content, including all legal notices and legends.

This Report includes information on Dermody's program for incorporating ESG considerations across Dermody's operations. Such program is subject to Dermody's fiduciary duties and applicable legal, regulatory, and contractual requirements and is expected to change over time. Additionally, the act of selecting and evaluating material ESG factors is subjective by nature, and the criteria utilized or judgment exercised by Dermody may not align with the views, beliefs or values, internal policies, or preferred practices of any particular investor or other asset manager or with market trends. There are a variety of ESG principles, frameworks, methodologies, and tracking tools; Dermody's adoption and adherence to those discussed herein or to any others is expected to vary over time as ESG practices evolve. Further, there is no guarantee that Dermody will remain a signatory, supporter, or member of any ESG initiatives or other similar industry frameworks mentioned herein.

While Dermody intends to include ESG as a component of its investment process, as described herein, including procedures and policies related to responsible investment, there can be no assurance that Dermody's ESG initiatives and procedures as described herein will be applied to a particular investment. Dermody is permitted to determine in its discretion, taking into account any applicable contractual commitments or regulatory requirements, that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies, and procedures based on cost, timing, or other considerations; such ESG initiatives, policies, and procedures are not necessarily (and are not purported to be) deployed in connection with each investment.

Additionally, ESG factors are only some of the many factors Dermody considers with respect to investments, and there is no guarantee that Dermody's implementation of its ESG

program, which depends in part on qualitative judgments, will enhance long-term value of an investment. To the extent Dermody engages with portfolio investments on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the investment, and the market or society may not view any ESG results as desirable. Additionally, there can be no assurance that Dermody or its investments will be able to achieve any ESG-related objectives, that their actions will not result in outcomes that could be viewed as having a negative ESG effect, or that any historical trends will continue to occur. Actual results may be significantly different from the forward-looking statements herein. There can be no assurances that Dermody's investment objectives will be achieved or that our investment programs will be successful. Past performance is no guarantee of future results.

Unless otherwise stated, the information in this report has been compiled as of December 31, 2023. In gathering and reporting upon the ESG information contained herein, Dermody may depend on data, analysis, or recommendations provided by Dermody's investments or by third-party advisors or data sources, which may be incomplete, inaccurate, or out of date. None of the figures included in this document were audited, assured, or independently verified by auditors or third-party assurance providers. Dermody does not independently verify all ESG information it receives from investments or third-party advisors or data sources, and it may decide in its discretion not to use certain information or accept certain recommendations. Dermody makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness, fitness for use, or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor.





APPENDIX



# Sustainability Newsletter – Q1 2024



**Achievements**

Dermody has received 2023 **EnergyStar Certification for 7 properties** so far, with 3 more expected.

On average, EnergyStar Certified buildings use **35% less energy and generate 35% fewer greenhouse gas emissions** than their peers.

**What is BREEAM?**

BREEAM is a rating system developed by the UK government and based on scientific research in the built environment. It is used widely in Europe and often is more appropriate for existing properties. BREEAM is similar to LEED, which is commonly used in the USA. Unlike LEED, BREEAM uses onsite inspections from credentialed Assessors to verify performance.

15 Properties received BREEAM certification in 2023



## Green Tips

**Newsletter Purpose:** Keeping our customers informed of sustainability achievements, current policies and regulations, and useful tips!

Many utilities offer green power options that are competitive or cost-neutral to “regular” power. Choosing green power is a quick and low-cost way to reduce carbon emissions

Converting from fluorescent lights to LED lights can save energy costs while improving light quality

Adding simple controls to computers, desk lamps, or kitchen appliances can make sure they aren’t wasting power when no one is using them.





## Policy Corner

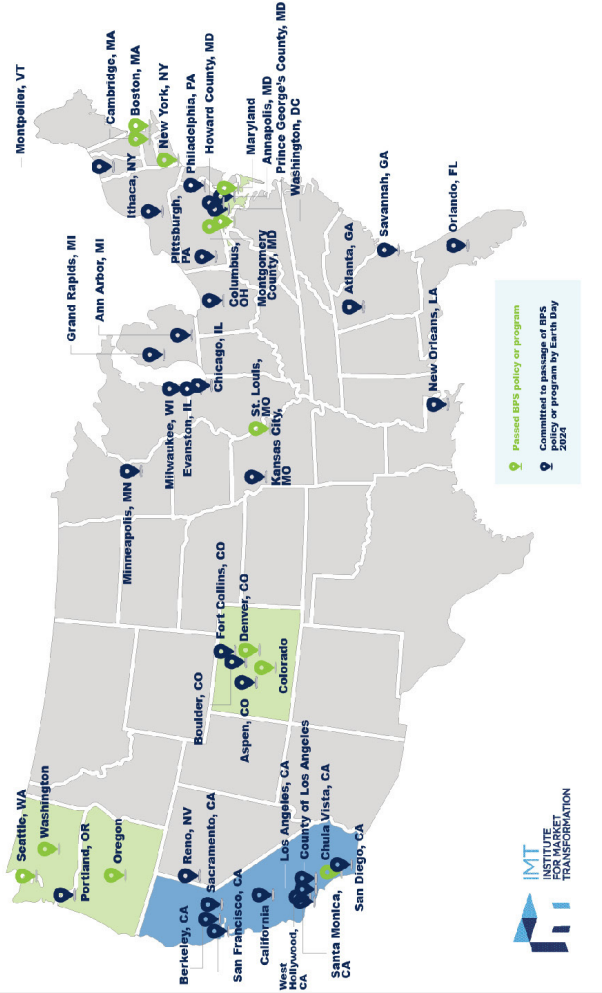
**Almost 50 cities and states have adopted or are considering regulations on energy and carbon from buildings.** Generally, these regulations range from disclosing energy use to conducting regular energy audits to measuring carbon emissions

- o Dermody Property Management appreciates tenant cooperation to comply with these requirements

**The Inflation Reduction Act expanded incentives for energy efficiency projects.** Section 179D of the tax code specifically allows for up to \$5/ft of tax deduction for projects that reduce energy use at a facility.

Beginning in 2024, California's **Advanced Clean Trucks Regulation** will require a **percentage of Medium and Heavy-Duty vehicle sales to be zero emissions.** That requirement increases each year until 2035.

The State of Building Performance Standards (BPS) in the U.S.  
Members of the National BPS Coalition as of December 2023



Source: IMT Institute for Market Transformation





**DERMODY  
PROPERTIES**

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