



# 2021 Environmental, Social and Governance Report

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## About This ESG Report

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Welcome to CenterSquare Investment Management LLC's ("CenterSquare") Environmental, Social and Governance Report, covering our activities during, but not limited to, the calendar year January 1, 2021 - December 31, 2021. The information in this report is intended to offer insights into CenterSquare's philosophy, approach and accomplishments related to ESG integration across our public and private real estate investment platforms.

# A Message from our ESG Leadership



## To Our Community:

Throughout 2021, CenterSquare remained steadfast in our commitment to our Environmental, Social and Governance (ESG) efforts across our public and private real estate investment platforms. We are proud to be part of a broad convergence of stakeholders comprised of fund managers, asset owners, investors, and tenants who believe we all have an important role to play in both reducing ESG risks and making a positive impact on the world around us. To that end, we have continued to integrate ESG considerations into our investment processes and have further expanded our approach to incorporate additional strategies, measurements, and reporting across the spectrum.

We recognize opportunities to apply ESG best practices to our business are both broad-based and specific to our asset class. On the environmental front, real estate accounts for 40% of global carbon emissions, and is uniquely positioned to contribute to the global decarbonization journey in a meaningful way. As a trusted investor into commercial properties and the companies that operate them, CenterSquare continues to recognize, measure, and implement sustainability policies and practices that integrate sound environmental considerations. Over the last year, we have also strengthened our focus on the societal implications of our investments, particularly the link between human health and the built environment. We also continue to engage regularly with our portfolio companies, strategic partners, and operators on sound corporate governance.

All these elements are brought to life through CenterSquare's proprietary approach to ESG. From quantitative factor analysis and robust engagement across our listed securities platform, to detailed checklists and business plans applied to our private equity and debt businesses, we seek to create economic value while advancing the ESG values of our clients, partners, and team members. With a constant eye to expanding our approach, in the last year, CenterSquare launched an initiative to measure the triple bottom line impact of our direct property investments so we can better quantify and report on our ESG outcomes across our value-added private equity real estate strategy.

CenterSquare continues to assert that thoughtful and disciplined ESG practices are paramount to long-term performance in the real estate industry. Our ESG strategy is rooted in active engagement, thorough integration, and consistent transparency – all which you will read about in the pages of this year's report. We intend to continue enhancing our programs and tracking our progress, making ourselves accountable, and encouraging our stakeholders to join us in meeting – and exceeding – industry standards. We thank all those who have placed their trust in us; we remain up to the challenge and are excited for the opportunities that lie ahead.

Sincerely,

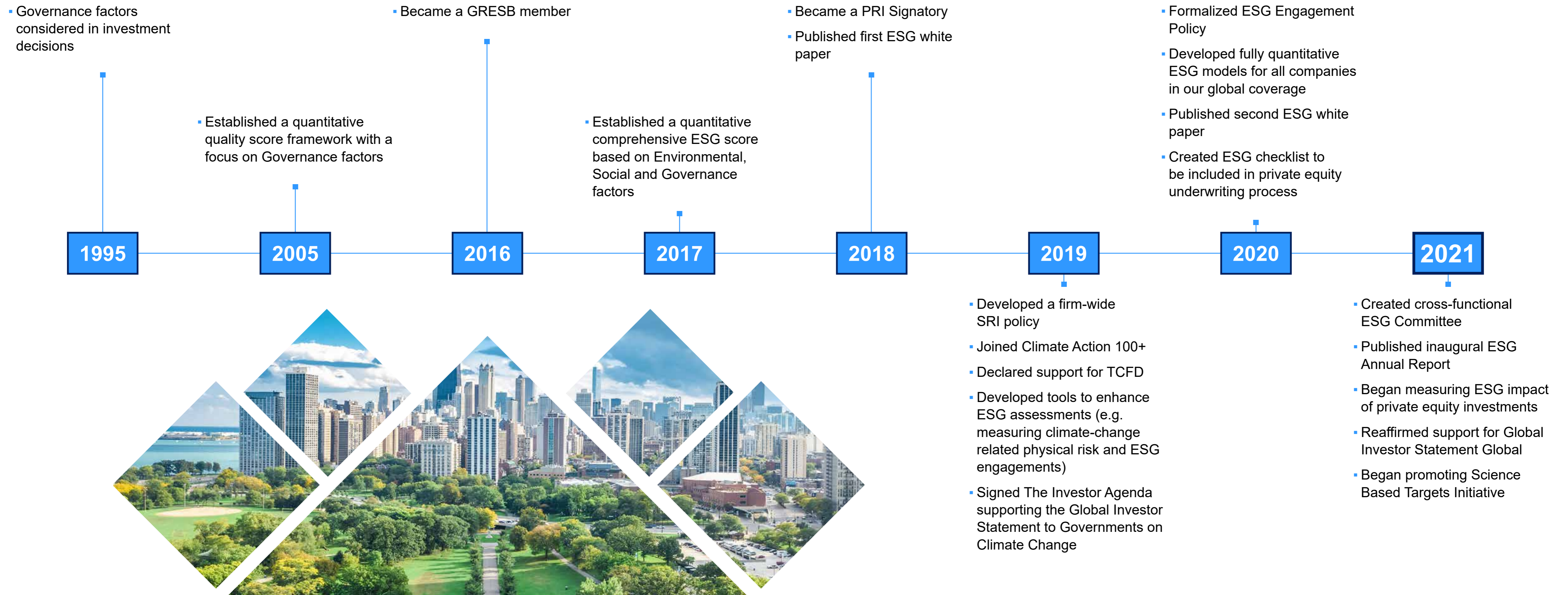
**Todd Briddell, CFA**  
Chief Executive Officer  
Chief Investment Officer

**Scott Crowe**  
Chief Investment Strategist

**Uma Pattarkine, CFA**  
LEED Green Associate  
Global ESG Lead

# CenterSquare's ESG Path

For more than two decades, CenterSquare has incorporated ESG elements into our investment approach, expanding the environmental, social and governance factors that drive our processes and contribute to our decision making. We are committed to advancing ESG ideals and practices on behalf of our firm and the commercial real estate market in the years ahead.

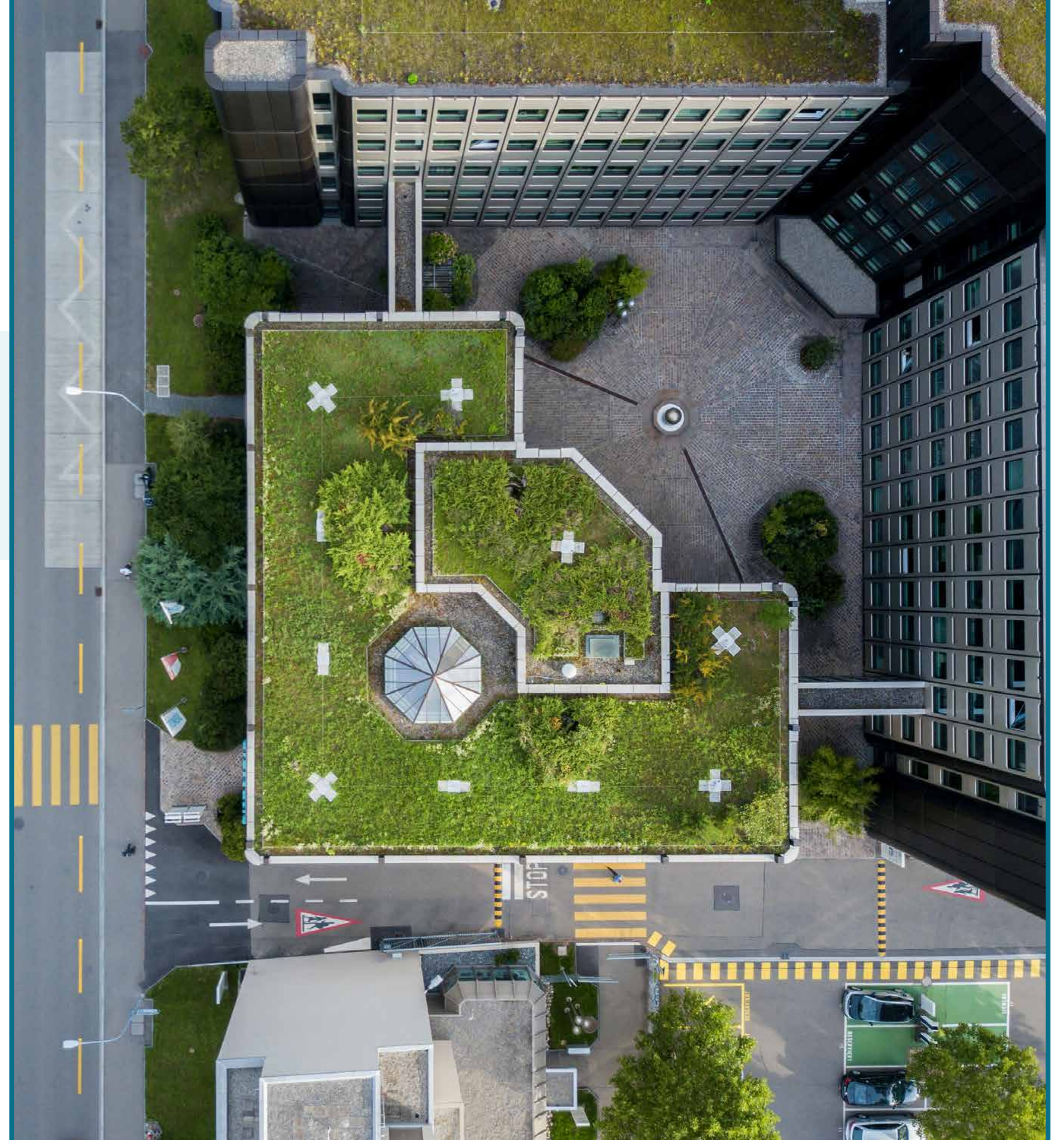


# Listed Real Estate: *Effective ESG Integration*

## In this Section

A Proprietary Approach to ESG Measurement  
ESG Scoring in Action: Rexford Industrial  
2021 Active Engagement Highlights  
Engagement in Action: Case Studies  
Responsible and Independent Proxy Voting  
Independence in Action: Proxy Voting

CenterSquare considers ESG principles to be fundamental to the listed real estate investment decision making process. Our portfolio managers, in coordination with our Global ESG Lead, are responsible for ensuring a systematic and coherent approach to ESG integration, including the structured assessment of how ESG impacts the value of investments and the consideration and implementation of emerging best practices across all investment platforms.



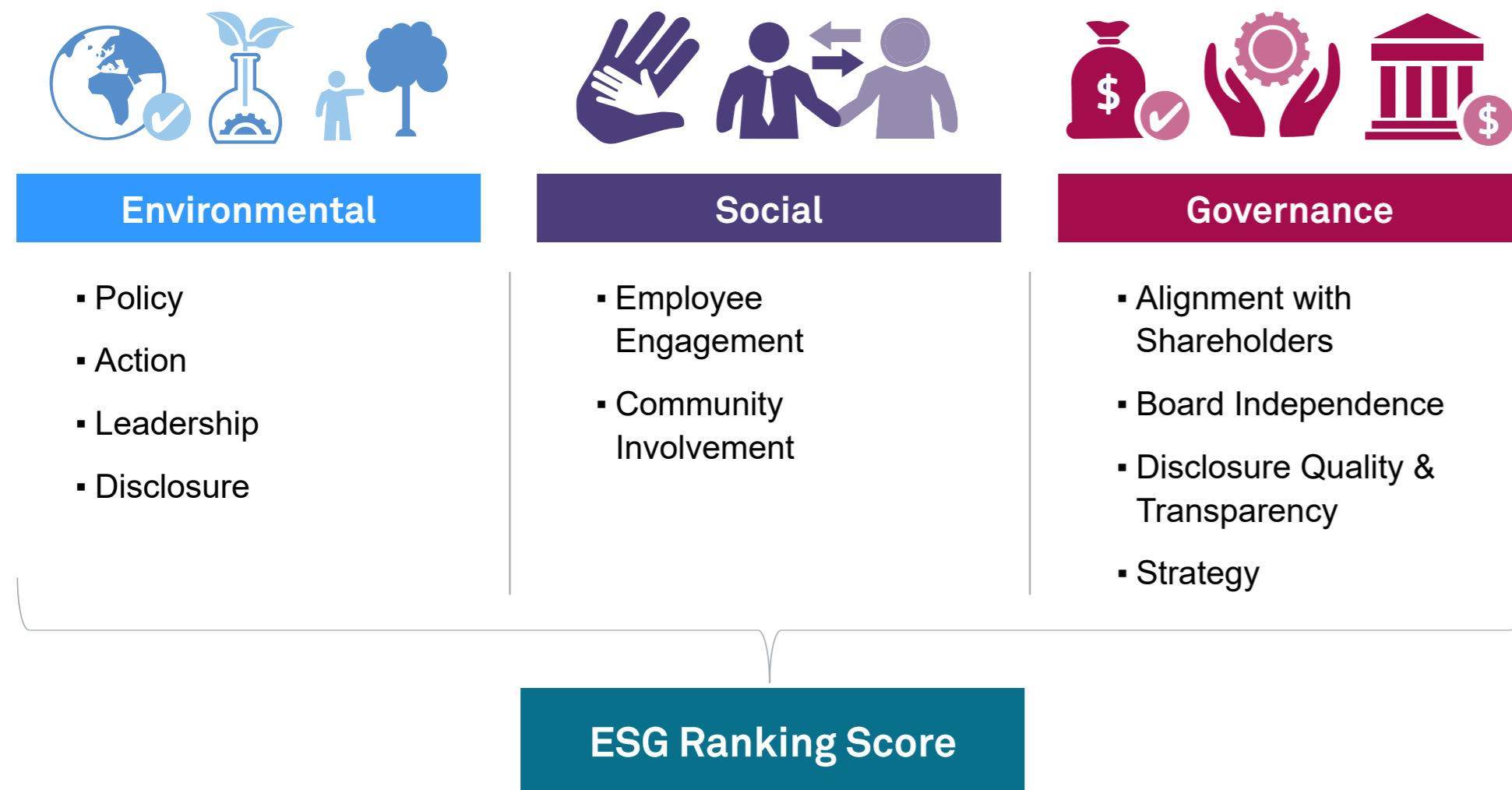
# A Proprietary Approach to ESG Measurement

Our investment strategy is aligned with our fiduciary duty to make purposeful and well-informed decisions on our clients' behalf and in conjunction with their values. The analysis of ESG factors is integrated into our investment process because we recognize the contribution of these elements to creating sustainable, long-term value.

Our process begins with a ranking framework that assesses a company's ESG score across ten equally weighted factors (each scored 0 to 10) and over 100 data points measuring environmental stewardship, social responsibility, and corporate governance. The sum of these ten scores generates the company's overall ESG score that is factored into investment decision making as part of our bottom-up analysis. Our scorecards vary by region as different ESG metrics are material in distinct parts of the world.

Our ESG models are continually updated by CenterSquare's fundamental analysts as they are the closest to the companies and best positioned to analyze ESG developments on a holistic basis across the investable universe. The CenterSquare ESG model continues to be enhanced as additional ESG data becomes available.

## CenterSquare ESG Scoring Model Components

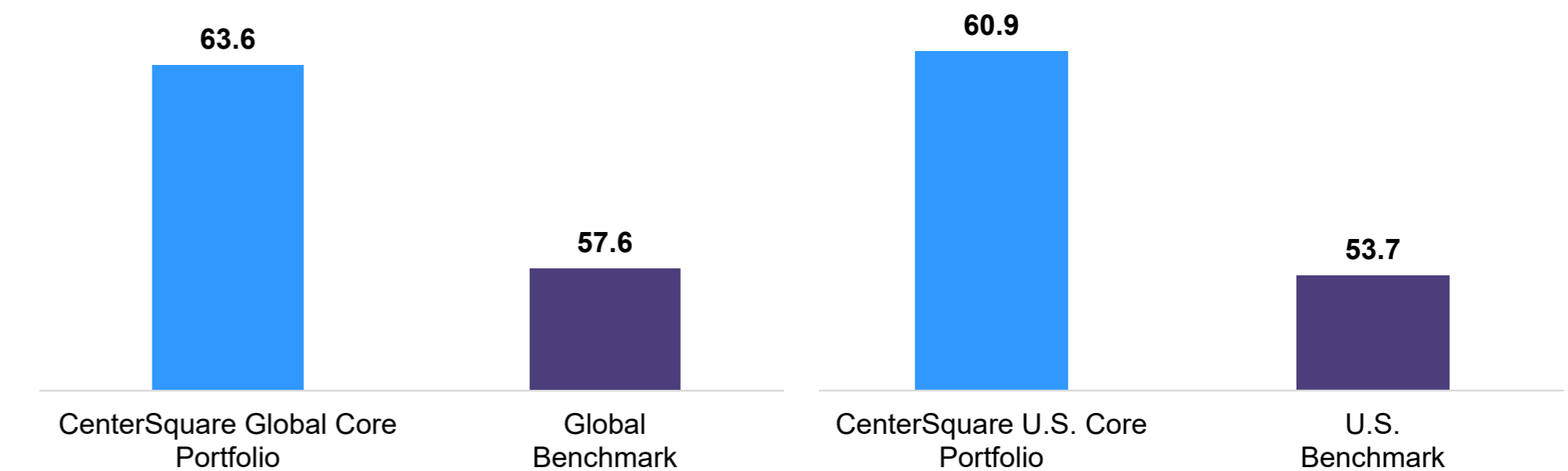


**Xiaoxiao Fu**  
Assistant Portfolio Manager,  
Real Estate Securities

“ESG integration continues to grow in prominence within Europe both from the investor and company perspectives, with notable improvements in terms of disclosures and policies with regards to sustainability. New EU regulations look to create a pathway for Europe to achieve full decarbonization of its building stock by 2050 with many real estate companies well ahead of this target. As disclosure improves and new regional ESG regulations emerge, we will continue to refine our process and actively engage with the companies in our investable universe to keep pace with market progress.”

By applying our proprietary ESG factor analysis to our bottom-up analysis of publicly listed real estate companies, CenterSquare is able to compare the ESG scores of our listed portfolios to their relevant benchmarks. In 2021, our Global and U.S. Core REIT portfolios boasted overall ESG scores that exceeded those of the benchmarks by 6.0 and 7.2 points respectively.

## CenterSquare Portfolio ESG Scores vs. Benchmark - 2021



Source: CenterSquare, December 2021. For our ESG Scoring Methodology, please refer to our [ESG Policy](#). The Global Benchmark is the FTSE EPRA/Nareit Developed Index Net; the U.S. benchmark is the FTSE Nareit Equity REITs Index. Please refer to the end of this document for a definition of indices. U.S. and Global Portfolios are based on CenterSquare representative accounts. ESG scores represent the average of all holdings in the portfolio.

## ESG Scoring in Action: Rexford Industrial

Rexford Industrial (NYSE: REXR) is focused on creating value by investing in and operating industrial properties throughout Southern California infill markets. CenterSquare has been actively engaging with REXR as the company continues down the path of developing and enhancing its ESG strategy. This engagement has had a direct and positive impact on the company's proprietary ESG score that CenterSquare assigns each company in our universe.

CenterSquare Guidance	Rexford Response
Companies to align their reporting with TCFD and GRI frameworks	<ul style="list-style-type: none"> <li>Published its first GRI and TCFD-aligned report in 2021 with enhanced environmental policies and targets.</li> </ul>
Companies to commit to science based targets related to carbon emissions	<ul style="list-style-type: none"> <li>Achieved the goal of committing to the Science Based Targets Initiative (SBTi) by the end of 2021 and will be developing targets through 2023.</li> </ul>
Companies to enhance policies around biodiversity	<ul style="list-style-type: none"> <li>Amended its Environment and Climate Change Policy to include considerations regarding biodiversity.</li> </ul>
Companies to enhance data disclosure on DEI metrics, including ethnic and gender pay gaps and explicitly prohibit child labor in their policies	<ul style="list-style-type: none"> <li>Completed a pay equity analysis in 2021;</li> <li>Included goals around DEI in their ESG strategy ensuring candidate slates are comprised of at least 20% diverse individuals;</li> <li>Implemented a DEI employee committee;</li> <li>Reported detailed data regarding the gender and ethnic composition of its workforce across all levels of the organization;</li> <li>Amended its human rights policy to include the prohibition of child labor.</li> </ul>

Due to the company's continued implementation of our recommendations in 2021, Rexford's ESG score improved by **30%**.

**47 → 61**

REXR ESG Score Improvement  
based on 2021 Activity

ESG Component	Impact on CenterSquare ESG Score
<b>Environmental</b>	
Policy	+2
Action	+1
Leadership	+1
Disclosure	+2
<b>Social</b>	
Employee Policies	+1
Community Initiatives	+2
<b>Governance</b>	
Strategy Articulation	+2
Disclosure Quality	+3
<b>TOTAL ESG Score Improvement</b>	<b>+14</b>



**Rexford  
Industrial**

# 2021 Active Engagement Highlights

Engagement is an integral part of CenterSquare’s investment process and provides the opportunity to share our philosophy, corporate governance values, and importantly, elicit positive change within companies. Additionally, it augments our research by providing insight into strategy, competitive positioning, and management of material ESG risks and opportunities. When appropriate, CenterSquare may choose to lead or join with others in a campaign to promote our principles and values as stewards of client capital. During 2021, the CenterSquare team conducted more than 230 engagements on ESG issues.

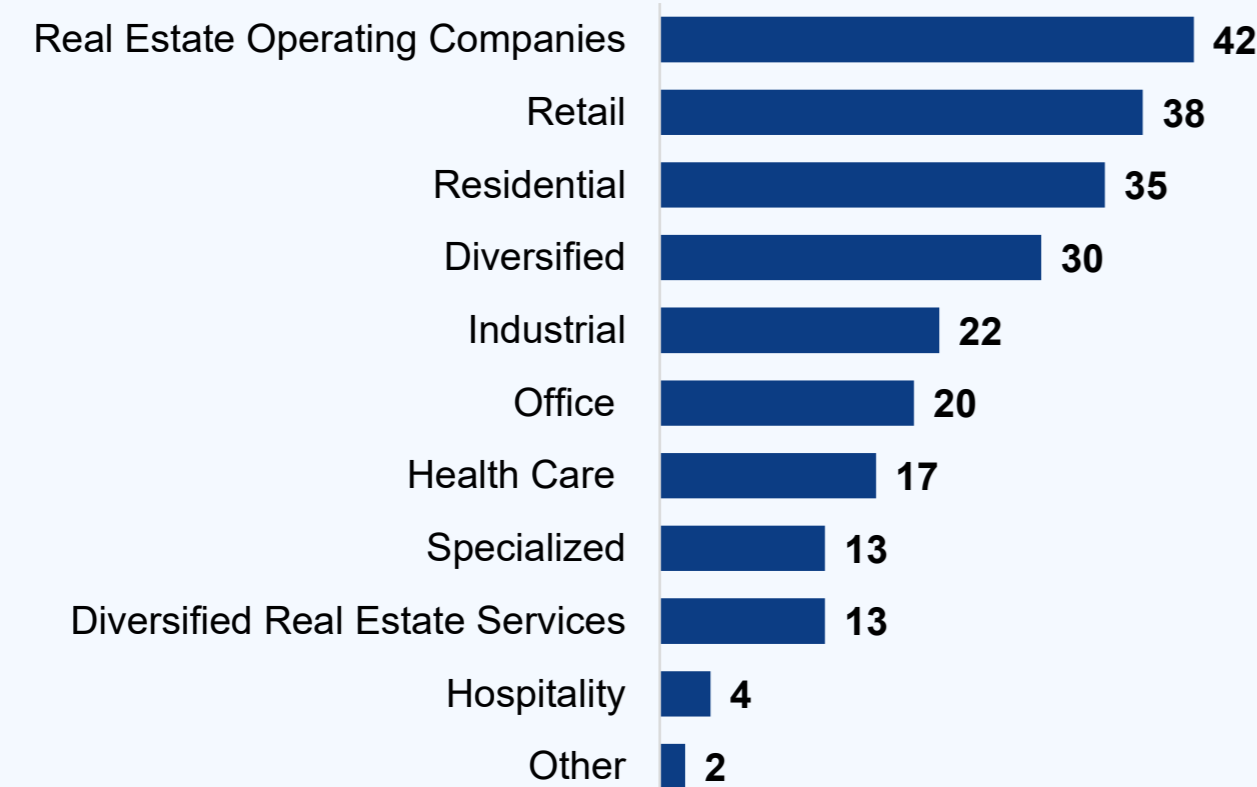


**Eric Rothman, CFA**  
Portfolio Manager,  
Real Estate Securities

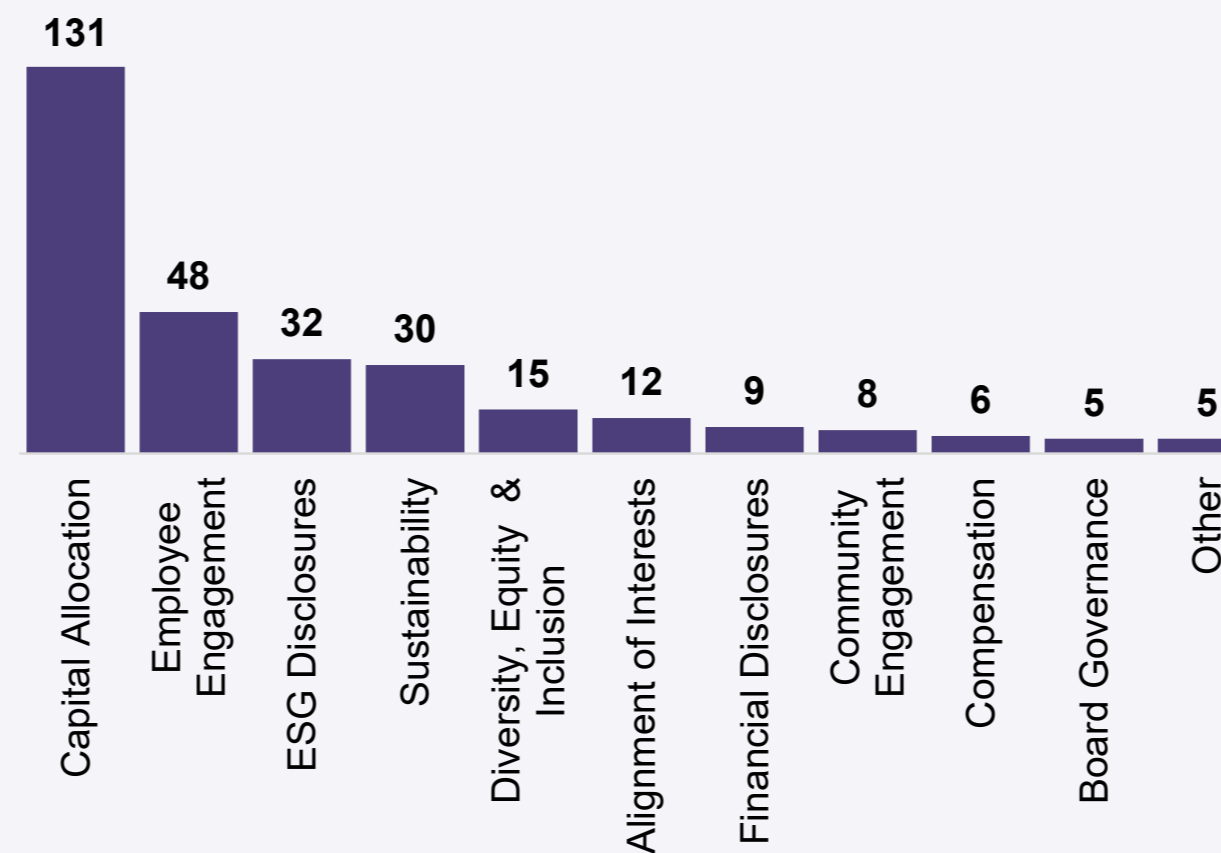
“ Investors wishing to drive impactful outcomes for the planet can do so by directing capital to those corporations and management teams that share a similar vision to make positive changes in the world. Through active engagement and dialog with management and board members, we are in the position to make clear the importance of elevating ESG stewardship as a common core goal. ”

## CenterSquare Engagement Highlights 2021

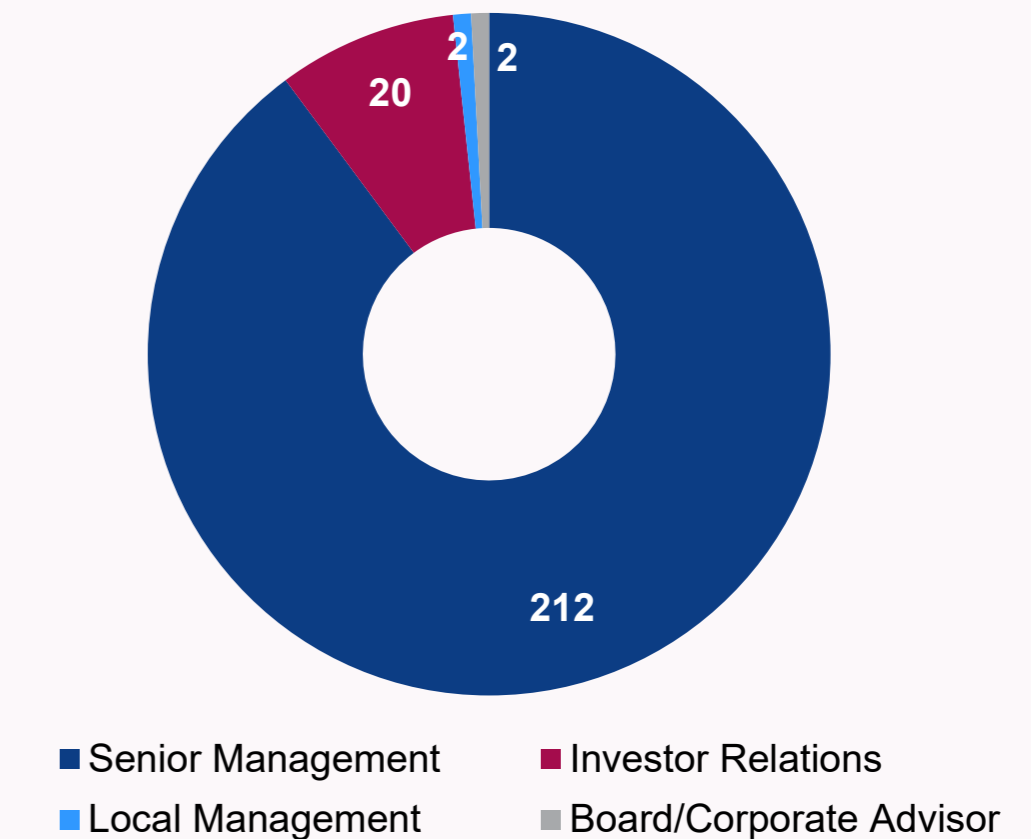
### Engagement by Property Sector



### Engagement by ESG Topic



### Engagement by Audience



Source: CenterSquare, December 2021.



## Engagement in Action: Case Studies



### A Multilevel Approach to Sustainability

CenterSquare has maintained ongoing positive engagement with US-based premier lodging REIT, Host Hotels (NYSE: HST) regarding resiliency and environmental impact as it applies to their capital strategies. Host has proactively mitigated environmental circumstances that could potentially impact their properties, especially in coastal markets. Host has allocated \$120 million in capital spend over the course of 5 years, continuously supporting this effort. Resiliency has also been adopted as a key component in their underwriting process as it applies to new acquisitions. Additionally, with encouragement from CenterSquare, Host has taken the initiative to ensure superior air quality at their properties, placing a strong emphasis on air exchanges per hour and introducing fresh air to all areas. Furthermore, Host has shown their commitment to sustainability at the provider level by utilizing products in their facilities that pay greater consideration to biodiversity lessening the institutional impact on local ecosystems. CenterSquare believes a commitment to biodiversity is becoming increasingly critical to investors and remains supportive of Host's approach to addressing this issue.



### Social Responsibility Amidst Global Conflict

Much of the world has been troubled by the war in Ukraine and the impact it has had on the civilian population. With a substantial influx of refugees moving into Western Europe and an imminent demand for housing, we reached out to several German residential companies including Vonovia (Xetra: VNA GY), encouraging their assistance in providing accommodations for those displaced. In order to accomplish this task, Vonovia coordinated the relaunch of a housing map platform originally developed to handle an influx of refugees during the 2015/2016 European migrant crisis. Using this tool, local governments are quickly and efficiently able to access housing from a variety of residential real estate companies. This tool is subsequently being used by several other housing companies as the ongoing effort to provide refuge for those affected continues. We were gratified to hear that Vonovia has seen success in utilizing this tool to assist in placing those who been forced out of their homes due to the conflict. Amidst these difficult times, Vonovia has made their stance regarding social due diligence clear. CEO Rolf Buch summed it up best, stating: "People band together. No questions asked. Even when it comes at a cost."



### Putting Shareholders First

In 2021, CenterSquare engaged with Singapore-based Commercial REIT, Suntec (SGX: SUN SP) on their corporate governance strategy, specifically regarding consideration of minority shareholders' interests. In an effort to generate capital, Suntec had previously issued equity at a significant discount to book value. Persistent concerns over similarly dilutive fundraising exercises depressed the share price. Their action resulted in the stock trading at material discounts to book value, creating an unfavorable result for investors. When Suntec signaled its intent to acquire additional assets, CenterSquare encouraged the company to explore other means of accomplishing their goals. In an alternative course of action, Suntec impressed the market by electing to recycle capital as a means of generating funds. The company divested S\$492.5 million worth of assets at a 3.2% cap rate, which was subsequently redeployed into S\$667.2 million worth of acquisitions at a 4.5% cap rate, without the need to issue equity. In reevaluating their governance strategy, Suntec not only was able to get a "true value" for their disposed assets but was also able to elicit a more advantageous outcome for shareholders. Despite disruptions from COVID-19, Suntec's positive action on the corporate governance front helped re-rate the stock and considerably narrow its discount to book value.

# Responsible and Independent Proxy Voting

As a registered investment adviser, CenterSquare has a fiduciary duty to act solely in the best interest of our clients. This obligation translates into a commitment to vote proxies in a timely manner for our clients who have entrusted us to do so and ensure all voting decisions are aligned with their principles. Additionally, our proxy voting activity enhances our underwriting of investment opportunities and serves as an important tool in our ongoing engagement with company management on a global basis.

CenterSquare’s Proxy Committee is responsible for overseeing the proxy voting process and for establishing and maintaining the Proxy Voting Policy, which is reviewed and updated annually. As a UNPRI Signatory, our organization continues to use the Institutional Shareholder Services (“ISS”) Sustainability Proxy Voting Guidelines as the default proxy policy for our clients. Portfolio Managers and the Global ESG Lead review all ballot items and exercise independent discretion where ISS is recommending voting against the management of the issuer. Generally, CenterSquare will not override the ISS specific policy vote recommendations. We do, however, reserve the right to change our vote if we disagree with an ISS recommendation based on our deep industry knowledge and understanding of what is in the best interest of all clients.



**Patrick Wilson, CFA**

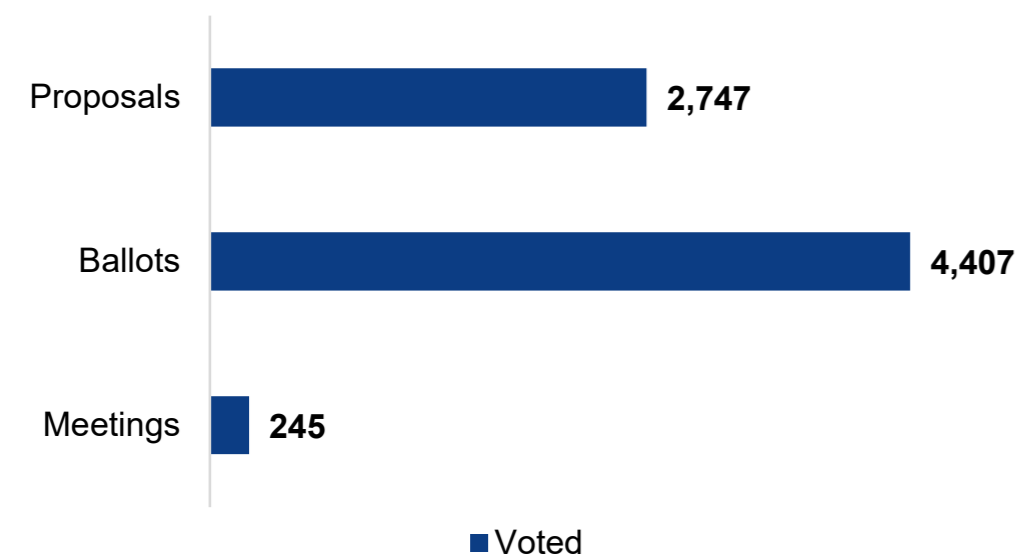
Portfolio Manager,  
Real Estate Securities

“ We are encouraged by the solid strides achieved in the last year as it relates to the improved gender composition of C-Suites and Board rooms at many of the REITs in which we invest. The industry still has work to do, but the universal recognition that diversity is a driving factor of performance has taken hold in a meaningful way. Given the tangible financial benefits that come with applying different experiences, opinions and approaches to value creation, we hope and expect more REITs will follow suit in the years to come. ”

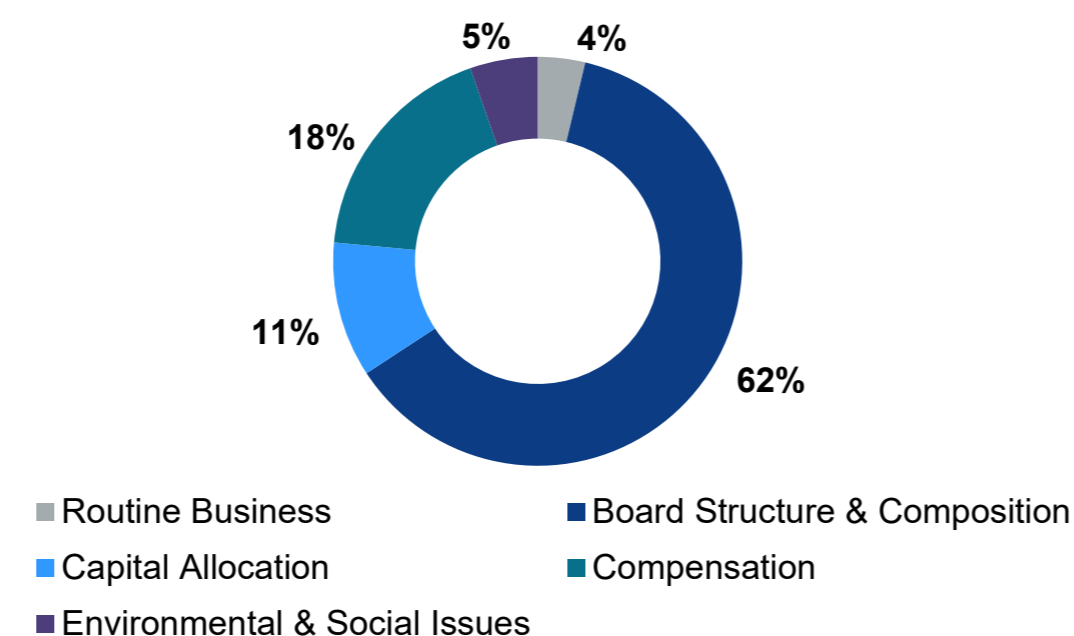
CenterSquare participated in **100%** of the votable\* proxy ballots in 2021.

## At A Glance: CenterSquare 2021 Proxy Voting

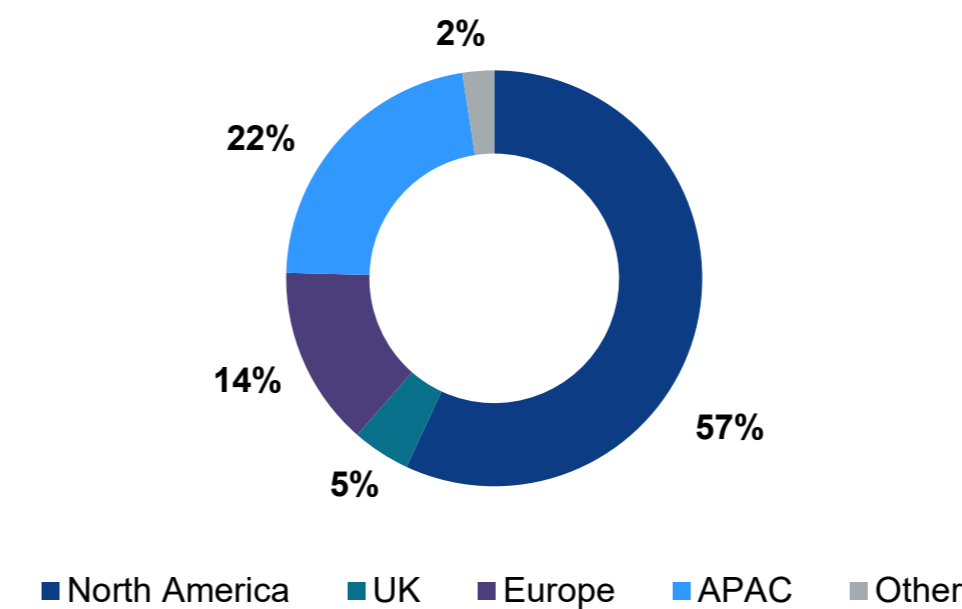
Voting Statistics



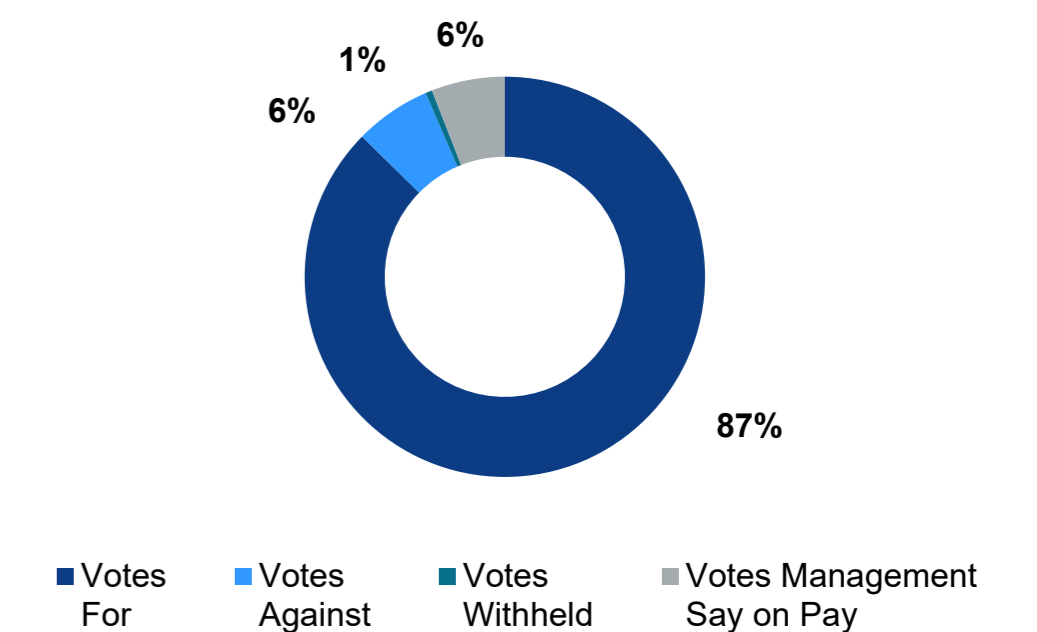
Votes Against Management



Meetings Voted by Market



Vote Cast Statistics



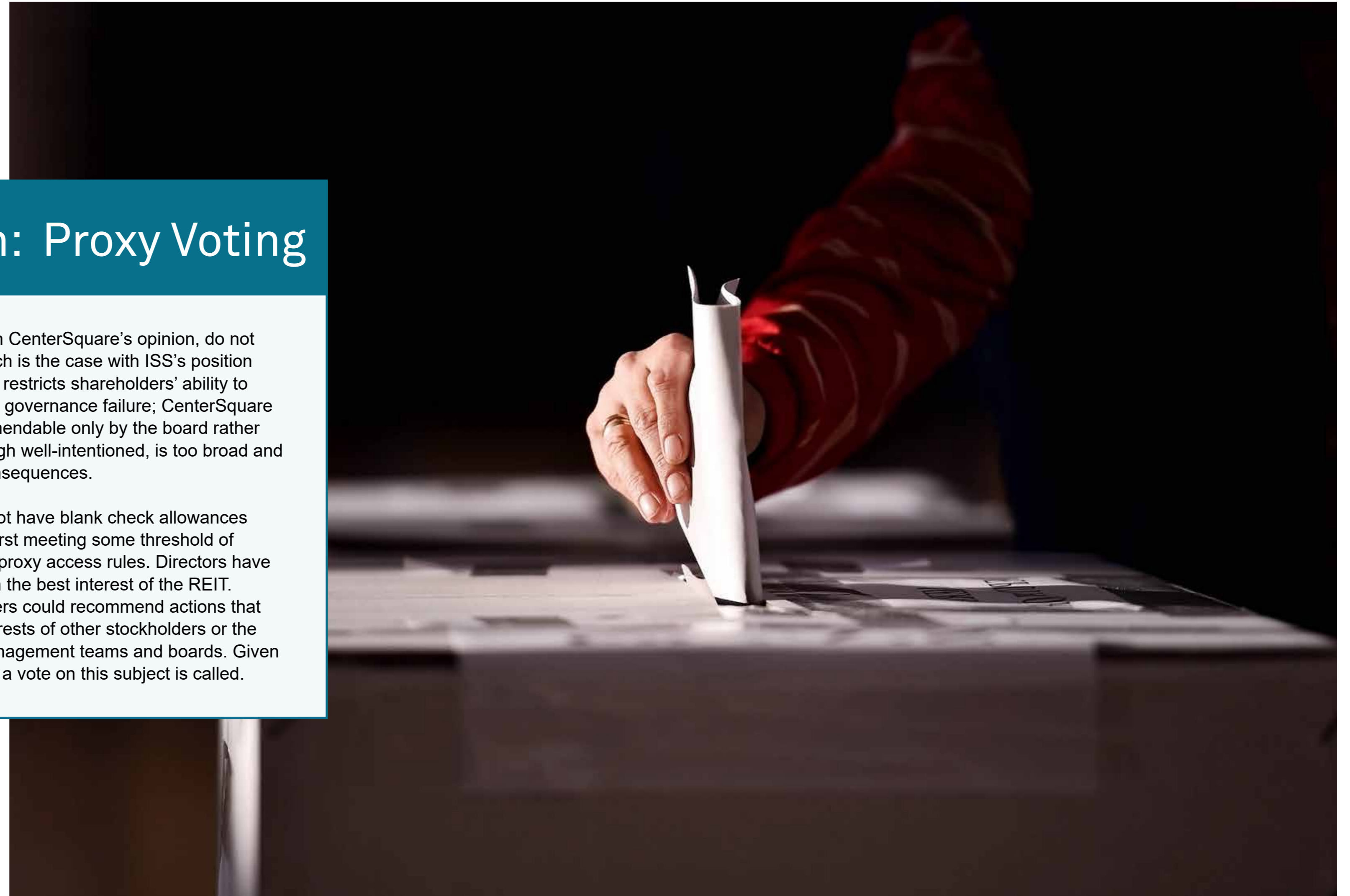
Source: ISS Board Statistics Report, December 2021.

\*CenterSquare considers a ballot non-votable if there are shareblocking or reregistration issues with the custodians.

## Independence in Action: Proxy Voting

On occasion there may be instances when ISS Guidelines, in CenterSquare's opinion, do not represent the best interest of the company or our clients. Such is the case with ISS's position on a common REIT governance provision which "prohibits or restricts shareholders' ability to amend the company bylaws." ISS believe such provision is a governance failure; CenterSquare disagrees. A large portion of REITs have charters that are amendable only by the board rather than through a direct vote of shareholders. ISS's policy, though well-intentioned, is too broad and dogmatic and it carries with it some potentially damaging consequences.

Contrary to ISS's position, we believe shareholders should not have blank check allowances to recommend changes to the corporation's bylaws without first meeting some threshold of ownership and material interest in the corporation, similar to proxy access rules. Directors have enforceable legal and fiduciary duties requiring them to act in the best interest of the REIT. Individual stockholders do not. As such, individual stockholders could recommend actions that are in their own interests that could damage the broader interests of other stockholders or the REIT itself. Such proposals can be a costly distraction to management teams and boards. Given this reality, CenterSquare will not follow ISS guidelines when a vote on this subject is called.

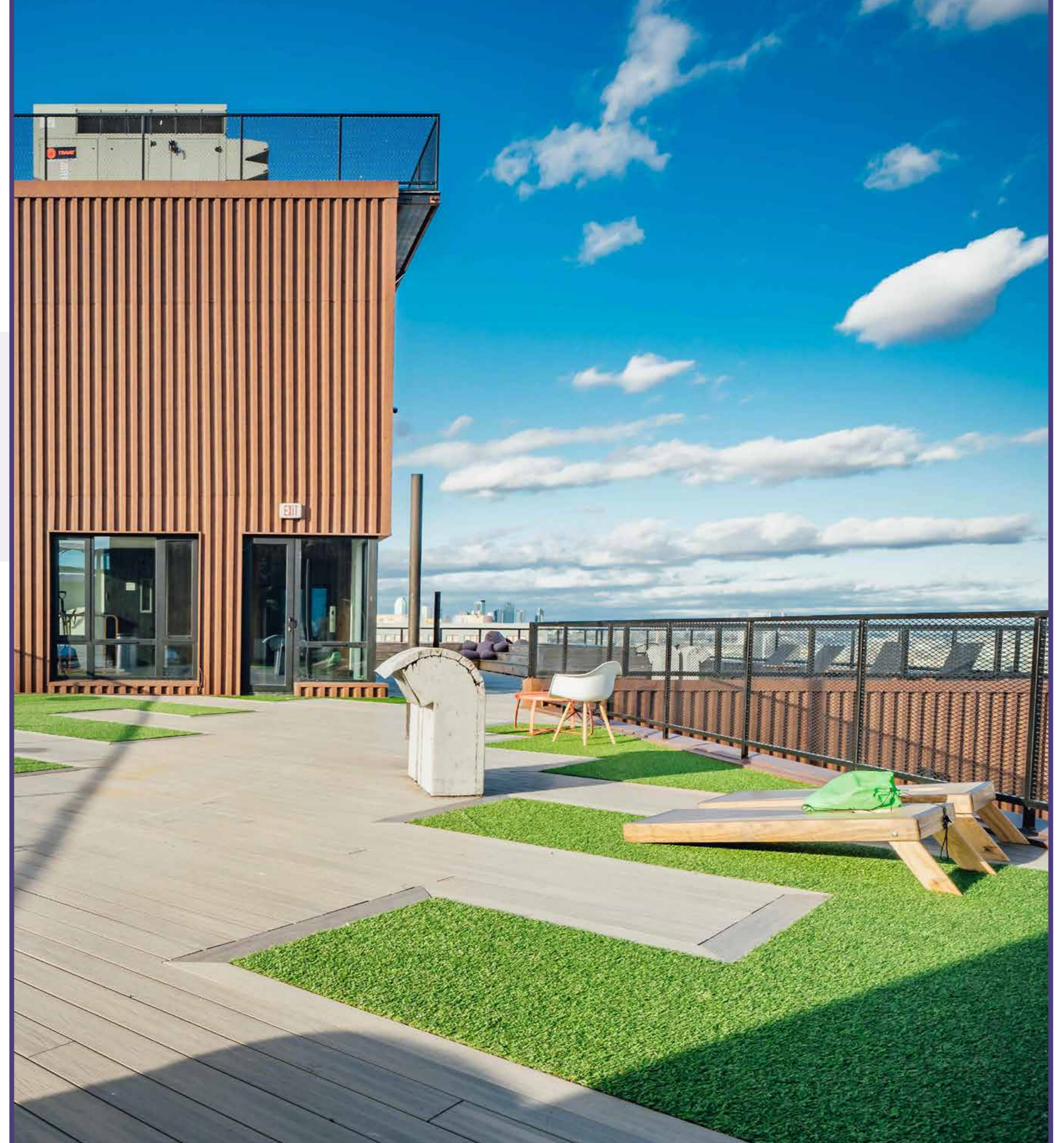


# Private Real Estate: *Value Creation and Impact*

## In this Section

Incorporating ESG Factors into the Value-Added Business Plan  
Measuring Value-Added Impact  
Private Debt: Lending Through an ESG Lens  
ESG in ESR

Our ESG practices continue to expand and evolve across our private equity and debt platforms with the recognition that commercial real estate properties play pivotal roles in their surrounding communities. We strive to develop and maintain sustainable buildings, promote tenant health and wellness, and insist upon strong property management practices across the assets we own and finance. Our value-added investment activities impact the bottom line in multiple ways, making assets more profitable and sustainable for the long term.



# Incorporating ESG Factors into the Value-Added Business Plan

We believe ESG factors should be incorporated into all value-added business plans to maximize building performance. From underwriting and investment decisions, to business plan development and asset management, we seek opportunities across property sectors to:

- Upgrade materials and systems with new, resource efficient options, ensuring our properties adhere to guidelines that promote environmental sustainability;
- Promote our responsible contractor policy and ensure our buildings offer healthy, safe spaces that promote the wellness of tenants and the community;
- Serve as a trusted fiduciary to our investors and require our joint venture partners and service providers to operate in an ethical manner.



**Victoria Madrid**  
Vice President,  
Private Real Estate

“ Value-added investing into commercial properties through an ESG lens is not only a risk management proposition, but also a way in which we can positively impact the communities surrounding our assets. We are excited about the ability to quantify the impact our business plans afford our stakeholders in financial, environmental, and societal terms, and look forward to sharing that information more broadly as a means of expressly communicating where our values lie. ”

## CenterSquare Direct Investment ESG Checklist



### Environmental Assessment

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>✓ Phase I / Phase II Environmental Site Assessment Findings</li> <li>✓ Physical Water Assessment / Climate Related Physical Risks</li> <li>✓ Access to Public Transit / Alternative Transportation</li> <li>✓ Bicycle Facilities / Reduced Parking Footprint / Electric Vehicle Charging</li> <li>✓ Indoor Air Quality Assessment / Smoke Control</li> <li>✓ Storage and Collection of Recyclables</li> <li>✓ Construction Activity Pollution Prevention</li> <li>✓ Construction &amp; Demolition Waste Management Planning</li> </ul> | <ul style="list-style-type: none"> <li>✓ Energy Monitoring / Performance</li> <li>✓ Efficient Interior / Exterior Lighting</li> <li>✓ Certified Green Building</li> <li>✓ Minimum Building Energy Performance</li> <li>✓ Indoor / Outdoor Water Use Reduction</li> <li>✓ Solid Waste Management Planning and Policy</li> <li>✓ Site Management / Site Improvement Plan</li> <li>✓ Energy Efficiency / Renewable Energy / Green Power</li> <li>✓ Green Cleaning -- Materials, Equipment</li> <li>✓ Rainwater Management</li> </ul> |
|---|---|



### Social Assessment

- ✓ Responsible Contractor Policy Documentation and Signature
- ✓ Community Impact Assessment
- ✓ Walkable Streets / Connected & Open Community
- ✓ Tenant Health & Wellness



### Governance Assessment

- ✓ Background Checks
  - Partners
  - Sponsor
  - Borrower
  - Entities with a significant financial interest in the property

# Measuring Value-Added Impact

In 2021, CenterSquare engaged Autocase to help better quantify and report on the impact of ESG considerations across our value-added private equity business. Autocase measures the triple bottom line (TBL) impact of our capital deployment by generating a long-term Net Present Value (NPV) associated with the financial, social, and environmental benefits of the building design elements which comprise our business plan. In this section, we highlight three assets which have undergone this TBL analysis.

## 660 Baker, Orange County, CA Creative, Modern Office

Upon CenterSquare's acquisition, 660 Baker, a four-building property, was transformed into a creative office space featuring extensive interior and exterior improvements which contributed to positive environmental and social impacts for the tenants and community at large.



Category	Impact	Net Present Value (NPV)
<b>Financial</b>	Upfront Capital Costs	-\$2,906,538
	Electricity Savings	\$153,000
	Natural Gas Savings	\$16,400
	Water Savings	\$45,100
	<b>TOTAL FINANCIAL</b>	<b>-\$2,692,038</b>
<b>Social</b>	Occupant Recreation	\$332,000
	Productivity	\$3,435,000
	Absenteeism	\$7,340
	Health	\$579,500
	Heat Island Effect	\$5
	<b>TOTAL SOCIAL</b>	<b>\$4,353,845</b>
<b>Environmental</b>	Social Value of Water	\$27,200
	Carbon Sequestration	\$2,610
	Carbon Emissions	\$29,510
	Social Value of Air Pollution	\$7,550
	<b>TOTAL ENVIRONMENTAL</b>	<b>\$66,870</b>
<b>Triple Bottom Line Lifetime Impact</b>		<b>\$1,728,677</b>

### Design Elements:

- ✓ Tenant-Centric Building Redesign
- ✓ Efficient HVAC System
- ✓ Quality Air Filtration
- ✓ Energy Efficient Interior Lighting
- ✓ Water Saving Technologies
- ✓ Vegetated Ground Cover
- ✓ Solar Reflectance Roofing

### Triple Bottom Line Metrics and Equivalencies:

- 843 Metric Tons of CO<sub>2</sub>e
- 5.24 Cars Off the Road
- 304 Houses Powered by the Energy Saved
- 0.4% Employee Productivity Increase

Source: CenterSquare and Autocase, Q2 2022.

## Harrison Landing, Greenville, SC Single-Family Rental

Harrison Landing's 166 newly developed build-to-rent, single-family rental homes include purposeful design elements resulting in significant financial savings for landlords and tenants and positive environmental impacts in the community.



Category	Impact	Net Present Value (NPV)
<b>Financial</b>	Electricity Savings	\$399,300
	Natural Gas Savings	\$480,400
	Water Savings	\$11,900
	<b>TOTAL FINANCIAL</b>	<b>\$891,600</b>
<b>Environmental</b>	Social Value of Water	\$140
	Carbon Emissions	\$170,860
	Social Value of Air Pollution	\$53,509
	<b>TOTAL ENVIRONMENTAL</b>	<b>\$224,509</b>
<b>Triple Bottom Line Lifetime Impact</b>		<b>\$1,116,109</b>

### Design Elements:

- ✓ Energy Efficient Refrigerators
- ✓ Energy and Water Efficient Dishwashers
- ✓ HVAC and Smart Thermostats

### Triple Bottom Line Metrics and Equivalencies:

- 3,818 Metric Tons of CO<sub>2</sub>e
- 27.67 Cars Off the Road
- 893 Houses Powered by the Energy Saved

## The Point, Denver, CO Last-Mile Industrial

Building envelope and landscaping design elements at The Point's two-building, 195,000 square foot industrial development property will result in environmental improvements and significant resource savings, translating into a strong triple bottom line impact.



Category	Impact	Net Present Value (NPV)
<b>Financial</b>	Electricity Savings	\$596,400
	Natural Gas Savings	\$76,900
	Water Savings	\$594,500
	<b>TOTAL FINANCIAL</b>	<b>\$1,267,800</b>
<b>Social</b>	Heat Island Effect	\$462,300
<b>Environmental</b>	Social Value of Water	\$22,300
	Carbon Sequestration	\$236,000
	Carbon Emissions	\$385,280
	Social Value of Air Pollution	\$92,890
<b>TOTAL ENVIRONMENTAL</b>		<b>\$736,470</b>
<b>Triple Bottom Line Lifetime Impact</b>		<b>\$2,466,570</b>

### Design Elements:

- ✓ Energy Efficient HVAC System
- ✓ Energy Efficient Interior and Exterior Lighting
- ✓ Water Saving Irrigation System
- ✓ Vegetated Ground Cover
- ✓ Solar Reflectance Roofing

### Triple Bottom Line Metrics and Equivalencies:

- 23,845 Metric Tons of CO<sub>2</sub>e
- 172.79 Cars Off the Road
- 1,660 Houses Powered by the Energy Saved

Source: CenterSquare and Autocase, Q2 2022.

# Private Debt: Lending Through an ESG Lens

As a long-standing provider of real estate debt, CenterSquare, through our RCG Longview platform, seeks to lend against properties where material ESG factors are considered by the borrower. These factors often manifest themselves in the form of proactive risk mitigation strategies to ensure properties are environmentally safe. Additionally, our investment team will favor lending opportunities where the value-added business plans being financed have a positive and sustainable impact on tenants and the community. Not only do we hold our borrowers to these standards, but seek to maintain our own accountability as well.



**Richard Gorsky**  
Managing Director,  
Private Real Estate Debt

“ We take a holistic approach to ESG integration in our debt practice. We view ESG factors as material to the near- and long-term financial performance of real estate assets against which we lend. Further, as a trusted fiduciary, we require our borrowers and lending partners to operate in a responsible manner similar to ourselves. This alignment across the capital stack helps to ensure a favorable outcome for all stakeholders— borrowers, lenders, investors and tenants. ”

## Case Study

### Recapitalizing an ESG Leader in New York City Office

Constructed in 1989, Tower 45 is a 42-story Class A building located in the Times Square submarket of New York City. The building consists of approximately 440,000 square feet of office and retail space. In the first quarter of 2021, CenterSquare, through our RCG Longview Private Real Estate Debt platform, provided a critical debt component of the recapitalization of the Property which has undergone extensive improvements in recent years, making it an exemplary asset from an ESG perspective.

When the building was acquired in 2015, the Sponsor immediately undertook capital and energy improvements in the areas of tenant wellbeing, energy efficiency, connectivity, and technology. The building achieved LEED Gold compliance, EnergyStar Silver compliance, and Wired Silver compliance through the following improvements:

- ✓ In 2016, the Sponsor installed the AtmosAir™ system, the most effective air purifying technology on the market. The Property was the very first building in Manhattan to offer this product. A Gensler study revealed that its own offices saw more than \$2,000 in savings per employee per year as a result of heightened productivity, alertness, and less sick time as a result of better air quality.
- ✓ The Property also employed a unique tenant-controlled cooling system for individual rooms. Because each room’s temperature can be controlled individually, overtime charges for after-hours use are a fraction of the cost in other comparable buildings and energy use is significantly reduced.
- ✓ The building’s Destination Dispatch system groups elevator passengers based on their destination. Visitors request a floor using a touchscreen display similar to an iPad and are immediately directed to an appropriate elevator, resulting in shorter wait times, faster delivery times, energy savings, and a 25% increase in passenger throughput.
- ✓ The Property has 24/7 state-of-the-art security management and highly-trained personnel, including former law enforcement, who have the ability to act as first responders in case of emergency. The Property uses Patrocinium’s ArcAngel web-based platform and its award-winning 4D visualization software enabling immediate information flow to organizations, the public, and first responders.
- ✓ Tower 45 has its own backup power generation. In the event of a power outage, the backup generator automatically provides power to critical elevator, fire, life safety and security systems.
- ✓ The Property is focused on providing an enjoyable, protected, and effective home for its tenancy. Its location, onsite bike room, and 15-story open-air Atrium afford tenants unparalleled accessibility and the opportunity to gather, relax, socialize, and decompress.

These efforts by the Sponsor have enabled Tower 45 to earn a reputation as one of the most efficient, healthiest and safest buildings in Midtown Manhattan and one that CenterSquare / RCG Longview is proud to finance.



## ESG in ESR: Essential Service Retail's Focus on Tenants

The CenterSquare Essential Service Retail (ESR) investment strategy acquires and operates neighborhood shopping centers where the customer must visit the stores to consume the services. Our national portfolio spreads across cities like Pittsburgh, Raleigh, Charlotte, Atlanta, Florida, Dallas, Houston, Phoenix, Las Vegas, and Sacramento and is continuously growing. We are proud to share that 52% of our ESR tenants are minority/women owned businesses or franchises. From grab-and-go food to hair and nail salons to express delivery services, ESR tenants rely on CenterSquare to consider ESG factors in managing these shopping centers and ensuring a positive experience for customers.

When seeking ESR properties to acquire, CenterSquare strongly considers environmental factors. We avoid properties that reside in flood zones and seek assets that have low-medium water risk. Additionally, one hundred percent of our ESR properties reside in markets with clean energy initiatives that we can deploy to increase the energy performance of the properties.

Upon acquisition of an ESR property, CenterSquare identifies an improvement plan to be implemented during the early stages of our ownership. On the environmental front, we seek to convert to LED lighting at each property and increase ground cover in the landscaping to reduce carbon footprint and minimize the urban heat island effect. On the social front, we promote community engagement by hosting events and employ a responsible contractor policy providing equal opportunity for women and minority-owned businesses to work with us. In addition, CenterSquare ensures that contractors maintain safe work conditions and abide by all wage and hourly regulations.

In the last year, CenterSquare has been partnering with electric vehicle manufacturers and joining their mission to accelerate the world's transition to sustainable energy. Through these partnerships, we aim to install multiple charging stations at each of our properties throughout our portfolio, reducing carbon dioxide emissions and improving air quality.

**52%**

Minority / Women Owned  
Business Tenants

**74%**

Properties with  
Low-Medium  
Water Risk\*

**100%**

Locations with Clean  
Energy Incentives

\* Based on the WRI Aqueduct Water Risk Atlas.

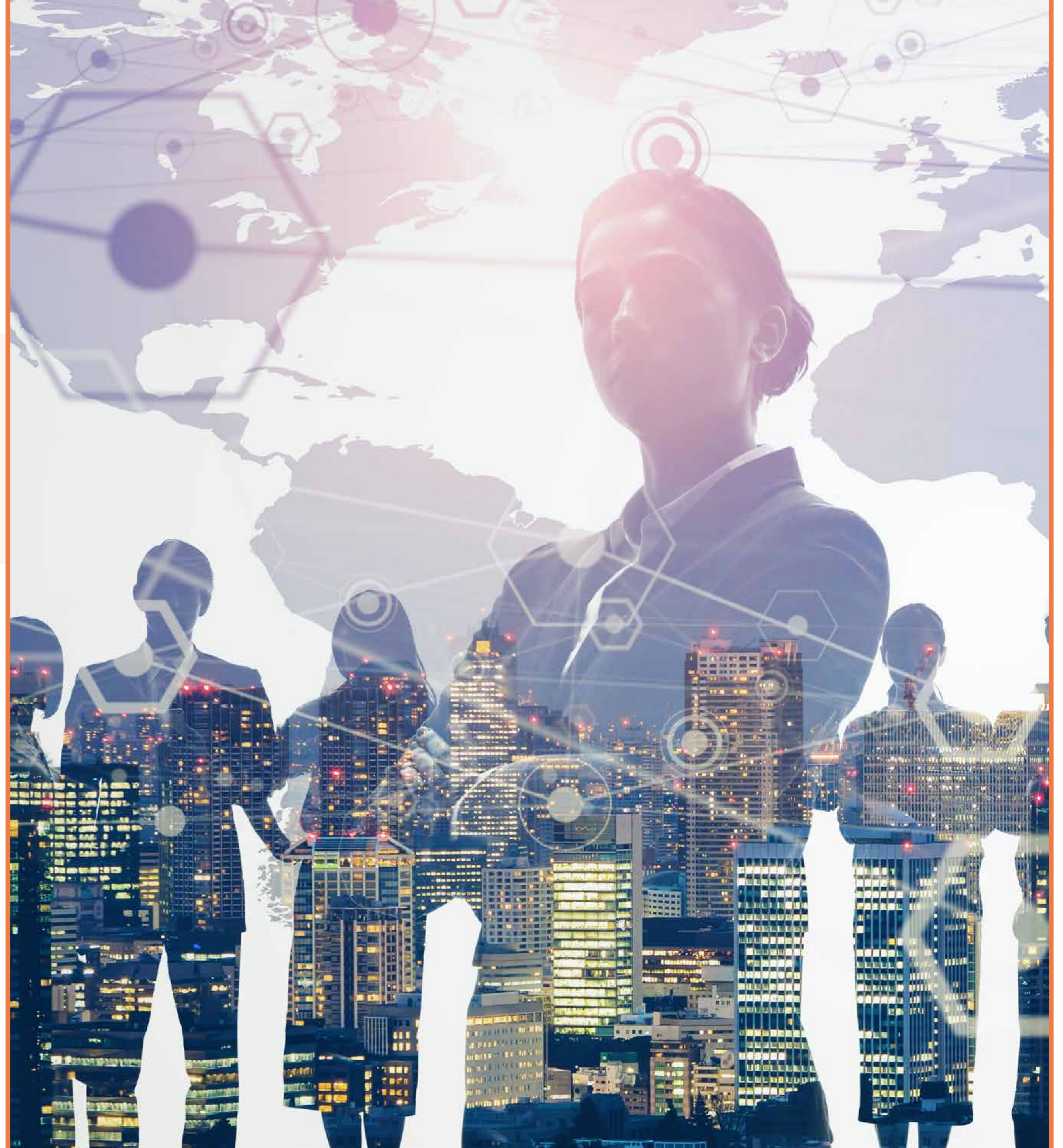


# Industry Alignment and Advocacy

## In this Section

CenterSquare's Global Affiliations  
Advocacy in Action  
ESG Thought Leadership

CenterSquare is committed to advancing ESG ideals globally through participation in industry groups and initiatives. Our collective work with peers promotes data-driven disclosures and the standardization of ESG guidelines and frameworks we believe to be most material to real estate. Together, we share information and thought leadership as it relates to our ESG insights and activities to collectively advocate for the integration of best practices across the real estate industry.



## CenterSquare’s Global Affiliations

### Promoting Industry Alignment Through Engagement and Collaboration



**Joachim Kehr**  
Portfolio Manager,  
Real Estate Securities

“As a global investor, we value the work of the international advocates and standard setters who help ensure ESG objectives and expectations are aligned across regions. As more regimes embrace the benefits of responsible investment, we have seen a marked uptick in the number of real estate companies recognizing the benefits of a collective approach and we are encouraging our portfolio companies to integrate best practices into their respective activities.”



**Member since 2018**

The PRI is the world’s leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

**Member since 2016**

GRESB is a mission-driven and industry-led organization that provides actionable and transparent ESG data to financial markets. GRESB collects, validates, scores, and benchmarks ESG data to provide business intelligence, engagement tools and regulatory reporting solutions for investors, asset managers, and the wider industry.

**Supporter since 2019**

The Task Force on Climate-related Financial Disclosures (TCFD) develops recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change.

**Joined as active collaborating investor in 2019**

Climate Action 100+ is an investor-led initiative to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change.

**Supporter since 2019**

The Investor Agenda is a common leadership agenda on the climate crisis that is unifying, comprehensive, and focused on accelerating investor action for a net-zero emissions economy. The Investor Agenda draws on expertise from across the investor landscape to set out clearly joint expectations in four interlocking areas: Corporate Engagement, Investment, Policy Advocacy, and Investor Disclosure.

**Promoting since 2021**

The Science Based Targets initiative (SBTi), a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets. Science-based targets show organizations how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.

**Promoting since 2020**

GRI (Global Reporting Initiative) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. GRI provides the world’s most widely used standards for sustainability reporting – the GRI Standards.

## Advocacy in Action



CenterSquare has effectively utilized GRESB as a tool to understand the sustainability efforts of REITs around the world. We believe the GRESB Assessment has advanced progress by encouraging the collection of material metrics to measure significant operational and strategic improvements across ESG strategies for participating companies. Such progress is in line with global climate goals towards carbon neutrality, as evidenced by the EU, Australia, Hong Kong and South Korea's net-zero pledges by 2050, as well as China's target of 2060. For these reasons, CenterSquare is successfully partnering with other investor members to encourage REITs globally to participate in the GRESB assessment. Our collective work has been paying off with participation in the GRESB Real Estate Benchmark growing by 24% in 2021, the highest percentage increase the assessment has seen since 2012.



CenterSquare has participated in active engagement with two Climate Action 100+ companies, encouraging them to commit to strategies that promote strong governance, reduce greenhouse gas emissions and enhance corporate disclosures. In 2021, our engagement translated into meaningful results as we saw one of the companies release inaugural carbon records which demonstrated impressive outcomes. We also successfully encouraged the company to submit to the Science Based Targets Initiative (SBTi), a greenhouse gas emissions reduction target that aligns with limiting global warming to 1.5 degrees Celsius and supports the pathway to net-zero.

# ESG Thought Leadership

CenterSquare consistently seeks to share our insights as to how ESG integration contributes to the long-term positive performance of real estate investments. In the last decade, the prominence of Environmental and Governance factors within real estate thought leadership materials has accelerated meaningfully. Yet, the evolution of the “S” – the material “Social” considerations critical to the holistic assessment of real estate investments – has been less defined and articulated.

Given the amount of time we spend indoors, understanding the social implications of how the properties we inhabit are developed and managed is paramount to assessing the long-term value of the assets. Our third white paper entitled “The Social Spotlight: An Emerging Focus in Real Estate ESG” offers an approach to incorporating social considerations for real estate investments, examines the major trends taking shape, and explores the likelihood of financial outperformance seen across U.S. REITs with better social practices.



**Sharon Liss**

Director,  
Capital Markets

“Committing to an ESG strategy has definitely evolved from a “nice to have” to a “need to have” for our investors, making a thoughtful approach to integration and measurement paramount to everything that we do.”

**Composition of Health and Wellness Focused U.S. REITs**

Category	Percentage
Retail	20%
Storage	4%
Data Centers	2%
Healthcare	13%

**WELL Certification Concepts**

WELL Certification is a tool for advancing health and well-being in buildings globally. The 10 concepts in WELL V2 offer the opportunity to track distinct health intents, and are illustrative of areas to consider for optimization.

**Water**  
The quality, distribution, and availability of water in a building by addressing contaminant thresholds of all as the management of building materials under optimal conditions.

**Light**  
Natural and artificial lighting environments that are optimal for human and biological health.

**Thermal Comfort**  
Productivity and assurance of thermal comfort among all building occupants through improved HVAC system and control.

**Materials**  
Exposure to hazardous building materials through the restriction or replacement of materials known to be toxic and the safer replacements.

**Community**  
Access to essential healthcare, education and accommodations, establishing an inclusive, equitable, and accessible design.

**“Despite the growing recognition of the business case for DEI programs, application across real estate companies remains uneven.”**

**CenterSquare**  
REAL ASSET INVESTMENT LEADERSHIP | Q1 2022

**The Social Spotlight: An Emerging Focus in Real Estate ESG**

Uma Pattarkine, CFA  
Senior Analyst,  
Investment Strategy  
Global ESG Lead

**10 Yr**

Category	Percentage
REITs	7%
All U.S. REITs	11%
Bottom Quartile	10%

**10 Yr**

Category	Percentage
Quartile	6.3%
Bottom Quartile	9.0%
Bottom Quartile	7.5%

**10 Yr**

102. Quotiles reflect the 10th company board. The above is of future results.

The statements and conclusions made in this presentation are not guaranteed and are the opinion of CenterSquare Investment Management and its employees. Any statements and opinions expressed are as of the date of publication and are subject to change as economic and market conditions dictate. Past performance is not indicative of future results.

# Corporate Responsibility

## In this Section

Giving Back to Our Communities  
The CenterSquare ESG Committee

CenterSquare believes engaging in Corporate Social Responsibility (CSR) work is integral to fostering a culture of community with our employees and stakeholders. We seek to serve as responsible corporate citizens in all that we do and participate in programs that make a positive and meaningful contribution to the world around us.



Members of the CenterSquare team participating in the annual clean-up of Wissahickon Creek outside of Philadelphia.

## Giving Back to Our Communities

CenterSquare is proud to work with a broad array of mission-driven organizations, and we support their respective philanthropic causes through our employee volunteer work and matching gifts program. While COVID-19 put a pause on our in-person activities through much of 2021, we intend to re-engage fully in the coming year in firm-wide initiatives and events with our community partners, some which are represented below.



Cradles to Crayons provides children from birth through age 12, living in homeless or low-income situations, with the essential items they need to thrive – at home, at school, and at play.



Manna uses nutrition to improve health for people with serious illnesses who need nourishment to heal.



Ronald McDonald House is a nonprofit family & children's charity dedicated to supporting families with sick children in their time of need.



Philabundance is focused on providing emergency food in order to relieve hunger in five counties in Pennsylvania and four counties in New Jersey.



Wissahickon Trails has worked to engage diverse communities of people to protect and enjoy the land and waterways of the Wissahickon Valley.

## The CenterSquare ESG Committee

The CenterSquare ESG Committee comprises representatives from the public, private equity and private debt investment platforms as well as compliance, operations, human resources, capital markets, investor relations, and communications, bringing a diverse set of skills and perspectives to our efforts. Led by our Chief Investment Strategist and Global ESG Lead, the group meets quarterly to consider and implement firm-wide ESG initiatives which we believe contribute to long-term sustainability and stronger overall performance.



### Co-Chairs



**Scott Crowe**  
Chief Investment  
Strategist and Board  
Director  
*Strategy*



**Uma Pattarkine, CFA**  
LEED Green Associate,  
Global ESG Lead  
*Strategy*



**Jennifer Ellis**  
Vice President  
*Investor Relations*



**Joseph Law**  
Chief Financial Officer  
*Operations*



**Sharon Liss**  
Director  
*Capital Markets*



**Emily Mendell**  
Director  
*Marketing and  
Communications*



**Alex Snyder, CFA**  
Portfolio Manager  
*Real Estate Securities*



**David Levy, CFA**  
Vice President  
*Private Real Estate Debt*



**Michael Brophy, J.D.**  
Chief Compliance Officer  
*Compliance and Risk  
Management*




**Megan Quinn**  
Senior Analyst  
*Private Real Estate*



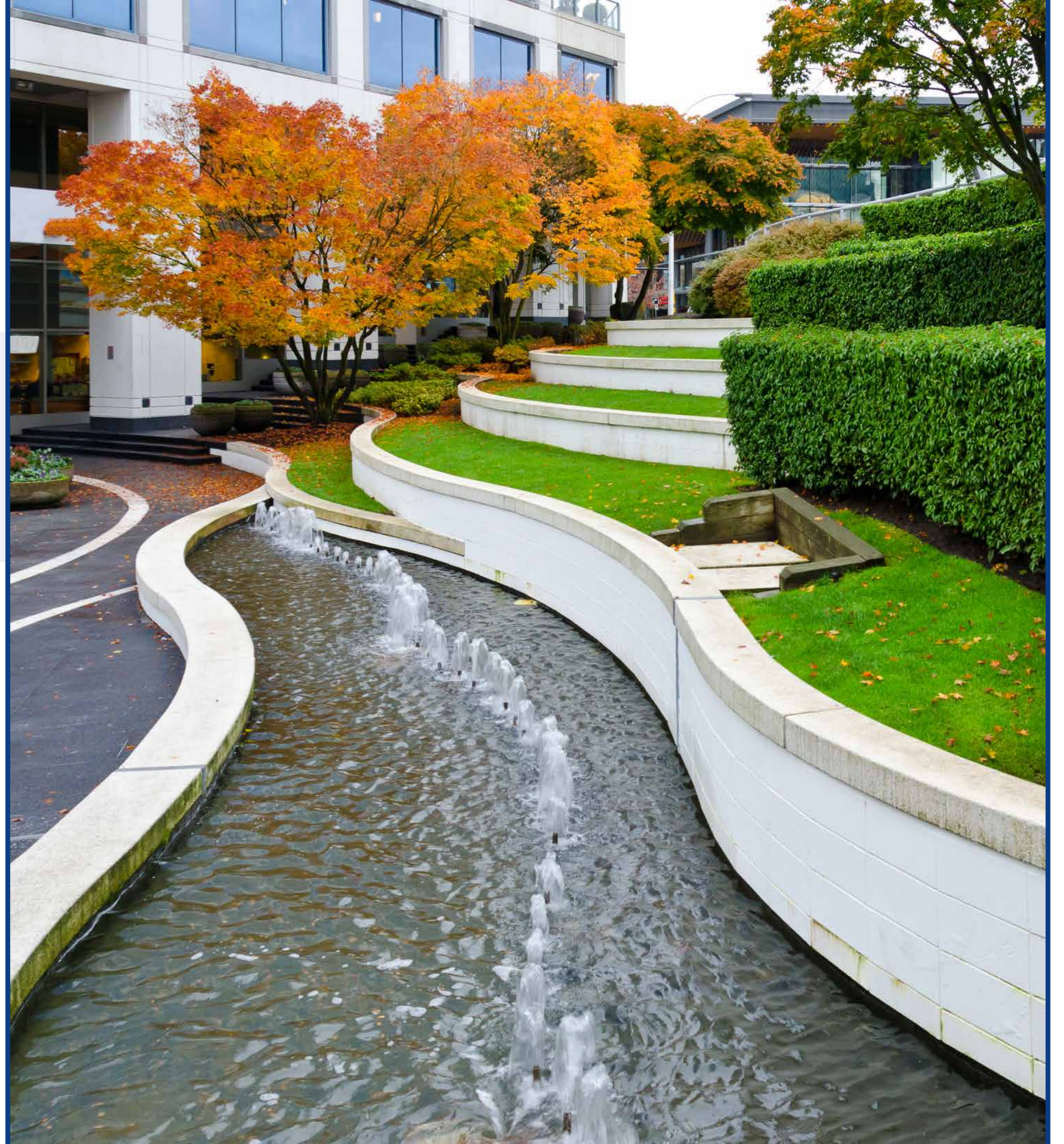
**Ally Spaventa**  
Director  
*Human Resources*



# Appendices



**In this Section**  
About CenterSquare  
Disclosures



\$14B

Assets Under Management<sup>1</sup>

5

Global Offices

35 Years

of Operating Experience

15+

Real Estate Investment Strategies



## About CenterSquare

As an independent, employee-owned firm, CenterSquare strives to foster an entrepreneurial culture whereby employees “think like owners” in all that we do. We bring our role as a trusted fiduciary to life by embracing our clients’ interests as our own and, in doing so, hold each other to the highest standards of performance.

We value creativity, collaboration, and a can-do attitude. We work hard and celebrate accomplishments together, recognizing the importance of individual contributions to our collective success. We place trust in our teams across the organization, and consistently seek opportunities to grow as professionals, as colleagues and as an organization.

## Our Core Values

Relentless  
Client Focus

Can-Do  
Attitude

Consistent  
Teamwork

Unwavering  
Accountability

<sup>1</sup> Source: Assets under management (AUM) includes CenterSquare and its Subsidiaries as of June 30, 2022. Fair value of public real estate securities are based on last sale prices listed on worldwide established exchanges. Private debt and equity AUM represents regulatory assets under management which for funds includes investment fair values plus unfunded capital commitments.

# Disclosure Statements and Definition of Indices

Material in this publication is for general information only and is not intended to provide specific investment advice or recommendations for any purchase or sale of any specific security or commodity. Due to, among other things, the volatile nature of the markets and the investment areas discussed herein, investments may only be suitable for certain investors. Parties should independently investigate any investment area or manager, and should consult with qualified investment, legal, and tax professionals before making any investment. Some information contained herein has been obtained from third party sources and has not been independently verified by CenterSquare Investment Management LLC (“CenterSquare”). CenterSquare makes no representations as to the accuracy or the completeness of any of the information herein. Accordingly, this material is not to be reproduced in whole or in part or used for any other purpose.

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## General Real Estate Risks

Because the investment strategies concentrate their assets in the real estate industry, an investment is closely linked to the performance of the real estate markets. Investing in the equity securities of real estate companies entails certain risks and uncertainties. These companies experience the risks of investing in real estate directly. Real estate is a cyclical business, highly sensitive to general and local economic developments and characterized by intense competition and periodic overbuilding. Real estate income and values may also be greatly affected by demographic trends, such as population shifts or changing tastes and values. Companies in the real estate industry may be adversely affected by environmental conditions. Government actions, such as tax increases, zoning law changes or environmental regulations, may also have a major impact on real estate. Changing interest rates and credit quality requirements will also affect the cash flow of real estate companies and their ability to meet capital needs.

## Definition of Indices

FTSE EPRA/Nareit Developed Index (and FTSE EPRA/Nareit Developed Net Index)

The FTSE EPRA/Nareit Developed Real Estate Index Series covers both the FTSE EPRA/Nareit Equity REITs Index and the FTSE EPRA/Nareit Developed ex-U.S. Index. Designed to track the performance of listed real estate companies and REITs worldwide, the series acts as a performance measure of the overall market. The Gross benchmark presented is based on total return calculations which add the income a stock’s dividend provides to the performance of the index. The Gross benchmark is presented is gross of withholding taxes and investment management fees. The Net benchmark presented is calculated as a total return net of foreign withholding taxes on dividends from an U.S. investor perspective, and gross of investment management fees. The index changed names on March 23, 2009 and was formerly known as the FTSE EPRA/Nareit Global Real Estate Index.

## FTSE Nareit Equity REITs Index (FNRE)

The FTSE Nareit U.S. Real Estate Index includes all tax-qualified real estate investment trusts (“REITs”) that are listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market List. The index constituents span the commercial real estate space across the US economy and provides investors with exposure to all investment and property sectors. The performance presented is based on total return calculations which adds the income a stock’s dividend provides to the performance of the index, and is gross of investment management fees. Effective December 20, 2010 the ticker for the FTSE Nareit U.S. Real Estate Index changed from FNERTR (total return) to FNRETR (total return). The old ticker (FNERTR) has been reassigned to newly established FTSE Nareit All Equity REIT Index which is similar to the existing benchmark in all regards except that timber REITs will comprise approximately 7% of the new index and 0% in the FTSE Nareit Equity Real Estate Index.

These benchmarks are broad-based indices which are used for illustrative purposes only and have been selected as they are well known and are easily recognizable by investors. However, the investment activities and performance of an actual portfolio may be considerably more volatile than and have material differences from the performance of any of the referenced indices. Unlike these benchmarks, the portfolios portrayed herein are actively managed. Furthermore, the portfolios invest in substantially fewer securities than the number of securities comprising each of these benchmarks. There is no guarantee that any of the securities invested in by the portfolios comprise these benchmarks. Also, performance results for benchmarks may not reflect payment of investment management/incentive fees and other expenses. Because of these differences, benchmarks should not be relied upon as an accurate measure of comparison. A direct investment in an index is not possible.

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