

# ESG+R OBJECTIVES

J.P. Morgan Asset Management - Real Estate believes that continuous improvement of our assets with respect to environment, social, governance, and resilience ("ESG+R") policies will ultimately improve the environment in which those assets exist and, more importantly, enhance their competitiveness in the marketplace.

We integrate ESG+R into investment decisions and have fully integrated these sustainability objectives into our overall business strategy. Our ESG+R Objectives are summarized as follows:

## ENVIRONMENTAL

### CONSERVING RESOURCES

- Reduce, measure, and report building energy, emissions, water, and waste within our control
- Measure and improve performance to reduction targets
- Evaluate and implement low-cost property enhancements and capital improvements
- Evaluate and pursue energy ratings and green building certifications, where possible

## SOCIAL

### REGULARLY ENGAGING WITH OUR IDENTIFIED STAKEHOLDERS

- Investors
- Joint venture partners
- Employees
- Property managers
- Tenants
- Community
- Suppliers

## GOVERNANCE

### LEADERSHIP AND TRANSPARENCY

- Continuously integrate ESG+R throughout the investment process
- Disclose ESG+R strategy and performance to enhance transparency
- Lead the industry by example and guide best practices and outcomes

## RESILIENCE

### MITIGATING CLIMATE-CHANGE RELATED RISK

- Identify and measure physical risks
- Assess and develop mitigation strategies at high-risk assets
- Analyze climate-related transition risks and opportunities



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## APPROACH TO INTEGRATING ESG+R

Opportunities and risks regarding ESG+R are identified and evaluated as part of our real estate asset investment due diligence process and for our existing investments. We follow the below objectives and strategies to mitigate those risks and capitalize on opportunities while supporting the aims of the United Nations Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General to address global challenges and achieve a more sustainable future.

### ENVIRONMENTAL

- Consistently measure, monitor, and improve performance at the assets to meet reduction targets for energy, greenhouse gas emissions, water, and waste
- Target 10-year reduction of energy and emissions by 25% (2.5% annually) in alignment with the Paris Accord and Science Based Target Initiatives, and water and waste by 15% (1.5% annually)
- Improve the performance of our assets by identifying low-cost property enhancements, implementing strategic capital improvements, and continue to assess new technologies to achieve emissions reduction targets
- Assess additional opportunities to reduce GHG emissions through on-site solar, renewable energy certificates, offsets, and other renewable or alternative sources
- Achieve energy ratings for eligible buildings annually
- Evaluate and pursue third-party green building certifications using schemes prevalent in each specific region, such as LEED, IREM CSP, Green Mark, DBJ Green Building, CASBEE, HQE, DGNB, and BREEAM, as well as health and wellness certifications such as WELL and Fitwel, whenever feasible

### GOVERNANCE

- Guide and manage the accountability of our sustainability efforts through our ESG+R Taskforce
- Ensure that timely and accurate disclosure is made to investors, including ESG+R objectives, strategies and performance
- Lead the industry in ESG+R practices through participation and membership in industry groups such as GRESB, PRI, USGBC, Climate Action 100+, WGBC, ICSC, ULI, TCFD, NAREIM, and NCREIF

### SOCIAL

- Act as a responsible corporate citizen and foster similar pursuits by our key stakeholders
- Manage the operating costs of our buildings while supporting the occupant experience as a responsible landlord
- Engage our employees and tenants through educational materials, sustainability programming, and social events
- Promote the health and well-being of our employees, building occupants, and our communities. Property teams are encouraged to facilitate health and well-being for occupants through indoor air quality management, encouraging exercise opportunities, hosting events that educate occupants and engage with the local community
- Ensure regular communication with our third-party property managers on sustainability best practices by providing resources, tools, and training

### RESILIENCE

- Identify physical and transition risks at our assets that may be caused or exacerbated by climate change and evaluate mitigation strategies to reduce risk
- Quantify potential physical and transition risk exposure from climate change and evaluate mitigation strategies at the portfolio level
- Incorporate ESG+R in the acquisition due diligence process including identifying regional resilience strategies and physical climate risks such as flooding, sea level rise and heat stress, specific to where the property is located

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