



## RESPONSIBLE INVESTMENT POLICY

### About

With a history dating back to 1965, L&B Realty Advisors (L&B) stands as a beacon of trust and reliability in the real estate investment management services. Over the years, L&B has consistently proved its ability to successfully acquire, manage, and dispose of real estate on behalf of its clients, earning a record of reliability and trust. Our long-standing history is a testament to our experience and expertise in the field, and integrity.

L&B clients were high-net-worth European investors looking to diversify their assets into North American real estate. In 1978, L&B made its first real estate investment on behalf of a public pension plan.

In 1983, L&B partnered with David L. Babson & Company, a Boston-based investment firm, to gain access to the institutional market. L&B registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940 in March 1984. In 1995, having gained significant U.S. tax-exempt institutional experience through the relationship with Babson, L&B ended its partnership by acquiring Babson's interest. In 1992, L&B was acquired by United Asset Management (UAM), and in 2000, Quilter plc (formerly Old Mutual plc) acquired all of UAM's assets, including L&B. In 2005, L&B's principal partners, G. Andrews Smith and Daniel L. Plumlee, acquired ownership of L&B.

### Our Purpose

At L&B, our clients' investment goals are not just a priority; they are our foremost concern. We have a fiduciary duty to optimize the economic return on client investments and reduce risk.



The Responsible Investment Policy reflects our commitment to our clients for responsibly achieving results in-line with their discretion. L&B aims to mitigate controllable risks to help our clients, our employees, the environment and the local community.

## Leadership

L&B's Responsible Investment Committee (RIC) participants include senior investment professionals with diverse skill sets. Several participants also sit on the firm's Management and Investment Committees. The RIC meets quarterly with a focused discussion on areas, within the limitations of our client's discretion, where we can positively impact returns through adoption of new policies, technology or processes.

RIC Members	Title	Other L&B Committees
Kelsey Richey <b>(Chairperson)</b>	Associate Director Development & Construction Services	Business Continuity Committee
Dan Plumlee	Chief Investment Officer	Management, Investment, and Compensation Committees
Andy Smith	Chief Executive Officer	Management, Investment, and Compensation Committees
Scott Cronister	Executive Vice President Asset Management	Investment Committee
Bernadette Mussell	Partner Acquisitions	Investment Committee
Merrill Curtis	Vice President Asset Management	
Michael Formanek	Vice President Portfolio Management	Strategy Development & Risk Mitigation, and Culture & Engagement Committees
Corinne Hoffman	Vice President Portfolio Management	Strategy Development & Risk Mitigation Committee
Ronna McAuley	Vice President Asset Management	
Chris Neufeld	Vice President Development & Construction Services	Business Continuity Committee
Vicki Matthews	Vice President Human Resources	Compensation and Culture Committees
Rui Shi	Executive Managing Director of Portfolio Management	
David Evely	Director Research & Strategy	AI, Investment, and Strategy Development & Risk Mitigation Committees
Jan Johnson	Director Executive Office	AI Committee

Alex Gauthreaux	Construction Project Manager Development & Construction Services	Strategy Development & Risk Mitigation Committee
Ken Harward	Construction Project Manager Development & Construction Services	

## Environmental, Social, Governance and Resilience (ESG+R)

The L&B team acknowledges that our business activities influence the communities in which our clients choose to invest.

Incorporating ESG+R factors into investment decisions has gained the attention and focus of the global institutional investment community. L&B investment professionals recognize and stay ahead of the increased consumer expectations of businesses and the elevated focus to conserve natural resources, behave ethically, and broaden the definition of stakeholders.

### Scope

L&B makes a concerted effort to be transparent throughout all its business endeavors. As a result, this policy highlights aspects of ESG+R factor-related initiatives. This policy is intended to demonstrate the executive management team’s commitment to these principles where consistent with the discretion given by each client to guide the implementation, execution, benchmarking, and reporting of sustainability practices.

### Definitions

**Environmental:** L&B aspires to assess on an ongoing basis how the client’s assets can reduce waste or operate more efficiently.

**Social:** L&B is committed to creating a workplace focused on helping employees succeed and grow professionally. The firm also focuses on opportunities to positively impact the communities in which we work and live. L&B carries this out by investing time and resources into the workplace, finding underserved areas within the urban environment, supporting employee volunteerism, and furthering education.

**Governance:** L&B operates and manages its business with the highest standards and ethics, transparency, governance, and consideration for the long-term growth and health of the firm and its investments. Having transparency through due diligence and decision-making is a turnkey solution to establishing a work environment where morals and principles are aligned throughout all business practices.

**Resilience:** L&B adopted a business continuity plan and requires third-party property managers to have business continuity plans for assets they manage. Resilience reflects being prepared for what we do before, during, and after disruptive events and is built on a foundation of effective governance practices.

## Environmental

L&B strives to reduce the environmental impact of our assets by using natural resources more efficiently with a focus on conserving electricity and water usage, as well as minimizing waste. We look for opportunities to adopt emerging technology to improve efficiency and reduce energy costs at our assets. We continue to research innovative technologies, means, and

methods to improve energy and water efficiency and the useful life of all the equipment for properties. Through the design, construction, and redevelopment of the assets within our portfolio, L&B aligns the process with our company's responsible investment standards and our clients' goals. These initiatives can help to minimize the impact on our ecosystem, reduce water usage, promote better building energy performance, and pursue waste minimization initiatives. Below are a few high-level strategies that L&B incorporates throughout our investment processes:

- L&B supports membership and has at least one member in the USGBC (United States Green Building Council) to stay abreast of current issues, strategies, and opportunities to improve the sustainable nature of our portfolios.
- L&B's RIC meets quarterly, reviews case studies, and hosts third parties to assess innovations and emerging opportunities to increase energy efficiency or sustainability.
- L&B regularly reviews opportunities to incorporate resource-reducing technology.

## Considerations within Acquisitions, Portfolio and Asset Management

L&B is always looking to optimize investment returns in conjunction with client parameters while reducing emissions, water consumption, and waste to increase operating expense efficiency. Some examples include:

- **Energy** - Adoption of technologies to monitor inbound electricity use to ensure optimal performance and efficiency and ensure electricity is used when and where needed at the time it is required.
- **Water** - Adoption of technologies and management practices to ensure water use is the minimum required for a particular use with leak detection and management to prevent waste.
- **Waste** - Promoting recycling programs in cleaning and janitorial services to increase tenants' adoption rate and encouraging recycling of materials from demolition projects.

Additionally, L&B takes steps throughout the ownership period to assess the property for upgrades and/or other work to improve the properties' impact on the environment, some examples include:

- During the acquisitions process, our Investment Committee assesses opportunities for continuous improvement over the asset's life cycle.
- Utilization of environmental site assessments to find a property's current ecological condition.
- Pursuit of Energy Star, LEED, National Green Building Standard (NGBS), and other applicable designations for properties, when practical and economically feasible.
- During the capital improvement planning process, our teams explore ways to improve operations and/or energy consumption that provide an appropriate return for the investment.
- Leverage reputation management tools, such as Reputation.com and Kingsley ratings, to aid in identifying any deficiencies, thus supplying valuable insights for informed decision-making.

## Social

L&B's focus has always been on the development of a team which is experienced in the diverse and complementary tasks associated with providing investment advice to our clients. The collaboration within our teams provides the best results for our clients. This collaboration creates a strong workplace environment and stretches beyond the walls of our office as we look to impact our community to generate a better brand and, in return, aids in attracting the best talent. L&B values our responsibility to clients, business partners, employees, community, and society to show integrity, honesty, and respect for others. By fostering loyal residents and tenants, we can positively impact turnover costs, increase renewal rates, and reduce vacancy losses. This approach enhances the quality of our properties and aligns with our long-term investment goal of delivering outperformance. Our utmost goal is to create an environment where all our employees feel their importance to the larger organization, which in turn leads to better performance for employees and the properties. Below are some initiatives the firm has implemented to improve the workplace and our local communities:

- L&B provides to all employees paid time off and the continuation of health insurance benefits. This includes family medical leave, which can be utilized for the care of a newborn, a child placed for adoption or foster care, personal illness, or illness of a family member.
- Ensure the recruitment process appeals to a highly qualified pool of candidates, while also monitoring existing employees and providing them with a career development path.
- Compensation is focused on role and capabilities for all employees to ensure no unexplained gaps due to non-discriminatory reasons such as length of service, job performance (merit), and geographic location.
- Engaging with like-minded service providers that show the same integrity and respect as L&B does for others in their business activities.

## Governance

L&B's constant focus is to protect our investors' interests and follow all relevant legal and regulatory requirements.

L&B operates under a structured committee-based governance model. The Management Committee, chaired by the CEO, is responsible for setting the firm's strategic direction and overseeing day-to-day operations. Its oversight spans a broad range of functions, including compliance with investment guidelines, talent management and succession planning, adherence to internal policies and procedures, risk management protocols, governmental regulations, business development, research, acquisitions, asset and portfolio management, investment accounting, and information technology. The Investment Committee, led by the CIO and composed of senior management, leverages the diverse expertise of its members in investment strategy, execution, and asset management.

- L&B follows applicable national, state, and local labor laws in the areas in which the firm invests.
- **Compliance Manual** – The firm updates its Compliance Manual and Code of Ethics annually. The Manual helps the firm adopt an infrastructure consistent with sound

business practices and holds the firm's personnel accountable in adhering to business standards and ethics.

- **Responsible Contractor Policy** - L&B strives to obtain high-quality services to support and enhance the value of our investments and to construct projects on time or ahead of schedule, following approved plans and specifications consistent with the approved project budget. We believe that the employment, on terms consistent with our responsible investment policy and our fiduciary duties, of experienced, well-trained, dependable, and compensated craftsmen and other service providers is of utmost importance in achieving these objectives.
- **Anti-Bribery & Corruption Policy** - L&B is committed to maintaining ethical and legal standards. This commitment extends to every action taken while engaging with all stakeholders including co-workers, participants, clients, institutions, business partners, and contractors. L&B adheres to the US Foreign Corrupt Practices Act and the OECD Anti-Bribery Convention, prohibiting bribery and other improper payments to public officials. From a financial governance perspective, L&B has implemented internal controls to ensure transparency and accountability.

## Commitment to Improvement

L&B will continue to administer responsible investment practices throughout the lifecycle of all assets under management while optimizing the economic return on client investments and reducing risk. All team members are encouraged to provide their opinion and bring attention to any issues related to the firm's business.

As new technological upgrades improve, L&B pledges to continue educating themselves to create a more sustainable future for the firm and investments. L&B is continually looking for opportunities to adopt new technology into its investment and management processes. The adoption of AI technology will allow for opportunities to improve business operations and asset performance.

The company has assembled an AI committee, which is charged with keeping abreast of the rapidly evolving AI landscape. The AI committee has identified areas of the company where the use of AI technologies will be implemented including reporting, lease abstracting, and screening of acquisition opportunities. While these opportunities are screened, L&B's primary responsibility remains to protect our investors' interests and that all technology implementation follows all relevant legal and regulatory requirements.

L&B conducts an annual review of its Responsible Investment Policy and will continue to do so in the spirit of ensuring its effectiveness and relevance.