

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



LETTER FROM OUR CEOs

IDS REAL ESTATE GROUP is a vertically integrated, privately held real estate owner, operator, developer, and asset manager. Since its founding more than 35 years ago, the firm has built an extensive track record of delivering exceptional risk-adjusted returns by leveraging its local market knowledge, broad commercial real estate expertise, and performance-driven project teams. We are pleased to share this second environmental, social, and governance (ESG) report to describe how our operations have positively impacted the environment and communities in which we invest and operate.

IDS is committed to minimizing its environmental impact and has worked diligently to improve asset efficiency and resource use through strategic planning, data collection, and sustainable building practices. From promoting biodiversity and implementing energy and water efficiency standards to securing green building certifications, IDS has set a foundation to expand its environmental stewardship, positively impacting the natural world through its operations.

Our journey today would not have been possible without our dedicated employees, who help bring value to our assets and initiatives. We retain a strong culture year after year with comprehensive and competitive compensation packages, career development, and engagement opportunities like regular employee events and charitable giving.



We are proud of our ESG achievements in 2023. Key highlights include:

- Collected energy data for 85% of our owned assets.
- Achieved an 18-point increase in our GRESB score.
- Tracked energy, GHG, water and waste production on our owned assets.
- Completed tenant and employee satisfaction surveys.
- Conducted climate resilience assessments for our owned assets.
- Ensured full compliance with local and state regulations, avoiding fines and penalties.

From everyone at IDS, we thank you for taking the time to read about our ESG strategy and the impact we have made thus far.

Sincerely,

Two handwritten signatures in blue ink, one for David G. Mgrublian and one for Murad M. Siam.

David G. Mgrublian and Murad M. Siam
Chief Executive Officers

ESG AT IDS

WE BELIEVE ESG IS A CONTINUALLY EVOLVING JOURNEY that is integrated into our decision-making process, bringing value to our investments and ultimately leaving positive environmental and social impacts.

IDS Real Estate Group (IDS) believes that Environmental, Social, and Governance (ESG) principles are crucial to developing resilient assets that deliver long-term value for investors and clients. Below is a list of our ESG objectives, further outlined in our ESG Policy, which we use as a framework to evaluate business decisions.

ENVIRONMENTAL

- Benchmark energy, water, waste, and greenhouse gas (GHG) emissions to disclose and map performance year-over-year.
- Prioritize emission reductions and increased efficiency through technical assessments, refurbishments, and installing ENERGY STAR® certified equipment and appliances where applicable.
- Implement measures to reduce or prevent pollution including noise, light, thermal, soil, and water pollution.
- Pursue green building certifications such as ENERGY STAR®, LEED, and IREM.
- Evaluate opportunities for renewable energy.
- Promote biodiversity through native landscaping and habitats at properties.
- Evaluate climate resiliency of our owned assets and new acquisitions.

SOCIAL

- Provide comprehensive and competitive compensation packages to our employees.
- Promote career development and continued education with financial support and an annual stipend for professional courses or seminars.
- Support employee health and wellness by offsetting health-related costs and providing ergonomic workspaces.
- Foster a healthy, safe, and inclusive work environment to advance equity and representation with open communication and harassment training, conducted every two years.
- Engage with tenants through third-party assessments to monitor stakeholder satisfaction.

GOVERNANCE

- Ensure compliance with applicable regulations at a corporate and jurisdictional level.
- Report on our ESG progress and priorities to ESG frameworks such as GRESB and others as required.
- Identify, mitigate, and disclose physical and transitional risks associated with climate change.



GRESB REPORTING

GRESB is a globally recognized benchmark for sustainability in the real estate sector. IDS submitted to the benchmark for the second time in 2024 (for the 2023 calendar year). Our overall score increased by 18 points from last year's, and we outperformed our peer group in the performance section that measures energy use, greenhouse gas (GHG) emissions, water consumption, waste management, and building certifications.

ENVIRONMENTAL

MINIMIZING OUR IMPACT on the environment is a priority. IDS supports achieving net zero carbon emissions by 2050.

We are designing a foundation to mitigate our environmental impact by building and managing a portfolio of high-performing, efficient buildings to support this priority. Through strategic planning, we also address climate risks with physical and transitional risk assessments and a broad risk mitigation strategy to ensure our investments' long-term viability and resilience.

DATA COLLECTION

To make progress toward our environmental commitments of improved efficiency and reduced resource consumption, we must first measure and log our energy and water use, as well as waste produced across our assets. Through improved data management, we can select efficiency measures to cut consumption and improve building performance. Working in tandem with a third-party data management platform we upload available building data into ENERGY STAR® Portfolio Manager® where we are able to pull reports to interpret spikes or signals of overconsumption.

ENERGY & WATER EFFICIENCY

IDS institutes practices that promote efficiency to ensure assets operate with improved performance, benefiting the environment through efficient resource use and targeted capital investment to reduce overconsumption and replace inefficient equipment. As such, IDS explores and/or deploys the use of:

- Energy and water-efficient equipment, appliances and fixtures using innovative technologies
- Drought-tolerant landscaping and drip irrigation
- Renewable energy systems

ENERGY DATA IS TRACKED ACROSS
85%* OF THE PORTFOLIO

46.59 GWH ENERGY**

10,717 TONNES SCOPE 3 GHG**

118,781 M3 WATER**

* Based on GRESB reporting weighted by % ownership of GAV for our owned assets.

** For our owned portfolio. Total energy consumption and GHG based on 5.0 million sf of industrial space, including 0 tonnes of scope 1 and scope 2 GHG. Water consumption based on 3.7 million sf of industrial space.

CLIMATE RISK AND RESILIENCY

In 2023, IDS held its first annual training on climate resiliency and risk. The training and subsequent policy formation focused on identifying, assessing and monitoring both physical and transition risks associated with climate change to protect human health and safety as well as the financial and physical performance of buildings.

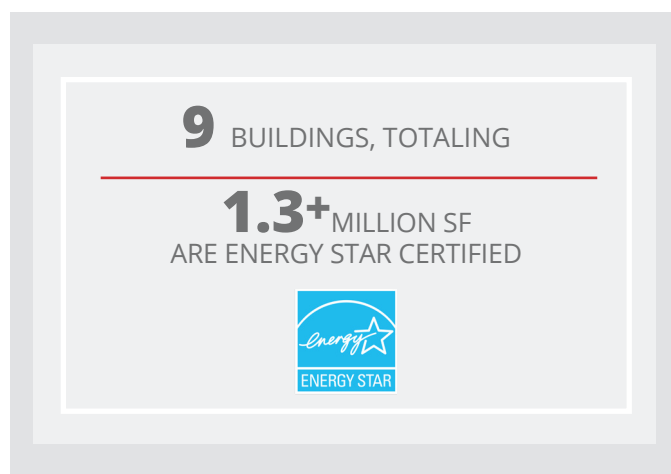
IDS reviews climate risk at both the property and portfolio level. As of December 2023, we analyzed our owned assets for physical risks using Munich RE which identifies potential climate risks at the property level through various climate scenarios and time periods as well as through the FEMA National Risk Index, which additionally identifies potential natural disaster risks such as earthquakes. We surveyed employees who are informed through various research, regulatory review and mitigation, and tenant interactions to determine material transitional risks and opportunities in line with TCFD recommendations. This input was further discussed and prioritized, including expected likelihood of various transition scenarios, by our investment team through a strategy planning workshop led by an external consultant, including review of potential impacts on our business.

IDS integrates the results of these analyses into multiple facets of our overall risk management processes including due diligence and underwriting, portfolio risk and strategy, and insurance management. We view acute weather events particularly as caused by wildfires and to a lesser extent by extreme heat/cold events, to be most material, followed by chronic risks such as drought. Where deemed significant at the property level, risks are considered in terms of feasibility through a mitigation plan which is reviewed, monitored and reported on a regular basis. IDS considers that the most material business impacts will come from market risks as investors, lenders and insurers increasingly integrate climate risk into risk management systems and through

policy/legal risks as governments increasingly implement regulations and fines regarding energy benchmarking and building materials conducive to a lower carbon environment which could result in increased insurance, regulatory, capital expenditures and operating costs, and reduced leasing of less sustainable buildings. By mitigating these risks, we have the opportunity to provide more resilient buildings for tenants, lower insurance costs and better investment performance. We continually work with tenants on mitigation and monitoring of specific regulatory requirements, and receive input from external consultants regarding changing regulatory events. We continue to focus on enhancing our ability to measure and reduce energy, water, waste, and emissions to reduce our impact on people and the environment.

ENERGY STAR® CERTIFICATIONS

To earn ENERGY STAR certification, eligible industrial properties must earn an ENERGY STAR score of 75 or higher (out of 100)—indicating that they operate more efficiently than at least 75% of similar facilities nationwide.* IDS secured such ratings with efficiency measures including drought-tolerant landscaping, LED lights, and ENERGY STAR appliances.



* ENERGY STAR Certification | ENERGY STAR

SOCIAL

AT IDS, WE PRIDE OURSELVES on high employee and tenant retention in a historically high-turnover industry. We continue to attract and retain outstanding team members through our management approach and strong company culture.



HEALTH AND WELL-BEING

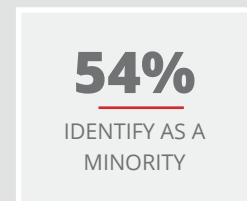
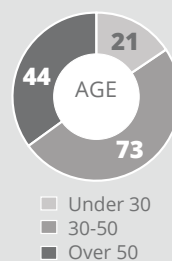
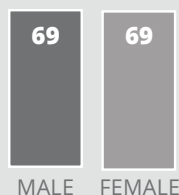
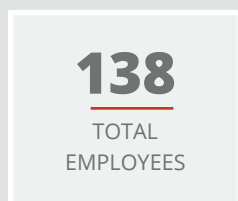
Ensuring our employees stay safe and healthy is paramount to our success. We provide a range of benefits and amenities for our employees to ensure they can show up every day as their best selves. These efforts include:

- Medical, dental, and vision care insurance as well as paid medical leave
- Flexible work hours
- Height-adjustable desks and ergonomic chairs
- Breakrooms equipped with exercise and relaxation equipment
- Mental healthcare
- Filtered water at all locations and healthy snacks in each main breakroom
- Health club membership reimbursement
- Subsidies for childcare and daycare
- Outdoor patios
- Parental leave
- Lactation rooms
- Free, annual flu-shot and biometric screening clinics

DIVERSITY, EQUITY, AND INCLUSION

IDS is committed to facilitating an inclusive and equitable workplace for employees, and we comply with all federal and applicable state anti-discrimination laws. IDS provides harassment, unconscious bias, and inclusivity training every two years and does not tolerate discrimination or harassment of any form. Our policy is to promote a diverse corporate culture that advances equality, representation, and accessibility across gender, socioeconomic backgrounds, education, and ethnicity.

EMPLOYEE DEMOGRAPHICS (As of December 2023)



CASE STUDY

HONORING EMPLOYEES



IDS grants tenure awards at its annual, company-wide Employee Appreciation year-end holiday lunch. For new hires, we publish and give recognition to those joining our team, highlighting their previous experience, and noting accomplishments in their new role. After five years of service, and at each five-year increment after that, IDS employees are rewarded with travel perks and tenure gifts to show appreciation for their time and effort over the years.

EMPLOYEE ENGAGEMENT

We recognize the importance of listening to our employees and tenants. To ensure we understand and can best support our stakeholders' needs, external consultants surveyed our tenants and employees in 2023 focusing on operational performance, satisfaction, health and well-being and engagement. We review survey results to identify key trends, insights, and areas for improvement in satisfaction and engagement. Actionable feedback is incorporated into management plans, and progress is tracked over time to ensure continuous improvement. We also engage with tenants to address concerns and collaborate on implementing solutions that align with sustainability and operational performance.

88% RETENTION RATE IN 2023

Team Building

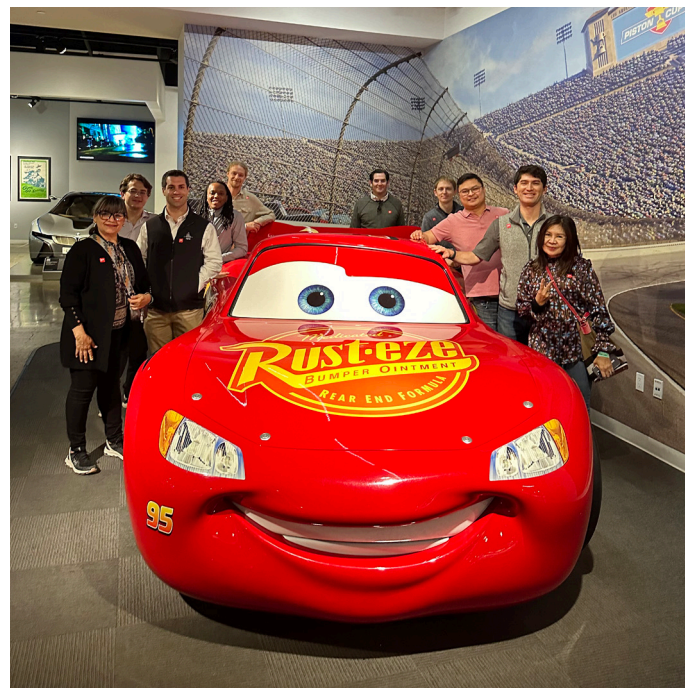
Building a culture takes time and effort. At IDS we:

- Hold regular, firm-wide employee events, including an annual family picnic and team retreat
- Organize regular "Lunch & Learn" events with guest speakers
- Provide free lunches twice per week to encourage camaraderie among employees
- Support our employees with health benefits and office amenities
- Provide ESG training on topics such as climate resiliency, energy, water and waste efficiency best practices, regulations and prop tech

Training & Development

To keep an agile and expert team, we explore different ways to drive our employees' professional growth. We support their continued success through:

- Continued pay while attending a work training during work hours
- Annual financial support up to \$1,500 for employees with at least one year of tenure for training in real estate
- Annual review of one, three, and five-year goals
- Employee awards and tenure recognition



COMMUNITY ENGAGEMENT

IDS gives back to local communities through different community engagement initiatives that have a focus on health and well-being, economic development, charitable giving, and sponsorship of community groups.

In 2023, IDS and its employees donated their time and financial support to the following organizations:

- City of Hope
- The Mayor's Fund for Los Angeles
- University of Southern California
- Ability First
- Pasadena Community Foundation
- Regents of UC Berkeley
- University of California, Los Angeles
- YMCA



IDS is dedicated to making a positive impact beyond the workplace. For the third consecutive year, IDS employees took part in the YMCA Los Angeles Annual Stair Climb and Urban Hike, which raised funds for children's programs, including after-school and summer camp activities. This annual event supports IDS's commitment to community engagement, specifically the principles of ending poverty, eliminating hunger, improving health, and ensuring access to education.

COMMUNITY ENGAGEMENT STARTS AT THE TOP

IDS CEOs, David Mgrublian and Murad Siam take on active roles in their communities, setting an example for giving back.

David is a member of the Urban Land Institute's Urban Development/Mixed-Use Green Product Council and the Policy Advisory Board of UC Berkeley's Fisher Center for Real Estate and Urban Economics. From 2014 to 2024, David was also the Chair of the Board of Trustees at Claremont McKenna where he founded the Mgrublian Center for Human Rights.

Murad Siam is the Founder and Chairperson of the Valley Sports Foundation, which serves over 1,000 high school-aged athletes annually in the Greater San Fernando Valley and a Board Member of American Near East Refugee Aid, which provides humanitarian and development aid to the Middle East.

David and Murad's active participation in community groups and leadership roles outside of the company speaks to the type of culture IDS has created, one that centers on and celebrates both work and life events.

GOVERNANCE

AT IDS, OUR GOVERNANCE APPROACH IS ROOTED IN STRONG oversight, transparency, and stakeholder engagement. We use policies, leadership, and effective communication to integrate ESG principles into our business for long-term success and value.

INDUSTRY ASSOCIATIONS

IDS is engaged in multiple industry associations where it is able to share and explore best practices with industry leaders and key stakeholders. Current affiliations include:



CORPORATE GOVERNANCE

Oversight of IDS sustainability efforts is governed at the Executive Vice President level including ensuring appropriate policies and guidelines, staffing, needs, legal and regulatory requirements and budget. Sustainability efforts are managed by a team which is led by an ESG specialist and includes investment team members, an external ESG consultant, an external data collection and software consultant, and IDS team members from various business units as needed to implement sustainability efforts.

CORPORATE GOVERNANCE POLICIES

Our ESG Policy, which is unchanged from last year, is available through our website and provides guidelines for our ESG activities. Our employee handbook sets a precedent for conduct at IDS, containing governance policies pertaining to bribery and corruption, cybersecurity, data protection and privacy, fiduciary duty, and fraud. We also have environmental and social policies in place to drive the entirety of our ESG strategy. Those policies focus on various topics from utility consumption and climate change adaptation to employee health and community development.

GREEN LEASING

Where possible, we institute sustainability-specific requirements into lease agreements with tenants to improve the sustainability of assets. IDS received recognition for its efforts, earning a Silver Green Lease Leader designation from the Institute for Market Transformation and the Department of Energy's Better Buildings Alliance's Green Lease Leaders standard.*

* Leaders - Green Lease Leaders



MATERIALITY

We conduct an annual ESG Materiality Assessment to identify and prioritize the topics that are most likely to impact our investment performance. We use the results to drive our initiatives, goals, and overall strategy for sustainability and responsible investments.

LOOKING FORWARD



AS WE PROGRESS ON OUR ESG JOURNEY,

we have identified initiatives or strategies that we plan to pursue in the future to bolster our positive environmental and social impacts. We are in progress and working towards the following initiatives:

- Pursuing IREM Certified Sustainable Property certifications for existing owned assets
- Certifying new development projects under CALGreen and LEED
- Enhancing and updating policies and procedures to advance our ESG agenda
- Reducing building emissions, utility consumption, and waste
- Obtaining additional ENERGY STAR® certifications
- Conducting energy audits following the ENERGY STAR® Checklists of Energy-Saving Measures
- Expanding our climate resiliency strategy and managing associated risks

This report covers the reporting period spanning January 1, 2023 to December 31, 2023. Policies, data and governance described herein are applicable to our owned portfolio unless otherwise specified.

DISCLAIMER AND DISCLOSURES

The information provided in this Annual Report has been prepared by IDS Real Estate Group for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the information presented, the company does not guarantee its accuracy, nor does it assume any liability for any errors, omissions, or discrepancies in the content. The data, projections, and opinions included in this report are based on information available at the time of preparation and may be subject to change.

Forward-Looking Statements: This report may contain forward-looking statements, including but not limited to statements regarding the company's future performance, strategies, goals, and market outlook. These statements are based on assumptions and estimates that we believe to be reasonable, but they are inherently subject to risks, uncertainties, and changes in market conditions, economic factors, and other variables. As such, actual results may differ materially from those expressed or implied in any forward-looking statements. Readers are cautioned not to place undue reliance on these statements.

ESG Information: The Environmental, Social, and Governance (ESG) data and initiatives presented in this report reflect IDS Real Estate Group's commitment to sustainability and responsible investment. The ESG metrics and progress outlined are based on internal assessments, industry benchmarks, and

available data. These statements should not be construed as guarantees of future performance or results. We make no representations regarding the future accuracy of the reported ESG performance or the ability to meet future goals.

Investment Risks: Investments in commercial real estate are subject to a range of risks, including but not limited to market risk, property-specific risk, economic factors, regulatory changes, and environmental considerations. The company does not make any representations or warranties regarding the future value of any real estate investment or the financial performance of any properties. The inclusion of any property, strategy, or forecast in this report should not be considered an investment recommendation.

Third-Party Data: This report may contain information or data sourced from third parties. While we believe such data to be reliable, IDS Real Estate Group does not assume responsibility for the accuracy or completeness of such third-party information.

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