



# Environmental, Social and Governance (ESG) Policy



## Background

CP Group, a vertically integrated commercial real estate investment and management firm, has been a leading owner-operator and developer throughout the Sunbelt since 1986. Today with an office portfolio in excess of 18 million square feet, we are the largest office landlord in Florida, second largest in Atlanta, and 25th in the United States.

Our track record and market insight provide our investors with unparalleled access to opportunities in the region's most dynamic markets. Headquartered in Boca Raton, Florida, we have a corporate office in Atlanta and regional offices in Dallas, Denver, Jacksonville, Miami, and Washington DC.

Our value-add driven investment approach targets the acquisition of well-located, underperforming properties in markets characterized by long-term secular growth trends with proven institutional investor interest. We leverage our best-in-class local operating platform to identify these assets, "fix" them, and then sell them to investors seeking high-quality, stabilized investments.

Our primary responsibility is to add economic value to our and our partner's portfolios over the long term, within the constraints of applicable investment management agreements and ongoing market conditions. Part of our value-add to these properties, is to incorporate environmental, social, and corporate governance (ESG) factors to positively impact the long-term economic performance of these investments.

## Our ESG Mission Statement

As a commercial real estate developer, owner, and operator, CP Group recognizes its responsibility to positively impact the health and well-being of our tenants, team members, communities, economies, and environments. Not only is it the right thing to do, but it is also good for business. ESG practices and policies guide us in our effort to be responsible stewards of the environment and our stakeholders.

We are taking a transparent, data-driven approach to identifying what is important to our business, our stakeholders, and the environment. CP Group is a signatory to several international and national ESG commitments, which help define and prioritize our efforts.

- In October 2021, we announced our alignment with ULI Greenprint's net-zero carbon goals. The ULI Greenprint goal is to reduce the operational carbon emissions of its members' collective buildings to achieve net zero by the year 2050. In addition to achieving net-zero carbon operations by 2050, all members have agreed to reduce greenhouse

gas emissions by half by 2030. This goal comports with the Paris Agreement and findings from the Intergovernmental Panel on Climate Change (IPCC) report to limit global warming.

- As part of our Diversity & Inclusion plan, our partners, Angelo Bianco and Chris Eachus, signed the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. As participants in the pledge, we commit to the following four commitments: cultivating trusting workplaces, implementing and/or expanding unconscious bias education, sharing the best and most challenging diversity strategies with others; and creating and sharing strategic inclusion and diversity plans with stakeholders.

## Scope

This policy intends to reflect a general framework for our approach to ESG across CP Group's internal operations, asset upgrades, and investment strategies.

Our ESG material topics are based on our business model, which considers our acquisitions, property management, asset management, leasing and repositioning of Class A commercial office buildings that are tailored to medium-to-large corporate tenants and concentrated in and around high-growth Sunbelt cities. As a privately held organization, our approach to ESG must meet the requirements of our investment partners in addition to local, state and federal (and in some cases, international) regulatory requirements with respect to environmental and social concerns.

Our approach to incorporating these considerations is dependent on our influence over the management of each property which varies due to ownership structure and lease agreements.

In cases where we determine there is limited ability to influence and control ESG issues in connection with an investment decision, property management, or renovation of a property, the elements of this ESG policy are only applicable where practicable.

## Roles and Responsibilities

CP Group understands the importance of ESG in driving long-term success and value. We strive for broad understanding and accountability of our ESG principles and actions across our organization and embed these processes into all business functions.

- Leadership is responsible for promoting our ESG policy and ensuring that it is implemented at the corporate level and across the portfolio. Leadership is regularly educated on ESG topics to encourage the discussion and appropriate prioritization.
- Acquisitions team oversees the integration of ESG principles into our investment process and is accountable for ensuring responsible investment practices.
- Asset management team works with the Director of ESG and investment partners in implementing a value creation plan that considers the ESG risks and opportunities in diligence and during ownership.
- Property teams (including General Managers, Property Managers, and Engineers) are responsible for the implementation of the value creation and risk mitigation plans and reporting on progress.
- The ESG steering committee reviews, tests, and approves the feasibility of ESG policies and procedures across the day-to-day function of the business in addition to the implementation at the property level.
- Director of ESG is responsible for working cross-functionally with our acquisitions, asset management teams, steering committee, property teams, and external partners to drive our ESG initiatives and ensure alignment to our policy, current best practices, and understanding changes in the landscape.
- Director of HR ensures that team members of CP Group receive the appropriate training for ESG related topics relevant to their roles and responsibilities and ensures the implementation of associate related ESG programs. Oversees DEI Committee and the corporate steering committee.

## Our ESG Business Practices

We are committed to implementing ESG practices that are specific to acquiring, managing, and upgrading commercial real estate.

## Our Governance

We have established a framework of policies, procedures, principles, and practices to ensure that the organization embraces corporate responsibility, integrity, accountability, fairness, and transparency in our business dealings and with our stakeholders. We understand our fiduciary duty to our investors and seek to mitigate conflicts of interest and encourage transparency in our business practices.

ESG issues, including climate change, are an important part of our investment analysis and due diligence processes, including our underwriting, risk management evaluation, and approval processes.

## Our Environment

Our environmental commitment is shared across the business and by all team members and reinforced through ongoing training. We are committed to taking a data-driven and science-based approach, seeking stakeholder feedback, and engaging with the wider community to ensure best practice environmental stewardship. We take climate risk (physical and transition) into consideration in our investment decisions. We seek to achieve environmental or wellness certification where it is practicable and reasonable to do so.

We are committed to environmental transparency and ensuring appropriate goals and targets, and monitor our energy, water, waste, and emissions across our portfolio properties where it is feasible to do so.

Our environmental focus areas include:

- Energy management and conservation
- Greenhouse gas emissions including embodied carbon
- Water conservation
- Waste and recycling
- Supply chain management
- Access to alternative transportation
- Biodiversity
- Pollution prevention and environmental compliance

## Our Team Members

At CP Group, our people are at the heart of what we do. Each team member plays a pivotal role in furthering the success and continued growth of our business. We are committed to attracting, developing, and retaining the best people. We measure associate satisfaction and collect feedback through third party employee surveys which we use to shape our corporate strategy, improve our culture, and drive better business outcomes.

CP Group is committed to the protection and promotion of human rights throughout our company, and in all aspects of our business dealings. We deliver this commitment through a range of policies and procedures which address anti-discrimination, anti-harassment, non-retaliation, fraud prevention, data security, and data privacy.

Our culture of mutual respect extends beyond our team members, and includes all individuals, including our vendors, tenants, brokers, and contractors. CP Group’s policies require compliance with all local laws regarding employment and labor, and the rights of both team members and the individuals with whom we conduct business. The company provides multiple avenues to report any concerns of inappropriate conduct.

CP Group ensures its policies and practices foster a work environment that upholds the highest standards of integrity, promoting responsible citizenship.

Our team member program includes:

- Diversity, equity, and inclusion (DEI)
- Engagement
- Health, safety & wellbeing
- Training and career development

## Our Tenants

The built environment has impacts on human health, wellbeing, employee satisfaction, and productivity. CP Group is committed to operating buildings that adhere to science-based and tenant-informed health and wellness standards.

As part of our Tenant Experience Program, we:

- Provide our tenants with amenities and conveniences that add value to their workday and lives, including health and wellness programming and a commitment to sustainability. Each dedicated Tenant Services Coordinator coordinates and executes ongoing events with the tenant’s wellbeing in mind including onsite and virtual programming through partnerships with leaders in the industry.

- Conduct annual tenant satisfaction surveys using a leading third-party research and performance benchmarking organization. In addition to the valuable ESG data obtained, these surveys provide our portfolio managers and asset managers with independent feedback regarding tenant satisfaction and perspective on our property management team’s performance.
- Comply with the Americans with Disabilities Act (ADA), providing appropriate access to people with disabilities, and other laws as applicable.
- Review our properties against industry-specific guidelines and health and wellness benchmarking programs such as FitWel, WELL Health-Safety Rating (HSR), and their underlying modules. Where it is appropriate to do so, we seek certification of our properties to demonstrate our unwavering commitment to tenant wellbeing.
- Pilot continuous indoor air quality monitoring to determine its feasibility and roll out across our portfolio. Where continuous air quality monitoring is not practical, we conduct indoor air quality testing in accordance with our certification ambitions.

## Monitoring, Evaluation, and Disclosure

CP Group is transparent with our stakeholders in outlining our ESG program and its progress across our portfolio.

We report to our stakeholders through our:

- Annual ESG report
- Public facing website <https://cpgcre.com/esg/>
- Third-party software platform which tracks our environmental performance on a continuous basis. The data is used to report progress to stakeholders where feasible and appropriate.
- Annual ESG and onboarding questionnaire to determine portfolio-wide initiatives and performance improvements.