



## ESG+R Policy

*TA Realty believes that we can improve the value of our investments through thoughtfully incorporating Environmental, Social, Governance and Resilience (ESG+R) considerations into our investment process. Throughout an investment's lifecycle, we aim to mitigate risks, reduce our environmental impact on nature, make our assets desirable to tenants, decrease operating expenses, and ultimately create and preserve value for our clients. ESG+R issues are incorporated into our evolving culture which enhances our responsible business practices, including fundamental support of human rights, just labor practices and anti-corruption. Our mindfulness of ESG+R practices is carried over into our corporate culture. We strive to improve our employees' lives by creating healthy work environments. We support our local communities to help them thrive. By embracing our ESG+R objectives, TA Realty seeks to be more sustainable and improve the resiliency of our assets.*

### **Environmental Stewardship**

#### **Objectives**

- Benchmark our properties' energy, greenhouse gas (GHG) emissions, water and waste metrics to measure our portfolios' environmental performance and establish a baseline for potential improvement. TA Realty strives to track all property owner data and obtain tenant data when available.
- Continue to enroll TA Realty's assets into our Environmental Management Systems (EMS) in an effort to reduce our environmental impacts, improve our operating efficiencies, decrease operating expenses and increase the value of our assets
- Identify opportunities to improve our buildings and reduce the portfolios' environmental footprint by identifying inefficiencies, increasing water conservation and diverting more waste from landfills to reduce operating expenses and enable higher returns
- Improve sustainability, health and well-being measures at our properties when evaluating third-party green building certifications and pursue ENERGY STAR® certification for eligible properties annually to seek recognition for energy improvements and ESG+R achievements with the intent to attract and retain tenants
- Evaluate opportunities for renewable energy across the portfolios including, but not limited to the installation of solar photo voltaic panels and green power procurement in deregulated markets. Potential benefits include:
  - Providing on-site solar as an amenity to tenants
  - Ability to source reduced energy rates in deregulated energy markets
  - Opportunity to prioritize assets, based on location, for reduction of emissions and potential carbon fines
  - Making our buildings more attractive to potential buyers and helping future-proof our assets



- Collaborate with our service providers to lessen the impact of renovations/construction on our environment through reductions in products that produce carbon emissions and through considerate biodiversity designs
- Encourage the development and usage of environmentally friendly technologies that will benefit our investments and support a precautionary approach to environmental changes

**Targets (using a 2021 baseline year) \*Targets are set for Scope 1 & 2 only (utilities the landlord controls)**

- 25% reduction in GHG emissions over 10 years (2.5% annually)
- 25% reduction in energy consumption over 10 years (2.5% annually)
- 15% reduction in water consumption over 10 years (1.5% annually)
- 40% diversion rate within 10 years

## **Social Responsibility**

### **Objectives**

- Foster, cultivate, and preserve a culture of diversity, equity, and inclusion (DE&I) throughout the organization by supporting the ongoing development of a work environment that encourages respectful communication, cooperation, teamwork and active engagement (participation) among our employees
- Increase outreach, mentorship and education about careers in commercial real estate
- Provide relevant guidance and resources to property teams and tenants related to increased sustainability, better health and well-being standard practices and community outreach, in an effort to increase tenant engagement, monitor tenant satisfaction and make assets more attractive to current and potential tenants
- Encourage charitable donations through financial support and volunteerism with the guidance of TA Realty's Social Impact Committee. Encourage property teams to create local community support at our properties.
- Seek ways for TA Realty to support the United Nations Sustainable Development Goals (SDGs)
- Provide professional training to employees including career development, health and well-being, DE&I, compliance and environmental issues and survey employees' satisfaction annually to retain talent

## **Corporate Governance**

### **Objectives**

- Educate and update stakeholders on our ESG+R implementation and achievements through appropriate ESG+R reporting, disclosures and commitments, including GRESB and the United Nation's Principles for Responsible Investment (PRI).



- Improve transparency by sharing our corporate sustainability report with our ESG+R goals and performance on our corporate website
- Ensure and track our assets' compliance with (1) applicable city and state benchmarking ordinances, (2) audit and improvement mandates and (3) GHG emissions performance requirements
- Ensure our employees participate in annual compliance, code of ethics, and ESG+R review/training to enhance our ability to maintain high standards and responsible business practices

## Climate Change Resilience

### Objectives

- Reduce investment risks related to climate change by evaluating our exposure to physical and transition risks at the asset and portfolio levels. Create plans for each to minimize our risks, future-proof our assets and minimize effects of natural disasters on our assets
- Assess our properties' GHG emissions performance compared to applicable performance requirements and implement efficiency improvements to maintain high-performing buildings and avoid potential fines associated with noncompliance. Evaluate property resilience reports, resilience scores and potential values at risk in an effort to choose modifications at assets that meet our financial goals and reduce business interruption after climate events
- Report progress on our climate program in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD), the industry standard framework to disclose climate-related risks and opportunities
- Target having a Disaster Recovery Plan or an Emergency Preparedness Plan at every asset that is shared with tenants to maintain or support continuity of operations after an emergency

### THE REALTY ASSOCIATES FUND XI S.C.S. (the "Luxembourg Fund")

It is noted that, with respect to the Luxembourg Fund, which is subject to the provisions of Article 6 of the Disclosure Regulation (as defined below), the Sanne LIS S.A. ESG Policy being published at <https://www.fundrock-lis.com/esg/> shall apply. Considering that the Luxembourg Fund is closed for subscription, no pre-contractual documentation will be updated in light of Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (the "Disclosure Regulation").

*The above objectives may vary by fund/account depending on the investment strategy disclosed in the applicable confidential private placement memorandum (PPM) and by separate account mandates. Contact your TA Realty representative for additional inquiry. TA Realty reviews these ESG+R objectives annually and is committed to the implementation and integration of ESG+R practices.*