

# Sustainability Report

OCTOBER 2023



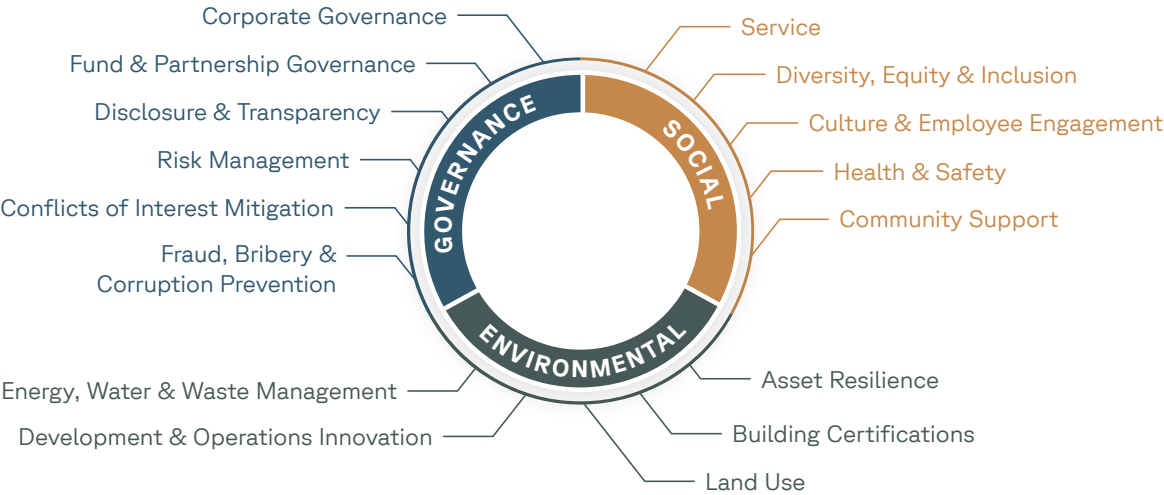
**AFFINIUS**<sup>®</sup>  
CAPITAL

# ABOUT THIS REPORT

While we do not claim universal pursuit of every sustainable initiative imaginable, we also do not take a one-size-fits-all approach to sustainability.

Our investment strategies, types of capital deployed, partnerships, windows of market opportunity, and varying degrees of operational control drive us to identify and create practical strategies around the areas we find most material to our mission, and we endeavor to continue forward progress each year. We have chosen the key focus areas highlighted in the chart below. These focus areas are aligned with our mission and fiduciary duty, while being practical to the given investment strategy.

Quantitative data in this report covers the calendar year 2022, while qualitative data covers calendar year 2022 through the rebrand to Affinius Capital in March 2023.



## TABLE OF CONTENTS

### INTRODUCTION

- Important Disclosures . . . . . **1**
- Letter From Our CEO . . . . . **2**
- Mission, Values, Guiding Principles . . . . . **3**
- Corporate Strategy . . . . . **4**
- Global Footprint . . . . . **5**
- Long History of Responsible Investing . . . . . **6**
- Integrated ESG Leadership. . . . . **8**
- Partnering With Industry Experts . . . . . **10**

### GOVERNANCE

- Compliance & Risk Management . . . . . **13**
- Cyber Risk Management & Business Continuity . . **14**

### ENVIRONMENTAL

- Energy Management . . . . . **17**
- Development & Operations Innovation . . . . . **20**
- Asset Resilience . . . . . **26**
- Building Certifications . . . . . **27**
- Land Use. . . . . **28**
- Corporate Environmental Initiatives. . . . . **30**

### SOCIAL

- Service. . . . . **35**
- Diversity, Equity & Inclusion . . . . . **37**
- Culture & Employee Engagement . . . . . **43**
- Health & Wellness . . . . . **46**
- Community Support . . . . . **49**

### IN CONCLUSION . . . . . **50**

## IMPORTANT DISCLOSURES

This Report is for informational purposes only and should not be considered a recommendation to purchase any investment product. This Report contains forward-looking statements which include statements, express or implied, regarding current expectations, estimates, projections, opinions and beliefs of Affinius Capital. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties, and other factors. Affinius Capital's opinions may change, and actual results may differ materially from the forward-looking statements.

ESG goals are aspirational and not guarantees or promises that all goals will be met, and there are distinctions and regional variations in the meaning and use of this term. There is no guarantee that Affinius Capital will have or create a positive ESG impact, that consideration of ESG factors will enhance long-term value and financial returns for limited partners, or that ESG performance will align with any investor's ESG go

### Regarding Third-Party References and Rankings mentioned throughout this Report:

The awards and designations presented herein are the opinion of the respective parties conferring the award or designation and not of Affinius Capital. No such person conferring any of the listed award(s) or designation(s) is affiliated with Affinius Capital or is an investor in Affinius Capital-sponsored vehicle. The full extent of the scope of firms and data included in the related surveys or evaluations is unknown. The receipt of compensation influences, and is likely to present a potential conflict of interest, relating to any granted award or designation. There can be no assurance that other providers or surveys would reach the same conclusions as the foregoing.

**ENERGY STAR:** Affinius Capital (f/k/a USAA Real Estate) has been recognized by the U.S. Environmental Protection Agency as an ENERGY STAR Partner of the Year Sustained Excellence – Energy Management award winner for the past 19 years, plus an additional two years as an ENERGY STAR Partner of the Year. ENERGY STAR Partner of the Year is awarded to a group of businesses or organizations that the EPA determines to have demonstrated excellence in improving the energy performance of buildings and plants through a corporate-wide, portfolio-based energy management program. More information can be found at <https://www.energystar.gov/about/content/affinius> The reference period reported herein is CY 2022, with results awarded in May 2023.

**GRESB:** The GRESB Real Estate Assessment is the global framework for ESG benchmarking and reporting for listed property companies, private property funds, developers and investors that invest directly in real estate. GRESB provides a consistent framework to measure the ESG management and performance components of individual assets and portfolios based on self-reported data that is validated, scored, and independently benchmarked. Each participant that wishes to report is charged an annual assessment fee. In 2022, the GRESB Real Estate Assessment included 1,820 participating entities, covering USD 6.9 trillion of GAV, 150,000 assets, across 74 countries. For more information on the GRESB Real Estate assessment, please see <https://www.gresb.com/nl-en/products/real-estate-assessments/>. Please contact Affinius Capital for more information regarding our GRESB results. The 2022 GRESB results referenced herein cover the GRESB reporting period of CY21.

**PRI:** Principles for Responsible Investment ("PRI") is an independent rating agency. Participation is voluntary and administration fees are paid for this submission.

**USGBC:** The US Green Building Council is the non-profit organization that has developed the LEED green building certification rating system. Affinius Capital participates as an industry participant, stakeholder, and member, as well as a consumer and user of the LEED rating system throughout our investment portfolios.

**BUILDING CERTIFICATION:** Green Building Certifications, Rankings and Partnerships. Generally, we share internationally recognized certifications and our partnerships. A certificate is independently verified recognition that a property has received a green building rating. Participation in a green building rating is voluntary and each property pays prevailing market fees to participate in green building certification programs. Green building certifications referenced in this report are accurate as of December 31, 2022, based on data sets from timeframes as specified by the specific program. Included in this report are references to green building certifications such as:

LEED, ENERGY STAR Label, U.S. Green Building Council®, BOMA 360, Better Buildings Challenge, National Green Building Standard, BREEAM, Well Health and Safety Ratings

**TENANT SATISFACTION:** Kingsley is a provider of research and performance benchmarking in the commercial real estate industry. Affinius Capital has been recognized as one of the individual commercial real estate properties that outperforms the Kingsley Index benchmark for overall satisfaction with the Kingsley Excellence Award. The Elite 5 further recognizes the top CRE organizations with the highest overall tenant satisfaction scores across their portfolio. To qualify for this award, the CRE organization must have at least 10 properties and complete their Kingsley Surveys program in the 2022 calendar year. Each participant who <https://kingsleyassociates.com/> wishes to report is charged an annual assessment fee. The Kingsley results referenced herein cover the reporting period of 2022. More information can be found at <https://kingsleyassociates.com/>

## LETTER FROM OUR CEO

Affinius Capital, in service to a diverse client base, endeavors to invest thoughtfully across the risk spectrum and capital stack in a wide variety of partnerships, asset types, structures and geographies. Operating at these crossroads of information, opportunities and perspectives, we look to our core values of Integrity, Service and Innovation for guidance about how to fulfill our mission to pursue excellent investment performance in service to our clients. On behalf of the entire team, I am pleased to present our first Sustainability Report under our new name: Affinius Capital.

Given the dynamic language and varying preferences surrounding the areas of sustainability and responsible investing, it's important to acknowledge the complexities of the subject set. We aim to do what we believe matters as we prioritize opportunities to be a better investor, partner and corporate citizen. This Report highlights our commitment to governance and transparency, our actions to further foster diversity and inclusion, and our efforts to drive investment performance through sustainability and construction innovation.

As we reflect on the past year in our 2023 Sustainability Report, we are excited to share our progress and noteworthy achievements, and we welcome your perspectives.



LEN O'DONNELL  
Chairman & CEO

## MISSION

To serve our clients by striving to place their interests above all else in pursuit of outstanding risk-adjusted returns. With disciplined execution, we aim to be the capital provider of choice to high-quality sponsors, while creating a rich and rewarding culture for our team.

## CORE VALUES



### INTEGRITY

True to our word and ever mindful of how our actions affect partners, clients, their beneficiaries and our team



### SERVICE

Excellence in everything we do, elevating the needs of investors, partners and each other with every decision we make



### INNOVATION

Pioneer new concepts and improve upon current practices to pave the way to a more advanced and dynamic tomorrow

## GUIDING PRINCIPLES

How we express our values

### TRANSPARENCY

Open communication about what we do and why, including the actions and motivations around our challenges and successes

### CURIOSITY

Pursuit of exceptional ideas through our constant evaluation of changing landscapes and challenge to drive the best concepts forward

### AUTHENTICITY

True to our convictions, values and spirit, as we build and nurture relationships

### SUSTAINABILITY

Impact investment initiatives where we believe it makes good business sense

### ALIGNMENT

A relationship-driven philosophy that enables like-minded partners to invest alongside us in opportunities we find compelling

### DIVERSITY

Celebration of diversity and inclusion in both thought and action, with a culture built on trust, respect and dignity for all

### COMMUNITY

Involvement in the communities in which we invest and live by giving back our time, resources and ideas

## CORPORATE STRATEGY

# An Integrated REAL ESTATE INVESTMENT FIRM

With a 40-year track record, Affinius Capital® invests across the risk spectrum and capital stack, providing both equity and credit to our trusted partners across North America and Europe, and on behalf of our global investor base.

**\$33B**  
Assets Under Management\*

**200+**  
Investor Clients

\*AUM represents the consolidated net fair value of real estate investments, other assets and uncalled commitments less total liabilities of Affinius Capital, including its advisory subsidiaries, which AUM varies from a portfolio's Net Asset Value as of June 30, 2023.

## BUSINESS STRATEGY

Based on our forward-looking view of emerging opportunities

Strategic Equity &  
Debt Capital for

# THEMATIC INVESTING

### HOUSING

- Multifamily
- Senior Housing
- Workforce
- Single-Family Rental

### TECHNOLOGY + REAL ESTATE

- E-Commerce
- Life Sciences
- Data Centers
- Infrastructure
- Media

### REAL ESTATE LENDING

- Value-Add Credit
- Construction Lending
- Preferred Equity

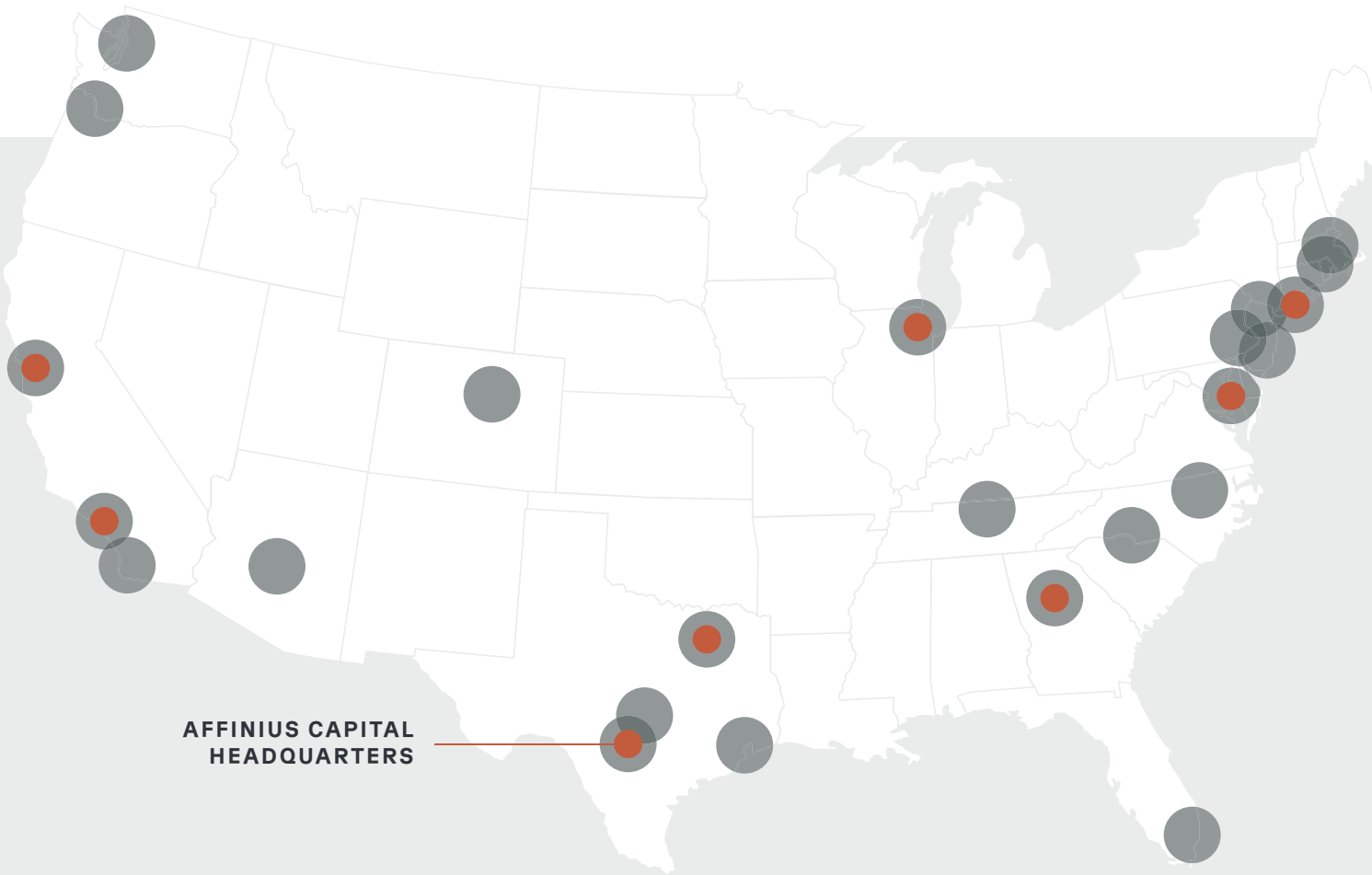
### OPPORTUNISTIC

- Distress/Dislocation
- Tactical Market Opportunities

### OPEN-END FUNDS

- Flagship Core-Plus
- Government-Leased Office

# GLOBAL FOOTPRINT



AFFINIUS CAPITAL  
HEADQUARTERS

**300+**  
Total Employees

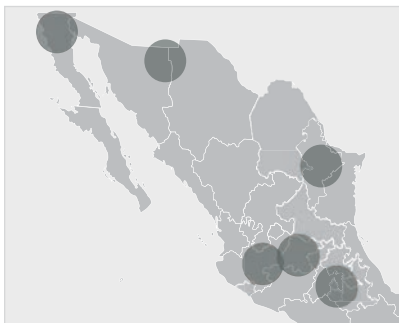
**10**  
U.S. Regional &  
Global Offices



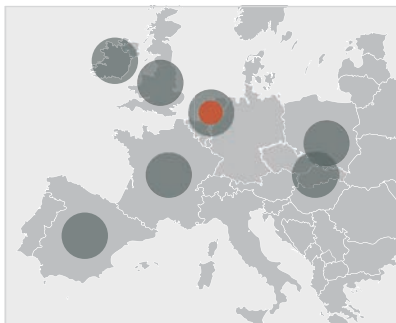
TARGET  
MARKET



REGIONAL  
OFFICE



MEXICO



EUROPE



ASIA

# LONG HISTORY OF RESPONSIBLE INVESTING





Our commitment to do what we believe matters most for our investors and other stakeholders includes considering financial success and maintaining industry-established best practices regarding ownership and management of our investment portfolio and business, as well as other societal and environmental factors.

Below is a sample of some of these efforts over the past 20 years:







- 2002** — — Earned first **ENERGY STAR Partner of the Year award**, the start of our track record of winning 21 consecutive years to date
- 2008** — — FBI Chicago Regional Office, an Affinius Capital build-to-suit development project, became the **world's first LEED® Platinum certification under the LEED® for Existing Buildings: Operations and Maintenance ("EBOM")** rating system from the U.S. Green Building Council
- 2009** — — **Employee mentor program launched**, pairing senior-level leaders with mentees for 12 months to focus on advancing employees' professional growth
- 2010** — — **Obtained LEED® GOLD EBOM certification** for the Colonnade Center, Affinius Capital's Headquarters in San Antonio, Texas
- 2011** — — Partnered to create a real estate fund to create profit flow for charitable purposes
- 2013** — — **Became a fully qualified GRESB Member** to report our ESG management and performance efforts to investors for select funds after beginning reporting in 2010
- 2014** — — Implemented an **Environmental Management System ("EMS")** to align, track and report various sustainability efforts
- 2017** — — **Committed \$250k** over five years to PREA's SEO program to support Black, Hispanic and Native American students with real estate internships
- 2019**
  - **Achieved ENERGY STAR Certification** at 33 of our buildings, including our first for a multifamily asset
  - Recognized as a **sustainability leader** for top rankings in GRESB assessment




## 2021

-  Affinius Capital Advisors (formerly U.S. Equity Advisors) hires its first Global Chief Compliance Officer and becomes **registered as an Investment Advisor** with the U.S. Securities and Exchange Commission
-  **Sponsored North Carolina Central University** to establish the first MBA-level real estate concentration at an HBCU, with volunteer representation from Affinius' Global Head of Research
-  **First industrial development to utilize cross-laminated timber ("CLT")** in lieu of conventional concrete tilt-walls along with MEGASLAB® concrete technology for the slab and site paving (see page 23 for more information)
-  **Responsible Investing Materiality Assessment** conducted to identify, evaluate, and prioritize the Responsible Investing considerations that most impact our business and that are of importance to our stakeholders

## 2022

-  **Implemented nickel-zinc battery technology for energy storage** at data center campus under development; these batteries have a lower carbon impact to manufacture and recycle and 90+% of the materials used can be recycled safely
-  **Inaugural sponsor for NAIOP's Military Veteran Scholarship Program** to provide veterans with foundational understanding of commercial real estate development
-  **ENERGY STAR Certification Nation Premier Member** – To celebrate ENERGY STAR's 30th anniversary, a special recognition was offered to organizations that achieved 15 or more ENERGY STAR Certified buildings
-  **New process implemented** to screen certain counterparties for any adverse media or allegations related to modern slavery, including human trafficking and unfair labor practices
-  **Became a Principles for Responsible Investment ("PRI") Signatory** and committed to monitoring and reporting our responsible investment considerations and activities
-  **2022 GRESB top-ranked fund achieving 5-Star Rating** and the GRESB Regional Sector Leader for the U.S., Non-listed, Office, Core fund peer group

## 2023

-  **USAA Real Estate and Square Mile Capital become Affinius Capital**



## INTEGRATED ESG LEADERSHIP

Our ESG Advisory Council launched during 2022 to help:

- Evaluate ESG generally and thoughtfully apply and integrate ESG initiatives into Affinius **where they are compatible with our particular investment strategies and where we believe such efforts are likely to drive better investment outcomes for our clients**
- **Oversee the implementation, monitoring and reporting on commitments and KPIs** related to ESG, responsible investing or sustainability
- **Foster proactive sponsorship of key ESG initiatives**, including selection of project leaders and fostering accountability for project completion
- **Oversee cohesive communication and collaboration strategies** that promote practical ESG efforts both internally and externally

The ESG Advisory Council also advises on changes or updates to ESG trends, best practices, policies and related standards. The Senior Member of the Advisory Council – the Co-COO – reports progress and recommendations to the CEO and board as appropriate. Our dedicated Sustainability Director and Sustainability Associate are responsible for the integration, monitoring, performance and reporting of our environmental objectives.



## ESG ADVISORY COUNCIL



**SAMIRA BITAR**  
Managing Director

**CORPORATE COMMUNICATIONS**



**ROXANNE BOND**  
Managing Director

**HUMAN RESOURCES**



**CRAIG COWIE**  
Senior Managing Director

**INVESTMENTS**



**MAGGIE DEICHMANN**  
Managing Director

**ASSET MANAGEMENT**



**PAUL DEVONSHIRE**  
Managing Director

**GLOBAL INVESTOR GROUP**



**MATT DRUMMOND**  
Senior Managing Director

**PORTFOLIO MANAGEMENT**



**JEANNE GARZA**  
Senior Director

**OFFICE OF THE COO**



**JOSH HULLUM**  
Executive Director

**CONSTRUCTION MANAGEMENT**



**JASON McINTYRE**  
Director

**SUSTAINABILITY**



**PETER McLAUGHLIN**  
Senior Managing Director,  
Co-Chief Operating Officer

**OFFICE OF THE COO**



**BAHRAM MOTAMEDIAN**  
Senior Managing Director

**PORTFOLIO MANAGEMENT**



**KATIE POLLOCK**  
Executive Director

**COMPLIANCE**



## PARTNERING WITH INDUSTRY EXPERTS

Affinius Capital is committed to being transparent with our investors, tenants, employees and other stakeholders about our responsible investment initiatives, successes and goals.

We utilize industry groups and frameworks to communicate our responsible investment strategies, progress and considerations to our stakeholders using common language, while preserving our mandate as a fiduciary to our investors.

We also actively participate in several global and U.S. industry associations and working groups to engage, learn and/or provide feedback on strategy and policy around responsible investing and sustainability issues.

### THESE INCLUDE, BUT ARE NOT LIMITED TO:





As a PRI Signatory, Affinius Capital publicly demonstrates our commitment to responsible investment by including certain environmental, social and governance factors in investment decision making and ownership where such factors are compatible with our particular investment strategies and where we believe the efforts are likely to drive better investment outcomes for our clients. Affinius Capital became a **PRI signatory in 2022 and our first public report reflecting CY2023 will be completed during the 2024 reporting window.**

Affinius Capital has partnered with ENERGY STAR since 2001 and has been recognized as an **ENERGY STAR Partner of the Year for the last 21 consecutive years** — longer than any other real estate firm. The U.S. EPA's ENERGY STAR Portfolio Manager platform is a successful public/private collaboration where building owners and managers can benchmark and manage energy to drive efficiency and transparency.

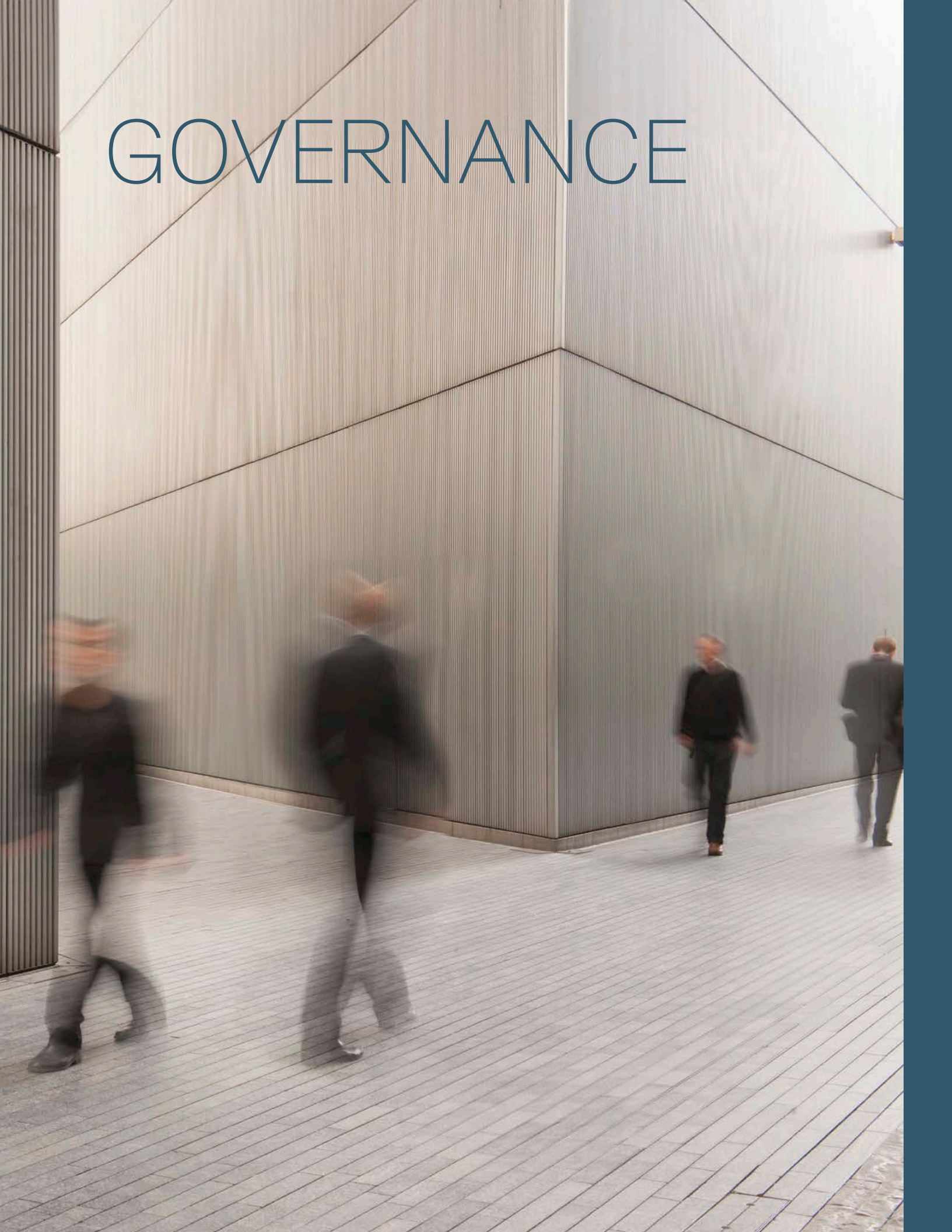


Affinius Capital has been a **long-time member and respondent to the GRESB Real Estate assessment**, through which it reports on fund-level measured and monitored ESG impact metrics. As an investment manager, Affinius submits multiple assessments each year for various funds, separate accounts, and an aggregate commingled assessment of 170+ assets.

Affinius Capital is a member of the U.S. Green Building Council® ("USGBC®") and has **utilized the USGBC LEED® certification framework on its assets for over 15 years.** LEED®, Leadership in Energy and Environmental Design, provides a framework for healthy, efficient, carbon and cost-saving green buildings. There are rating systems for various property types as well as new construction and existing buildings.



# GOVERNANCE



## GOVERNANCE

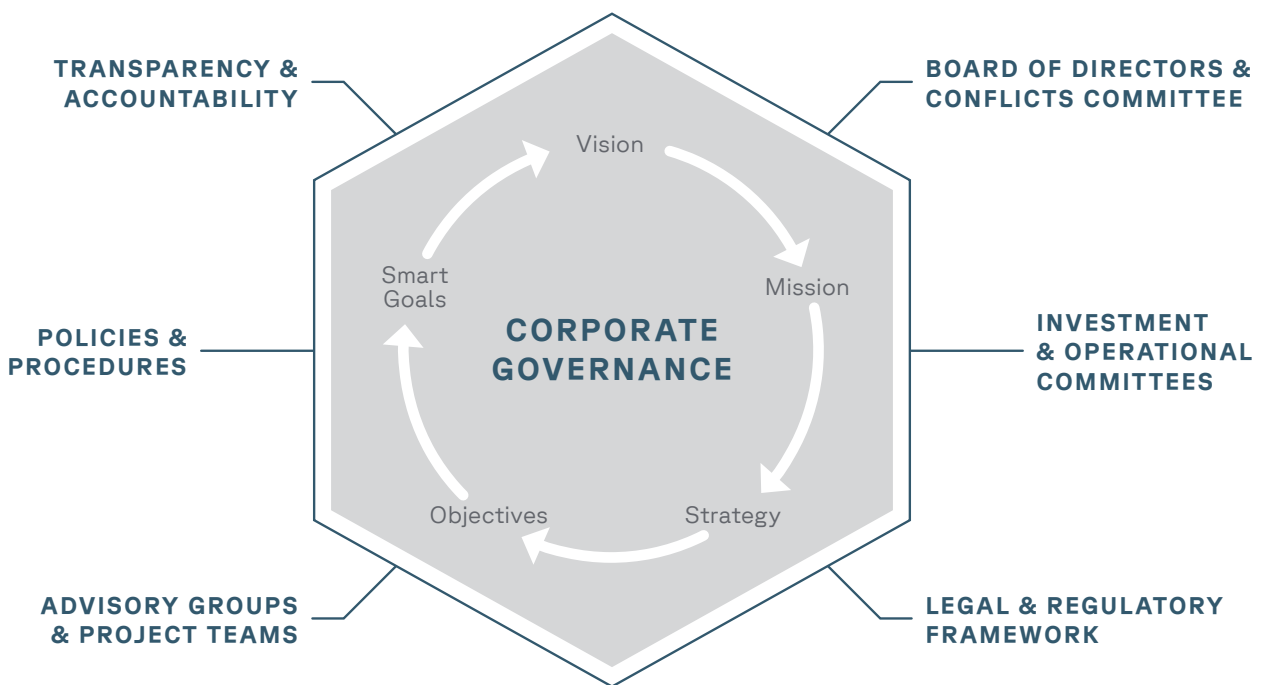
We work to earn the trust of investors every day by being focused on their objectives, committed to our disciplined investment process, and transparent in our execution – all implemented by a team that is committed to our mission and core values.



**ANDRA  
PURKALITIS**

Global Chief  
Compliance Officer

“ We are committed to strong governance and fostering a culture of regulatory compliance, accountability and transparency for the benefit of our stakeholders. Our disclosure practices help provide meaningful information to our clients, including information related to our company, business and sustainability initiatives. ”



## COMPLIANCE & RISK MANAGEMENT

Our comprehensive compliance framework is designed to address the complexities of the business and regulatory landscape in which we operate globally. **We are committed to keeping with the highest legal and ethical standards and expect all employees to uphold this commitment.**

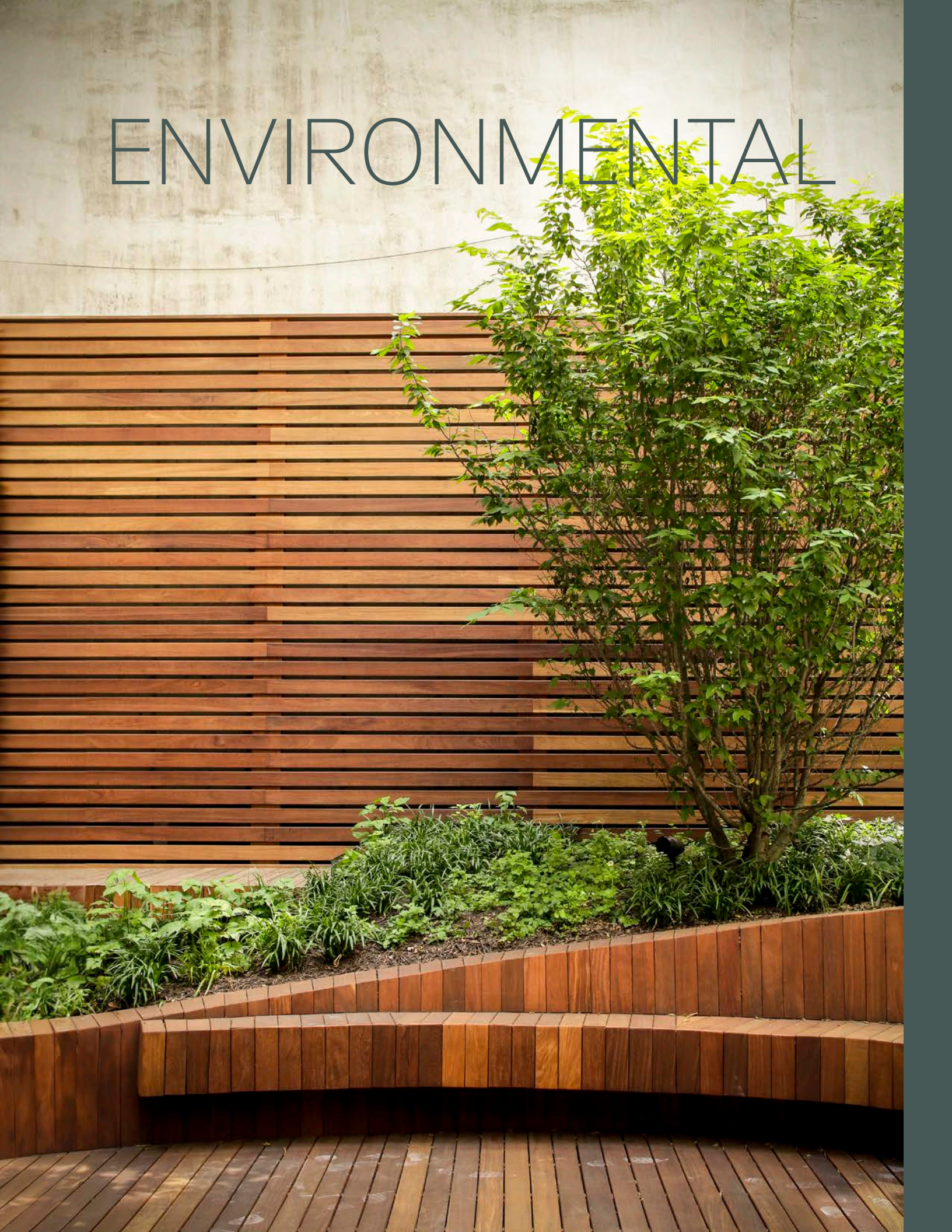
## CYBER RISK MANAGEMENT & BUSINESS CONTINUITY PLANNING

Affinius Capital's Business Continuity Plan outlines established plans, operations and maintenance to minimize the consequences of potential catastrophic events and is compliant with ISO 27001.

KEY RISKS	PHISHING	IMPOSTOR	MALWARE	HACKERS	THEFT OR LOSS
MITIGATING PROCESSES	<ul style="list-style-type: none"> <li>MS Defender</li> <li>Multi-factor authentication</li> <li>Complex passwords</li> </ul>	<ul style="list-style-type: none"> <li>Employee training and awareness programs</li> <li>Controls / procedures</li> <li>MS Defender</li> </ul>	<ul style="list-style-type: none"> <li>Cylance (antivirus)</li> <li>Bluecoat proxy filter</li> <li>Discipline patch management</li> <li>MS Defender</li> <li>Business Continuation Plan</li> </ul>	<ul style="list-style-type: none"> <li>Edge Firepower (Intrusion detection / prevention)</li> <li>LAN segmentation</li> <li>Discipline patch management</li> </ul>	<ul style="list-style-type: none"> <li>Secure workstations &amp; mobile devices (BitLocker encryption)</li> <li>Controls / procedures</li> </ul>
VALIDATION / MONITORING	<ul style="list-style-type: none"> <li>PhishMe</li> <li>Rapid7 penetration testing</li> </ul>	<ul style="list-style-type: none"> <li>PhishMe</li> <li>Rapid7 penetration testing</li> </ul>	<ul style="list-style-type: none"> <li>Alien Vault</li> <li>RCSA testing</li> <li>Security assessments</li> </ul>	<ul style="list-style-type: none"> <li>Alien Vault</li> <li>Rapid7 penetration testing</li> <li>Security assessments</li> </ul>	<ul style="list-style-type: none"> <li>RCSA testing</li> <li>Inventory management</li> </ul>
GOVERNANCE FOUNDATION	Affinius Capital IT Infrastructure & Security, Affinius Capital Risk & Compliance				
	Affinius Capital Advisory Groups, External / 3 <sup>rd</sup> Party Risk Assessments				



# ENVIRONMENTAL



## ENVIRONMENTAL

Affinius Capital may consider environmental factors like improved energy efficiency and indoor air quality, a reduction in water consumption and waste, recycling and green cleaning methods when overseeing equity investments.

The application and materiality varies across strategies, companies, sectors, geographies and asset classes. We believe these sustainable practices can bring higher rates of tenant and employee satisfaction and retention, as well as higher rents that bring higher asset values.<sup>1</sup>



ENERGY STAR  
PARTNER

ENERGY STAR PARTNER  
OF THE YEAR

21  
CONSECUTIVE  
YEARS

## ENERGY MANAGEMENT

Our vision for energy management and sustainability helps achieve our strategic goals for investments where feasible, and as best practices evolve.



**Help investors and partners stay competitive and maximize their ownership value** by reducing operating costs and increasing occupant comfort



Encourage tenants in assets where Affinius has full operational control to **participate in sustainability efforts like energy and water efficiency**



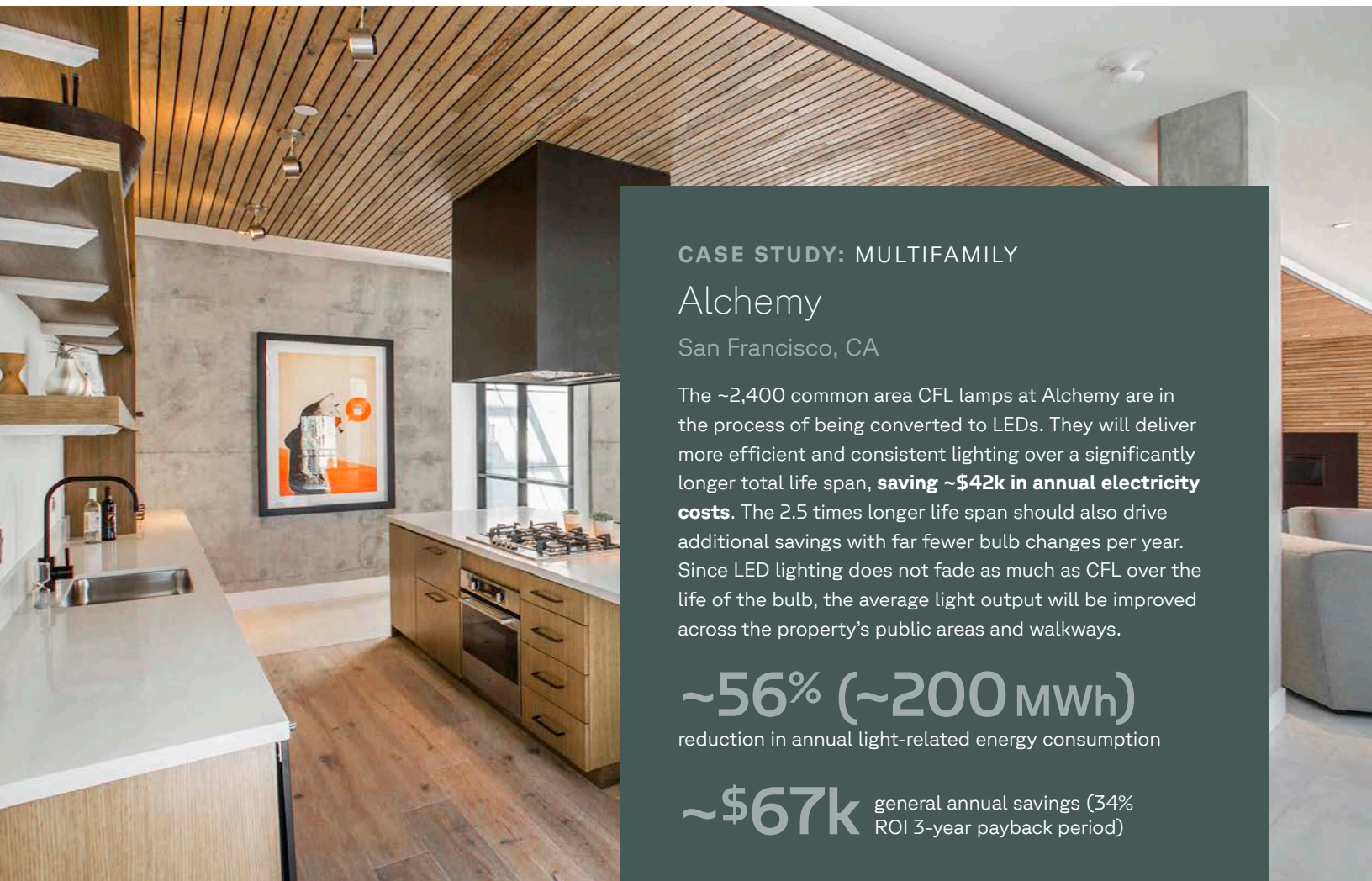
Focus on a “business case approach” to implement industry **best practices for operational improvements** with partners on jointly controlled Affinius assets



Strive to **maximize opportunities for sustained energy, water and resource efficiency** and take a continuous process improvement approach toward overall sustainability



**Engage in benchmarking, data coverage and reporting of energy use and efficiency** when we believe it helps a fund's long-term value



### CASE STUDY: MULTIFAMILY

## Alchemy

San Francisco, CA

The ~2,400 common area CFL lamps at Alchemy are in the process of being converted to LEDs. They will deliver more efficient and consistent lighting over a significantly longer total life span, **saving ~\$42k in annual electricity costs**. The 2.5 times longer life span should also drive additional savings with far fewer bulb changes per year. Since LED lighting does not fade as much as CFL over the life of the bulb, the average light output will be improved across the property's public areas and walkways.

**~56% (~200 MWh)**

reduction in annual light-related energy consumption

**~\$67k** general annual savings (34% ROI 3-year payback period)

CASE STUDY: LOGISTICS

# Mountpark Bristol 360

Bristol, U.K.

Mountpark Bristol 360 is a net zero embodied carbon building verified by the UK Green Building Council Framework.

## THE B360 SPECIFICATION ENHANCEMENTS INCLUDE:

- BREEAM Outstanding
- Power 3 MVA
- Passive roof ventilation
- 625 KVA PV Supply & 118 kW Tesla batteries
- EPC Rating A
- Energy Monitoring Screen
- Ribbon glazing — providing enhanced natural light to warehouse and marshalling areas
- Floor-to-ceiling glazing — improving natural light to warehouse hubs and offices



The objective for this project is to develop in an environmentally responsible way, with best-in-class buildings and schemes that help occupiers become carbon neutral. Together with Mountpark, we are committed to delivering high-quality, highly efficient, and attractive working

environments. We regularly exceed the high levels of environmental performance expected by Local Planning Authorities committing to achieve net-zero embodied carbon in construction whilst also seeking to maximize capabilities for customers operationally.



MAX VON BELOW

Managing Director,  
Global Investor Group

“ Developing a sustainable, energy efficient and comfortable logistics building is a competitive advantage. The amount of energy to heat and cool a large building, including the need to provide cooling for the tenant's equipment, was all taken into consideration with this project, which includes onsite photovoltaic solar panels, battery storage and innovative building construction practices and materials. ”

## CASE STUDY:

Asset-level data is collected through a variety of methods including: data directly available to ownership, the property management team and/or our data management vendor.

Affinius Capital conducted a data capture engagement with many of our property-level managers, operators, and partners in 2022 which covered energy, water, and waste data for 2021 and 2022. Audits, projects, certifications, and general sustainability features at the asset

level were also requested. The responses and feedback have been captured and will be incorporated into the Affinius Capital environmental management system and the applicable funds' 2023 GRESB assessments.



BRIAN  
HARNETIAUX

Senior Managing Director,  
Asset Management

“ This data outreach and engagement resulted in 72% energy, water and waste data coverage across our funds reporting in the GRESB Real Estate Assessment. Each year we gain broader adoption and implementation of data coverage and aim to extend these practices across all equity strategies. ”

## CASE STUDY: MULTIFAMILY

### G12

Los Angeles, CA

The G12 Multifamily project has multiple sustainability components — most notably an LED lighting retrofit of the hallways, common areas, parking garage, and stairwells. The overall project is estimated to have only a 1.7-year payback period due to the annual ~\$51k in savings. The building also features a large amount of bike storage for residential cyclists and is equipped with several high-demand EV chargers.

**~315 MWh**  
annual electricity energy savings

**57.5%** ROI



## DEVELOPMENT & OPERATIONS INNOVATION

The goal of innovative and sustainable real estate is intended to help deliver returns by investing in high-quality, more resilient assets.

We look for innovative construction and improved operational efficiency for what we believe are the market's most compelling real estate developments and redevelopments. We execute these initiatives where we think it makes sense, and where we can influence and work with our partners.



## ZINC FIVE NICKEL-ZINC (NiZn) BATTERIES

NiZn battery storage provides the following sustainability benefits:



Made from **abundant, widely available, non-toxic materials**



**Lower carbon impact to manufacture and recycle**; 90+% of the materials used can be recycled safely



**No risk of fire or thermal runaway** — safer for the data center environment



For every \$1M of ZincFive batteries purchased, the buyer receives **148,255 tons of CO<sub>2</sub> savings** – a 537% improvement over Lithium Ion and 1,700% improvement over lead acid

ZincFive batteries have received a Climate Impact Score of 9.4 out of 10, from the Boundless Climate Impact study conducted in 2020.<sup>2</sup>

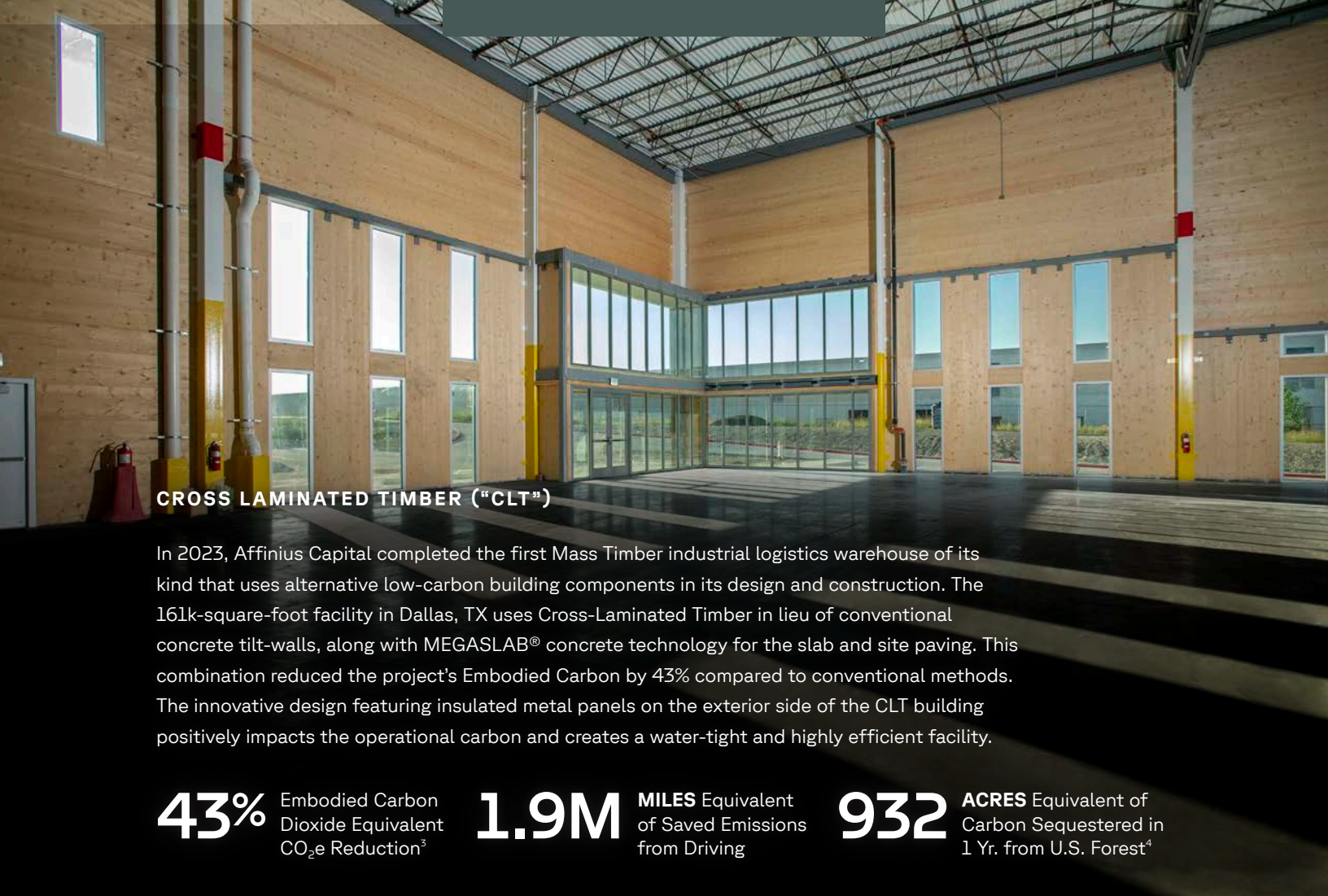


CARRINGTON  
BROWN

Senior Managing Director,  
Data Centers

“ Affinius Capital and our development partner, Corscale, plan to install NiZn batteries for energy storage in our data center developments. These batteries are a superior and more sustainable battery solution compared to Lithium-Ion or Lead Acid, which are common in many data centers today. ”





### CROSS LAMINATED TIMBER (“CLT”)

In 2023, Affinius Capital completed the first Mass Timber industrial logistics warehouse of its kind that uses alternative low-carbon building components in its design and construction. The 161k-square-foot facility in Dallas, TX uses Cross-Laminated Timber in lieu of conventional concrete tilt-walls, along with MEGASLAB® concrete technology for the slab and site paving. This combination reduced the project’s Embodied Carbon by 43% compared to conventional methods. The innovative design featuring insulated metal panels on the exterior side of the CLT building positively impacts the operational carbon and creates a water-tight and highly efficient facility.

**43%** Embodied Carbon Dioxide Equivalent CO<sub>2</sub>e Reduction<sup>3</sup>

**1.9M** MILES Equivalent of Saved Emissions from Driving

**932** ACRES Equivalent of Carbon Sequestered in 1 Yr. from U.S. Forest<sup>4</sup>

## SUSTAINABLE BUILDING MATERIALS



### MEGASLAB® Innovation

The MEGASLAB® system utilizes sophisticated nanotechnology paired with a proprietary blend of durable and flexible admixtures to deliver a jointless industrial-grade concrete. The result is a dense impermeable surface with exceptional tensile strength and durability.



### Cross Laminated Timber (“CLT”)

CLT is a large flat-panel engineered wood product made from pressing perpendicular layers of lumber together with adhesive. The fusion of orthogonal wood layers provides CLT biaxial strength, durability, stability, and fire resistance and offers an alternative to concrete wall construction.



JOSH HULLUM

Executive Director,  
Construction Management

“ This was a ground-breaking achievement and something we are extremely proud of; however, we believe true success lies in the continued advancement of our sustainable practices. ”



## REAL ESTATE ADJACENT INFRASTRUCTURE & DECARBONIZATION

As the global economy enters a new phase of rapid digitalization, decentralization and decarbonization, shifting patterns of demand are fundamentally transforming the real assets landscape.

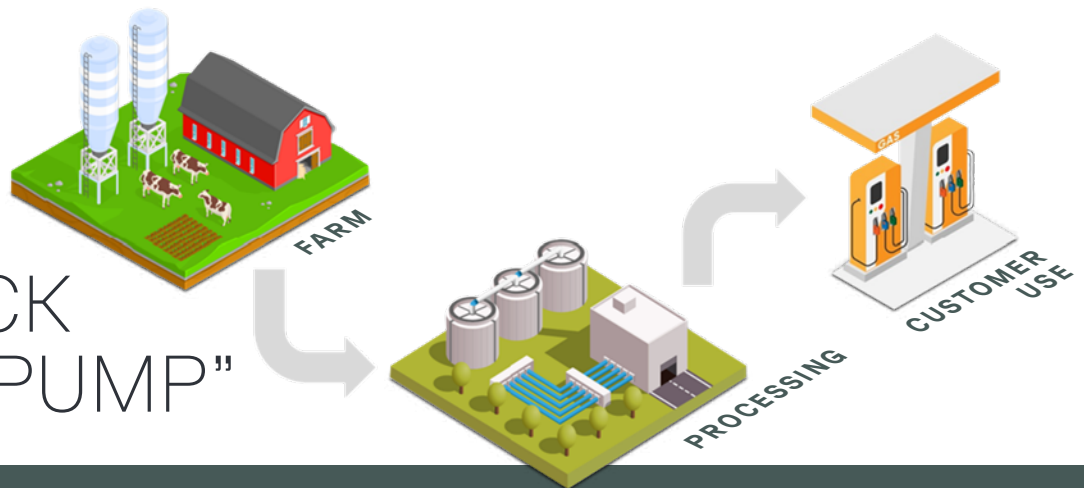
The historical boundaries that once functionally separated real estate and infrastructure are becoming increasingly blurred, giving rise to a new and rapidly developing segment of the infrastructure asset class that we define as “Real Estate Adjacent Infrastructure.” Affinius Capital is actively investing in the macro trend of decarbonization in this space.

In 2022, we partnered with a leader in alternative fuels on a decarbonization project to provide a real asset solution for their renewable natural gas fueling stations. Renewable Natural Gas (“RNG”) is natural gas derived from dairy, landfill or other agricultural waste. It is processed to be chemically identical to fossil-

derived conventional natural gas, and it can be used in existing natural gas distribution systems and transportation fuel.

Affinius' investment plays a key role in supporting the growth of this emerging alternative fuel sector and contributing the necessary infrastructure for RNG — the lowest carbon fuel available.<sup>5</sup> RNG has immense carbon emissions benefits given that it's produced from organic waste that would otherwise decay and create methane emissions. By capturing more greenhouse gasses than it emits, RNG is actually considered to be carbon negative.

“From the  
PADDOCK  
TO THE PUMP”



GERALDINE  
BARLOW

Managing Director,  
Infrastructure

“ The U.S. and corporate America at large have established clean energy goals to reduce the carbon footprint in the transportation sector. RNG can play an important role in decarbonizing this sector cost effectively. ”

## ELECTRIC VEHICLE CHARGING

Affinius Capital is helping to not only define best practices for retrofitting multifamily assets to accommodate resident Electric Vehicle (“EV”) adoption, but also establishing guidelines to support the multifamily development and acquisition teams in contemplating future EV charging needs during underwriting and construction.



### CASE STUDY: MULTIFAMILY

## Apex Mission Valley, The Adler, Madison Toluca, Toluca Lofts, and Waterstone at Metro Southern California

In collaboration with our partners, Affinius has added **EV charging capabilities to more than 80 parking spaces** across five Southern California multifamily properties.

“As EVs redefine personal transportation, multifamily property owners must meet residents’ evolving vehicle needs by investing in on-site chargers with careful regard for considerations related to hardware, software, electrical infrastructure and on-site operations.”



DANE  
NEILSON

Managing Director,  
Asset Management



### CASE STUDY: MIXED-USE REDEVELOPMENT

## Fox Valley and Hawthorn Mall

Chicago, IL

Recycling construction materials proved extremely effective in reducing the carbon footprints of these two important mixed-use redevelopment projects.

**19,400 tons** combined weight of materials diverted from landfills

**75%** materials were diverted from landfills while reducing costs



## WATER CONSERVATION AT DATA CENTERS

Affinius Capital and Corscale are committed to water conservation and efficiency.



**CARRINGTON  
BROWN**

Senior Managing Director,  
Data Centers

“ Our efforts, which are expected to utilize 95% less water than an open loop system, consist of:



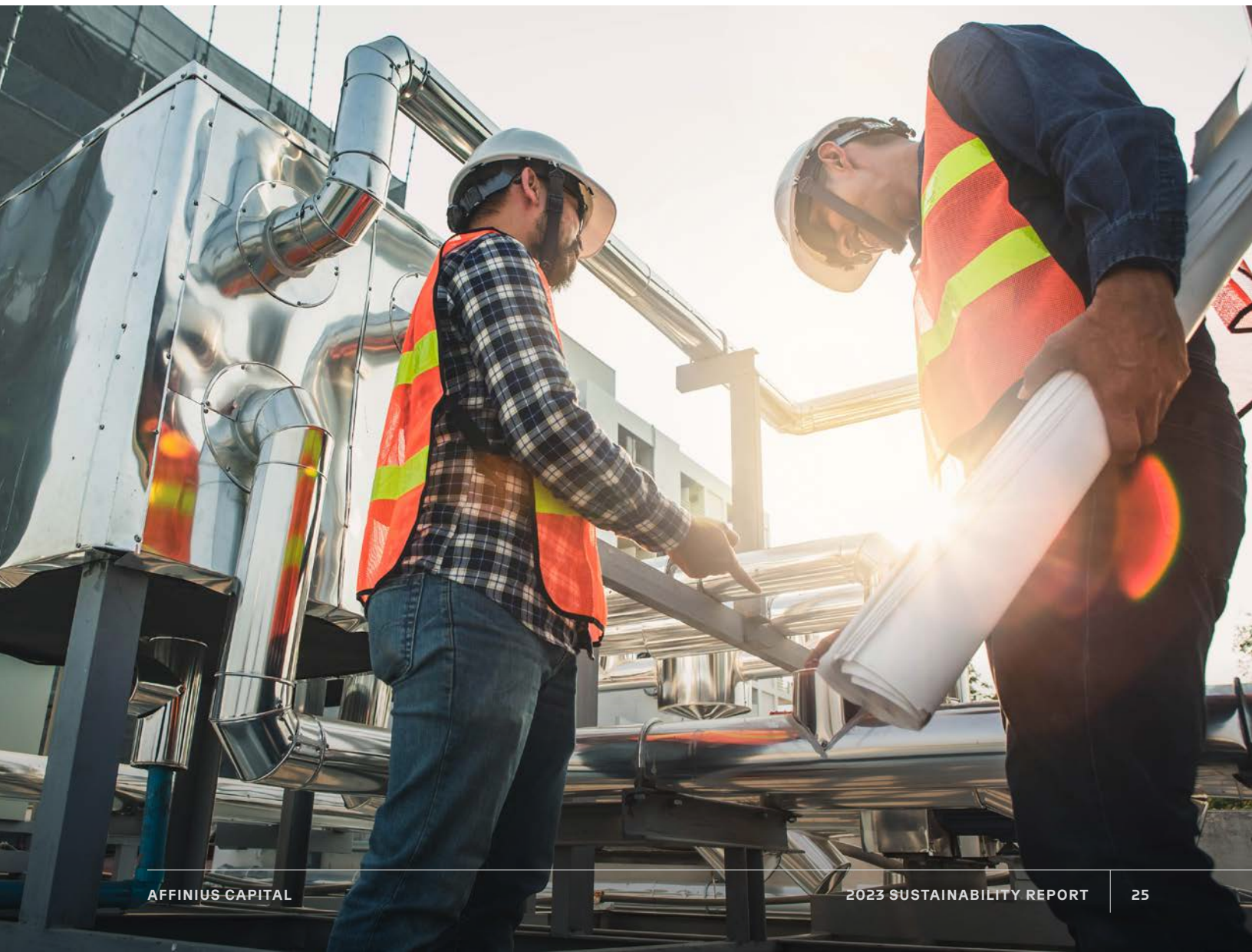
Mechanical water usage system featuring a closed loop, air-cooled water chiller system rather than IDEC or water-cooling tower technology



LEED certified office space including highly efficient plumbing fixtures



Sustainable and protective landscaping ”



## ASSET RESILIENCE

To maximize the resilience of our investors' portfolios and help drive returns, specific processes are designed to consider and respond to the varying degrees of risks and opportunities related to the physical qualities of our investments and the environments in which they exist.

We use our best judgment and consult physical and environmental experts, development and operating partners, property managers, insurers, and risk management and legal counsel. We consider optimal building design, systems reliability and redundancy, advanced incident planning and appropriate insurance coverage within the context of our investment positions and degrees of operational control.

Going forward, our Asset Resilience Playbook will guide our resilience strategies across various phases in the investment management life cycle, from strategy formation through disposition. The Playbook creates a vision of best practices to pursue internally and to share with partners.

“ The pursuit of asset resilience enhances physical functionality, tenant demand, cash flow, and liquidity. This is central to our role as an investment manager. ”



PETE  
McLAUGHLIN

Senior Managing  
Director, Co-Chief  
Operating Officer

## BUILDING CERTIFICATIONS

Our equity funds and real estate assets have been awarded various sustainability certifications and ratings:



ENERGY STAR  
CERTIFICATIONS



BOMA 360



LEED®  
CERTIFICATIONS



BREEAM



NATIONAL GREEN  
BUILDING STANDARD



WELL HEALTH AND  
SAFETY RATINGS

### U.S. EQUITY PORTFOLIO BUILDING CERTIFICATIONS:

**49** properties **19.9M SF** green building certifications

### EUROPE EQUITY PORTFOLIO BUILDING CERTIFICATIONS:

**18** properties **100%** Green building certified with rating of BREEAM very good or higher

**3.5M SF** of delivered and operating portfolio

### ENERGY RATINGS:

**35** properties with an **ENERGY STAR** Certification

**90+** properties with an **ENERGY STAR** Performance Rating

## LAND USE

As a real estate owner, investment manager, and development investor, sustainable land use is a consideration in our equity projects. Land use considerations may include land size, natural resources, access to critical utilities, proximity and connectivity to the community and commerce, environmental conditions and impacts to greenfield spaces.

PROPERTY: **MOUNTPARK SWADLINCOTE**

TYPE: **WOODLAND**

LOCATION: **SWADLINCOTE, U.K.**

More than 50 acres of land in Swadlincote, Derbyshire were transformed into publicly accessible woodlands in the same community where we developed logistics parks.

### PROJECT DETAILS:

- **Over 1,100 meters** of accessible pathways to promote health and wellbeing
- **Planted ~30k new trees**
- **Collect ~5k tons of carbon** over a 100-year growing period
- **Outdoor hands-on learning** for all ages
- **Biodiverse woodland** encourages new habitats
- **Supported by the U.K. National Forest Company** through their Changing Landscapes Scheme<sup>6</sup>



JUSTIN  
HILDEBRANDT

Senior Managing Director,  
Head of Europe

“ The rationale of returning this farmland to multi-functional woodland was to generate carbon capture, biodiversity enhancement, promote health and well-being, and public access to nature in the community that supported and benefited from our development and inward investment. ”

PROPERTY: **PARK + FORD**  
TYPE: **MULTIFAMILY**  
LOCATION: **ALEXANDRIA, VA**

Park Center, an aged 1980's vintage 566k-square-foot office park in Alexandria, VA, was transformed into Park + Ford, a 435-unit modern apartment community.

**THROUGH ADAPTIVE REUSE,  
THE PROJECT INHERENTLY:**

- **Extends the life cycle** of the existing building stock
- **Conserves** resources + reduces waste
- **Reduces environmental impact** of new building materials, manufacturing and transport

At Park Center, the reuse of the building's original structures removed the impact of excavation, foundation work, and below-grade structured parking. Low-performing curtain walls were replaced with eco-windows, and high-efficiency dedicated outdoor air systems provide fresh air for common areas and improve overall operating energy efficiency. The renovation resulted in >40% improvement in energy performance.

“ This reuse enabled the project to avert a significant amount of construction waste and greater than half of the embedded construction energy to be saved and put back into the production. ”



CASEY FRY

Senior Director,  
Asset Management

**EACH UNIT FEATURES:**



LED lighting



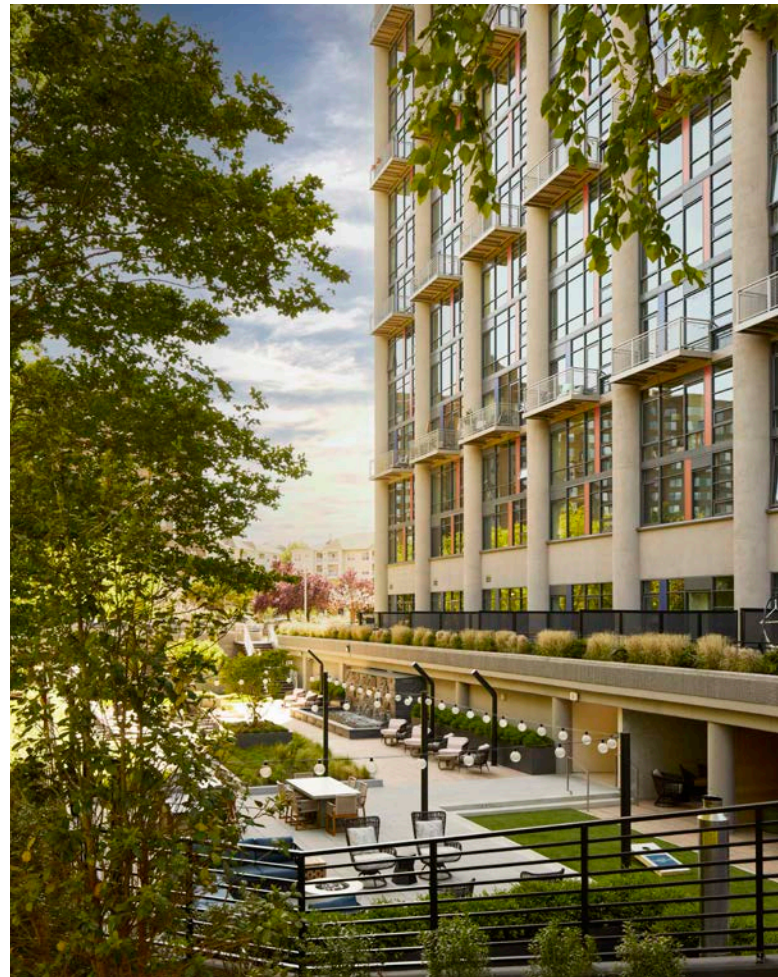
ENERGY STAR appliances



Water-saving plumbing fixtures

**PARK + FORD:**

- **Applies new technology** across its critical equipment
- Uses **cleaner materials** throughout the building
- **Low-VOC paints and insulation** release fewer toxic chemicals
- **Reflective roof coatings** reduce cooling energy needs
- **Drought-tolerant landscaping** using drip irrigation methods
- Added **critical infrastructure leak detection**
- **Retro-commissioned heating, cooling, fan system and HVAC equipment** to maximize efficiency and lower repair costs



## CORPORATE ENVIRONMENTAL INITIATIVES

### LEED® GOLD HEADQUARTERS

The Affinius Capital headquarters in San Antonio, TX is a LEED® Building Operations and Maintenance Gold Certified building.



LEED® certifications prioritize physical health and well-being and focus on strategies like reducing toxic exposure from materials to improve air quality. Employers in LEED® certified spaces report higher recruitment and retention rates and increased employee productivity. Improving indoor air quality has been shown to reduce absenteeism and work hours affected by asthma, respiratory allergies, depression, and stress, leading to self-reported productivity improvements.<sup>7</sup>

### ENERGY STAR TENANT SPACES

ENERGY STAR Tenant Space is an EPA recognition for sustainability efforts in leased office space.



Energy-efficient office spaces can lead to lower utility bills and fewer greenhouse gas emissions in our atmosphere. Our headquarters has sub-metered its energy use to be able to analyze energy efficiency at the plug load, lighting load, and HVAC load within its leased tenant space.

#### OTHER INITIATIVES INCLUDE:

- **100% LED lighting** in tenant space throughout the building
- **Daylight harvesting** lighting controls
- Inventory of **ENERGY STAR certified office equipment** and appliances

### ENERGY STAR CERTIFIED HEADQUARTERS

The Affinius Capital Headquarters in San Antonio has also been **ENERGY STAR Certified** for the last **12 consecutive years**, being recognized as a building in the **top 25%** of **energy efficiency and optimization** within the country.



## AMSTERDAM OFFICE RENOVATION

Renovation of the Amsterdam office was recently completed to accommodate employee growth.

The redesign of the existing space and occupation of adjacent space creates a flexible office layout that encourages creative collaboration and breakout discussions among employees.

Occupying nearby office space eliminated the need to transport furniture via diesel-fueled trucks and reduced waste from packing materials. An ergonomic consultant helped ensure all workstations met health and safety guidelines.

### WE PARTNERED WITH LOCAL ARCHITECTS TO AUGMENT OUR SUSTAINABILITY GOALS BY:

- Sourcing flooring from companies that use green energy and that use the maximum quantity of recycled materials in their production
- Incorporating existing furniture where possible
- Procuring new furniture that meets the latest sustainability labels



“By selecting the materials for the renovations and new furniture, we focused as much as possible on ‘cradle to cradle’ certifications, minimum carbon footprint, use of recycled materials and the use of FSC/PEFC certified wood.”

SABINE  
BENTVELZEN

Director, Development



## ELIMINATION OF SINGLE-USE PLASTIC WATER BOTTLES



### OUR CONSUMPTION

**~2,600 CASES**

of water consumed in 1 year at  
Affinius Capital San Antonio office



That's over **64,000 BOTTLES** annually.



Based on 4-month average from May – August 2022

### BY THE NUMBERS

**3x** the amount of water needed  
to produce one bottled water<sup>8</sup>



which will take  
approximately

**1,000 YRS**

to decompose<sup>9</sup>



JASON  
McINTYRE

Director, Sustainability

“ We are excited to announce another step taken by Affinius Capital toward common sense conservation. In our continued effort to reduce our environmental footprint, the Affinius Capital home office no longer supplies plastic water bottles to our employees. The graphic demonstrates the significant impact that this change made based on our current consumption of water bottles. ”

# SOCIAL



## SOCIAL

Social responsibility matters not only for the people we serve, but also for the communities in which we live and work.

**Through our ongoing community and philanthropic initiatives, we aim to be conscientious corporate citizens everywhere we do business.** Our threads of social responsibility are tied in the selection, creation and management of the best possible real estate holdings.

### EMPLOYEE DIVERSITY



#### EXECUTIVE MANAGEMENT GROUP

**23%** female  
**18%** minority



#### TOTAL EMPLOYEE POPULATION

**36%** female  
**27%** minority



**42%** of our  
new hires in 2022  
came from diverse  
backgrounds<sup>10</sup>

## SERVICE

We strive for excellence in everything we do, elevating the needs of investors, partners, and each other with every decision we make.

With a commitment to authenticity, we aim to be true to our convictions, values and spirit, as we build and nurture relationships.

---

## INVESTOR RELATIONS

We are investors first, and with our ownership, we place significant capital into the investments we make.

12 of our investors representing \$16.3 billion are invested in at least 3 of our strategies.

With our investor first mindset, our mission is centered on partnership and performance rather than growing assets under management or generating fees. We approach each opportunity from the perspective of an investor, which drives our discipline with respect to real estate fundamentals, underwriting and research. Research publications focus on providing thought leadership on current trends important to our partners.

## TENANT SATISFACTION

We measure tenant satisfaction through annual surveys for most properties, which also helps us with actionable data to better focus our services.

## EMPLOYEE SATISFACTION

With a turnover rate of only 13%, we are trending about 10% better than the national average<sup>11</sup> and we have an average of 6.7 years-of-service.

### KINGSLEY SURVEY OVERALL SATISFACTION

**6%** higher than the Kingsley Index

### LEASING PROCESS SATISFACTION

**14%** higher than the Kingsley Index

### NEW HIRE SATISFACTION SURVEY

**79%** completion rate

**100%** meeting or exceeding expectations

**45%** exceeding expectations



## DIVERSITY, EQUITY & INCLUSION (“DEI”)



ROXANNE  
BOND

Managing Director,  
Human Resources

“ We’re focused on taking measurable steps to help build a culture that values a wide range of perspectives gained from a diverse workforce. ”

### DEI COUNCIL

Affinius Capital launched a DEI Council this year to help:



Create a **diverse and inclusive workplace that represents all the constituents we serve**, and an organizational culture that values a wide range of thought and perspectives



Set the **overarching DEI strategy** and establish a focus on DEI priorities



Foster **positive and sustainable organizational awareness, measurement and accountability** to benefit the culture and performance of our employees, and ultimately our firm

### DEI EMPLOYEE SURVEY

We asked our employees what is most important to them in a DEI strategy. Our employees' top identified priorities:



1 Increased DEI Communications



2 DEI Training



3 Employee Resource Groups\*

\* Employee Resource Groups (“ERG”) are voluntary, employee-led groups who aim to foster a diverse, inclusive workplaces through education, recognition and engagement activities.

**94%** of Employee Resource Group (“ERG”) survey respondents volunteered to participate

## RECRUITMENT EFFORTS AIMED TO ENABLE DIVERSITY

We take proactive steps to recruit candidates for open positions from job boards and job sites that cater to veterans, minorities, females and people with disabilities.

We track and monitor the composition of the total employee base, and in 2022, **we hit a diversity hiring target of 42%**. We also conduct an annual third-party audit on all recruiting efforts, internal hiring and compensation and inclusion efforts to confirm that we are providing equal consideration for diversity, disability and veteran status.

“ Affinius Capital added a Recruitment Manager in 2022 to focus on enhancing and building upon our Diversity, Equity and Inclusion recruitment efforts. ”



ERIN ROGERS

Senior Director,  
Human Resources

## DEI TRAINING

In addition to in-person training sessions, we implemented a learning and development management system for training programs that include:

- Unconscious Bias
- Anti-Discrimination
- Anti-Retaliation Policy for employees
- Equal Employment Opportunity
- Anti-Harassment

We also engaged Korn Ferry to advise on DEI training and initiatives including Maturity Lab Survey, Strategy Sessions, and Conscious Inclusion Training.





## CULTURAL CELEBRATIONS

We're proud of our results as we continue to monitor trends within our organization and the industry at large to identify new ways to incorporate Diversity, Equity and Inclusion into our business operation.



LARRY  
MITCHELL

Director,  
Human Resources

“ With the launch of our Diversity Council in 2022, we increased the programming that represents, celebrates and honors the diverse cultures of our employees' heritage and history, while providing awareness and learning opportunities for staff. ”



Martin Luther King Jr. Day  
Black History Month  
Women's History Month  
Asian American Pacific Islander Month  
LGBTQ+ Pride Month  
Juneteenth  
Hispanic Heritage Month  
Veterans Day

# BLACK HISTORY MONTH

Affinius Capital celebrated Black History Month with various events including a visit to Essence Prep Academy on the Eastside of San Antonio for a day of service. Our employees shared their personal professional stories as part of a great day of student engagement, energy and enlightenment.



## NETWORKING EVENT

“During the time we spent with the students of Essence Prep, we had the opportunity to discuss our industry and were able to listen and engage with each student on their personal backgrounds and aspirations. We discussed strategies on overcoming hurdles, the value of perseverance, and the importance of remaining curious throughout life. It is without doubt that this sort of individualized engagement within our local communities will not only have a lasting impact on future real estate practitioners, but aid in the development of productive citizens within our society.”

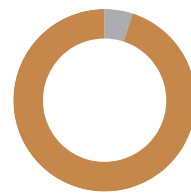


KADEEM COLLINS

Associate, Development



## ESSENCE PREP ACADEMY VISIT



### ESSENCE PREP ACADEMY STUDENT POPULATION DEMOGRAPHICS

95% Black

5% Hispanic

# WOMEN'S HISTORY MONTH

Affinius Capital hosted networking events and a Leadership Panel featuring Affinius Capital executive leaders: Tana Gardner, CFO; Andra Purkalitis, GCCO; Rachel Donnelly, AGC; and Samira Bitar, MD Communications, moderated by Jim Hime, Managing Director at Accordant Investments.

“ The gratitude I felt to be able to share in meaningful, moving conversations and influence the trajectory of our company together is immense and great motivation to carry on. ”



TANA GARDNER  
Chief Financial Officer



LEADERSHIP PANEL



NEW YORK OFFICE NETWORKING EVENT

# HISPANIC HERITAGE MONTH



JAZZEL AGUIRRE  
Senior Associate,  
Portfolio Management

“ In honor of National Hispanic Heritage Month, Affinius Capital hosted a traditional Mexican card game called 'Lotería,' Spanish for 'Lottery!' Lotería is a bingo-style game with colorful picture cards. This game has been a focal point of all my family gatherings, as I am sure it has been for many Mexican descent families out there. It was great to share this with my work family as well! ”



## CASE STUDY: MULTIFAMILY

# Howard University: East Towers

Washington, D.C.



**EDMUND  
DONALDSON**

Senior Managing Director,  
Portfolio Management

“ In partnership with Howard University, a historically Black research institution, we are working on a project that will incorporate both short- and long-term diversity objectives in the redevelopment of the Duke District. ”

This neighborhood has served as an important economic, cultural, social and institutional center of the African-American community.

### DIVERSITY IN DESIGN

The project site plan is being developed with a large event venue and open spaces to promote gatherings.

#### Who we're engaging with:

- Advisory Neighborhood Commission (“ANC”)
- Civic associations
- University stakeholders (e.g., faculty, students, etc.)

#### Our tools:

- An interactive project website
- Community feedback sessions
- Social media

### DIVERSITY OF OPPORTUNITY

The program includes internships that will offer Howard students the opportunity to gain experience in real estate development, architecture, engineering and construction management. In partnership with Howard University and the district's Department of Housing and Community Development, we expect to capitalize up to 100 Low-Income Housing Tax Credit apartments priced at 30% to 80% of area median income (“AMI”) levels. This would allow us to match members of the Howard community who meet the AMI requirements with affordable units in the development.

**50+** internships will be made available to the community

## CULTURE & EMPLOYEE ENGAGEMENT

We consider our people to be our competitive advantage – and we are committed to providing the tools, opportunities and guidance to help them fully develop and augment their talents, both professionally and personally.



SAMIRA BITAR

Managing Director,  
Corporate Communications

“ Affinius is committed to informing our team in detail about business strategy and our progress against stated goals. ”

## EMPLOYEE ENGAGEMENT

We are focused on cultivating an engaging environment with a functionally diverse committee to promote our culture and organize team-building events, volunteer opportunities and company-wide programming.

We also maintain a strong communication strategy across the company, including firmwide quarterly meetings, Lunch and Learn programs, a monthly newsletter featuring several leaders and regular messages from the CEO.



## EMPLOYEE RECOGNITION

We acknowledge our employees for who they are and their contributions through a variety of methods including competitive total compensation, advancement opportunity, work anniversaries and birthday gift cards, a peer recognition program and several employee appreciation events.



## EMPLOYEE DEVELOPMENT

We provide self-development and educational opportunities for our employees to enable continuous growth and individual performance improvement, mobility and self-reliance. Our quarterly breakfast meetings include presentations by members of senior management and department leaders, as well as educational opportunities specific to the CRE industry for interns.

### Employee Development Opportunities

- Executive coaching
- Public speaking training
- Tuition assistance
- Professional designation support
- Leadership training
- Mentorship programming
- Rotational analyst program
- Internship program



BRANDON  
BUCKLEY

IT Desk Support Technician

“From day one at Affinius Capital, furthering my education through the tuition assistance program has been highly encouraged. It’s a great feeling knowing that I don’t have to worry about the cost of earning my MBA/MS and get to come to work at a firm that invests in its employees.”

## CASE STUDY: MENTORSHIP & ROTATIONAL ANALYST PROGRAMS

### MENTORSHIP PROGRAM

The mentorship program pairs each mentee with a senior-level professional for a year, to focus on increasing emotional intelligence and advancing the employee's personal career goals. Selected employees are matched with a more senior mentor based on skills they want to acquire.



BRUCE  
PETERSEN

Senior Managing Director,  
Co-Chief Operating Officer

“ We chose the name Affinius because it highlights our priorities of Partnership and Alignment. While this is true for all our relationships, it is critical in the relationship with—and the responsibility to—our employees. We are committed to developing in-person interactions and relationships between junior and senior level staff through our mentorship program and fireside chats. ”

### ROTATIONAL ANALYST PROGRAM

This program offers analysts practical experience through exposure to multiple teams and business lines, as well as mentorship and networking opportunities. Career-minded students gain broad-based real estate experience over a wide range of functional areas and emerge from the program with a solid understanding of the real estate industry. Their knowledge and experience are further enhanced by working alongside accomplished industry professionals on a wide array of business activities.

**2** year  
program

**4** department  
rotation

**6** months approximately  
in each area

#### Core focus areas:

- Financial concepts
- Financial analysis
- Underwriting
- Valuations
- Property and portfolio reporting
- Due diligence



JONATHAN MILLER

Executive Director, Asset Management

“ Our rotational analyst programs offer the opportunity to learn through the exchange of diverse thoughts and innovative ideas. Our departments become more well-rounded, and the analysts emerge as better contributors with higher growth potential. ”

## EMPLOYEE WELLNESS PROGRAM

Affinius Capital offers its employees the opportunity to participate in a voluntary wellness program. Participants are incentivized to build healthy habits and choose a healthy lifestyle through a robust offering of challenges, educational videos, resources and rewards.

Track healthy habits. Earn points. Get rewards!

JANUARY 1 – DECEMBER 15, 2023

Employees can earn up to **\$300**  
Spouses can earn up to **\$150**  
1,000 POINTS = \$10

**CHALLENGE LEVELS**

<b>ALPHA</b> (30,000 POINTS)	<b>\$300</b>
<b>ALPHA</b> (20,000 POINTS)	<b>\$200</b>
<b>ALPHA</b> (10,000 POINTS)	<b>\$100</b>
<b>ALPHA</b> (5,000 POINTS)	<b>\$50</b>



## WELLNESS EVENTS & SEMINARS

- Biometric screening
- Flu shots
- Preventing and treating diabetes
- Focusing on nutrition – eating to manage diabetes
- CPR / first aid training
- Health awareness months
- Suicide prevention
- Breast cancer
- Men's health
- HIV / AIDS





## TENANT HEALTH & WELLBEING

Affinius Capital integrates programs that enhance the day-to-day tenant and customer experiences within the investment portfolio.



### CASE STUDY: LOGISTICS

## Mountpark Bristol 360

Bristol, U.K.

Specification enhancements include an office roof terrace, water fountains in the warehouse, ribbon glazing to provide enhanced natural light to the warehouse, passive roof ventilation to improve temperature control and air quality, grants towards gym facilities, shower facilities and floor-to-ceiling glazing to improve natural light.

“Bristol 360 has been developed with employee well-being at the forefront of its design with welfare enhancements implemented into the development.”



**PAUL  
SEGRETO**

Managing Director,  
Asset Management

## HOUSING

Affinius Capital has recently given more focus to adopting the U.S. Green Building Standards or Leadership in Energy and Environmental Design (“LEED”) in building design that result in:

- Reducing the building’s carbon footprint
- Improving air quality and health for tenants
- Providing a positive impact on neighborhoods in the community at large
- Reducing energy and water consumption

Occupant health and well-being measures are included for tenant comfort in most developments, in areas such as daylight, humidity, lighting, indoor air quality, occupant controls, physical activity, thermal comfort and water quality. On-site safety is promoted on projects by communicating safety information, entrenching safety practices, managing safety risks and requirement of personal protective equipment.



HAILEY GHALIB

Senior Managing Director,  
Housing Investments  
and Development

“ We aim to contribute to a cleaner, better world, by delivering social and environmental benefits through the creation of workforce and mid-market housing (“Attainable Housing”), while achieving financial results for our investors. Our objective is to reduce the deficit in Attainable Housing and to meet deep demand from a growing population of price-sensitive renters by providing housing supply across price points for rent within each market. ”

### CASE STUDY: MULTIFAMILY

## Alchemy

San Francisco, CA

Alchemy exclusively uses Green Sealed products to help protect human health, preserve the climate, ensure clean water and minimize waste by utilizing sustainable practices and avoiding toxic ingredients.

Alchemy has a community garden and composting collection program, allowing residents to plant vegetables for personal use or to be shared with the community, and lower carbon footprints.



### CASE STUDY: MULTIFAMILY

## Prospect Union Square

Somerville, MA

Part of a master-planned public-private partnership between the developer and the city, the project aims to revitalize 17 acres in Union Square, Somerville. We deliver on critical SomerVision goals of providing jobs, housing and open space, alongside community benefits developed by and for the needs of residents, workers and businesses.

# 2.7M

square feet built of

- Lab space
- Housing
- Green space
- Retail amenities



## COMMUNITY SUPPORT

One of our guiding principles is to be involved in the communities in which we invest and live.

We do this by giving back our time, resources and ideas. We also support our employees' volunteerism.

**More than half** of our senior executives serve on boards and committees within various non-profits, community organizations and real estate organizations.

In 2022, Affinius Capital, our employees and our affiliate, Mountpark, donated more than

**\$750k**

to various charities and organizations.

### COMBAT STRESS

#### WALKING WITH THE WOUNDED

REAL ESTATE EXECUTIVE COUNCIL ("REEC")

### PREA (SEO)

#### NCCU FOUNDING BENEFACTOR

NYU SCHACK NATIONAL SYMPOSIUM OF WOMEN IN REAL ESTATE

### SPARK YOUTH

#### PROJECT DESTINED

UPGRADING PLAYGROUNDS (AFFINIUS CAPITAL EUROPE B.V.)

### NYU SCHACK NATIONAL SYMPOSIUM OF WOMEN IN REAL ESTATE

“Serving as conference Chair for the NYU Schack WiRE Conference, and building bridges of mentorship between the senior women executives in commercial real estate with young women in school and in the industry, has been incredibly rewarding for me as a professional.”



LAURIE GOLUB

Senior Managing Director

### SPARK YOUTH

“Helping to raise money for Spark Youth helps ignite growth in community-based programs to expand opportunities for the young people of New York City.”



JEFF FASTOV

Senior Managing Director

### PROJECT DESTINED

“I was honored to serve as a judge for the real estate contest this year. Project Destined's mission is helping diverse students unlock real estate career opportunities through training, mentoring and unparalleled networking opportunities.”



MARIO MORALES

Principal

## IN CONCLUSION

While we do not claim universal pursuit of all sustainability initiatives, through our continuous and incremental process-improvement approach, the following principles will remain top of mind:

- Our commitment to governance and transparency
- Our actions to further foster diversity and inclusion
- Our efforts to drive investment performance through sustainability and construction innovation

Going forward, Affinius Capital will continue to take the same approach of an “Investor First” mindset and apply our insights to do what we believe will generate growth across the portfolio.

## IMPORTANT DISCLOSURES

This Report is for informational purposes only and should not be considered a recommendation to purchase any investment product. This Report contains forward-looking statements which include statements, express or implied, regarding current expectations, estimates, projections, opinions and beliefs of Affinius Capital. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties, and other factors. Affinius Capital's opinions may change, and actual results may differ materially from the forward-looking statements.

ESG goals are aspirational and not guarantees or promises that all goals will be met, and there are distinctions and regional variations in the meaning and use of this term. There is no guarantee that Affinius Capital will have or create a positive ESG impact, that consideration of ESG factors will enhance long-term value and financial returns for limited partners, or that ESG performance will align with any investor's ESG go

### Regarding Third-Party References and Rankings mentioned throughout this Report:

The awards and designations presented herein are the opinion of the respective parties conferring the award or designation and not of Affinius Capital. No such person conferring any of the listed award(s) or designation(s) is affiliated with Affinius Capital or is an investor in Affinius Capital-sponsored vehicle. The full extent of the scope of firms and data included in the related surveys or evaluations is unknown. The receipt of compensation influences, and is likely to present a potential material conflict of interest, relating to any granted award or designation. There can be no assurance that other providers or surveys would reach the same conclusions as the foregoing.

**ENERGY STAR:** Affinius Capital (f/k/a USAA Real Estate) has been recognized by the U.S. Environmental Protection Agency as an ENERGY STAR Partner of the Year Sustained Excellence – Energy Management award winner for the past 19 years, plus an additional two years as an ENERGY STAR Partner of the Year. ENERGY STAR Partner of the Year is awarded to a group of businesses or organizations that the EPA determines to have demonstrated excellence in improving the energy performance of buildings and plants through a corporate-wide, portfolio-based energy management program. More information can be found at <https://www.energystar.gov/about/content/affinius> The reference period reported herein is CY 2022, with results awarded in May 2023.

**GRESB:** The GRESB Real Estate Assessment is the global framework for ESG benchmarking and reporting for listed property companies, private property funds, developers and investors that invest directly in real estate. GRESB provides a consistent framework to measure the ESG management and performance components of individual assets and portfolios based on self-reported data that is validated, scored, and independently benchmarked. Each participant that wishes to report is charged an annual assessment fee. In 2022, the GRESB Real Estate Assessment included 1,820 participating entities, covering USD 6.9 trillion of GAV, 150,000 assets, across 74 countries. For more information on the GRESB Real Estate assessment, please see <https://www.gresb.com/nl-en/products/real-estate-assessments/>. Please contact Affinius Capital for more information regarding our GRESB results. The 2022 GRESB results referenced herein cover the GRESB reporting period of CY21.

**PRI:** Principles for Responsible Investment ("PRI") is an independent rating agency. Participation is voluntary and administration fees are paid for this submission.

**USGBC:** The US Green Building Council is the non-profit organization that has developed the LEED green building certification rating system. Affinius Capital participates as an industry participant, stakeholder, and member, as well as a consumer and user of the LEED rating system throughout our investment portfolios.

**BUILDING CERTIFICATION:** Green Building Certifications, Rankings and Partnerships. Generally, we share internationally recognized certifications and our partnerships. A certificate is independently verified recognition that a property has received a green building rating. Participation in a green building rating is voluntary and each property pays prevailing market fees to participate in green building certification programs. Green building certifications referenced in this report are accurate as of December 31, 2022, based on data sets from timeframes as specified by the specific program. Included in this report are references to green building certifications such as:

LEED, ENERGY STAR Label, U.S. Green Building Council®, BOMA 360, Better Buildings Challenge, National Green Building Standard, BREEAM, Well Health and Safety Ratings

**TENANT SATISFACTION:** Kingsley is a provider of research and performance benchmarking in the commercial real estate industry. Affinius Capital has been recognized as one of the individual commercial real estate properties that outperforms the Kingsley Index benchmark for overall satisfaction with the Kingsley Excellence Award. The Elite 5 further recognizes the top CRE organizations with the highest overall tenant satisfaction scores across their portfolio. To qualify for this award, the CRE organization must have at least 10 properties and complete their Kingsley Surveys program in the 2022 calendar year. Each participant who <https://kingsleyassociates.com/> wishes to report is charged an annual assessment fee. The Kingsley results referenced herein cover the reporting period of 2022. More information can be found at <https://kingsleyassociates.com/>

## REFERENCES

- 1 <https://www.businesswire.com/news/home/20211014005090/en/Recent-Study-Reveals-More-Than-a-Third-of-Global-Consumers-Are-Willing-to-Pay-More-for-Sustainability-as-Demand-Grows-for-Environmentally-Friendly-Alternatives> The Global Sustainability Study 2021 survey was conducted in July 2021 by Simon-Kucher & Partners, fielding through panel data provided by Dynata, an independent market research agency.
  - 2 <https://zincfive.com/paper/climate-impact-profile/#:~:text=Boundless%20analyzed%20the%20climate%20impact,9.4%20with%2010%20representing%20them.>
  - 3 Cradle-to-Gate (Lifecycle Stage A1-A3) embodied carbon impacts were calculated by comparing a "Baseline" for conventional materials to the "Improved," low-carbon prototype. Global Warming Potential ("GWP") coefficients were applied to a bill of materials for the components analyzed (site paving, slab, and exterior walls for each option), with a calculated total reduction of 787,768 kilograms of Carbon Dioxide Equivalent (kgCO<sub>2</sub>e)—a 43% reduction.
  - 4 <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.
  - 5 <https://www.spglobal.com/commodityinsights/en/market-insights/blogs/energy-transition/072423-renewable-natural-gas-and-hydrogen-fuels-of-the-future-for-transportation-decarbonization#:~:text=RNG%20is%20often%20touted%20as,was%20%2D92.26%20gCO2e%2FMJ.>
  - 6 <https://www.nationalforest.org/about/grant-opportunities/changing-landscapes-scheme#:~:text=The%20CLS%20offers%20a%20generous,its%20management%20for%2010%20years.>
  - 7 USGBC 2021, Research Anthology of Health Promoting Building Strategies.
  - 8 <https://grenovasolutions.com/worldwaterday2023/#:~:text=Based%20on%20these%20numbers%2C%20it,typical%20single%2Duse%20water%20bottle.>
  - 9 <https://www.cnn.com/2023/03/16/world/plastic-water-bottles-un-report-climate/index.html>.
  - 10 Identified as race [Black, Hispanic non white, Asian, American Indian, Alaskan Native, Pacific Islanders] or gender [women].
  - 11 <https://www.imercer.com/articleinsights/workforce-turnover-trends>.
- 

## GRI INDEX

The Global Reporting Initiative (GRI) is an independent international organization that has pioneered sustainability reporting since 1997 and helps businesses and government worldwide understand and communicate their impact on critical sustainability issues. The GRI Sustainability Reporting Standards (GRI Standards) are the first and most widely adopted global standards for sustainability reporting.

The Affinius Capital 2023 Sustainability Report is using a subset of selected GRI Standards, in whole and/or part, to report specific information. This "GRI Referenced" approach provides relevant and material disclosures as deemed appropriate by Affinius Capital and gives alignment to third-party standards. See the GRI Index of the GRI Disclosures on the following page:

## GRI 102: GENERAL DISCLOSURES

REGIME	DESCRIPTION	REFERENCE
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of organization	Affinius Capital, LLC ®
102-2	Activities, brands, products, and services	Real Estate Investment, Infrastructure, Development, Finance & Credit Products, Asset Management, Dispositions, Research
102-3	Location of Headquarters	San Antonio, Texas, USA
102-4	Location of operations	Amsterdam, Atlanta, Chicago, Dallas, Los Angeles, New York, San Francisco, Seoul, Washington D.C.
102-5	Ownership and legal form	Affinius Capital LLC ("Affinius Capital") is a U.S.- based real estate investment firm offering real estate equity and debt investment strategies. Affinius Capital Advisors LLC "ACA" and Affinius Capital Management "ACM" are the investment advisory affiliates owned by Affinius Capital (ACA and ACM together, the "Advisory Affiliates"). ACM and ACA are each registered with the U.S. Securities and Exchange Commission as Registered Investment Advisors. In addition to the Advisory Affiliates, the Affinius Capital platform also includes Affinius Capital Europe B.V., a Netherlands-based entity engaged in developing, acquiring and managing European commercial real estate investments, as well as a 75% interest in Mountpark Logistics EU ("Mountpark"), a pan-European logistics developer headquartered in London. Affinius Capital also owns a 45% interest in Crimson Interests, LLC, a U.S. based real estate services firm that provides project development, property management, asset management, and other real estate related services primarily through its subsidiaries, including Patrinely Group, LLC.
102-6	Markets served	Global
102-7	Scale of the organization	Page 4 "Corporate Strategy", Page 5 "Global Footprint" Affinius Capital® is the brand that applies to it and its subsidiaries including Affinius Capital Advisors LLC and Affinius Capital Management LLC. Assets under Management ("AUM") represents the consolidated net fair value of real estate investments, other assets and uncalled capital commitments less total liabilities of managed accounts, funds and other programs of Affinius Capital and its advisory subsidiaries as of December 31, 2022. AUM removes the impact of duplication throughout the structure."
102-8	Information on employees and other workers	Page 34-36 "Service", Page 37-42 "Diversity, Equity, and Inclusion", Page 43-45 "Culture & Employee Engagement"
102-13	Membership of Associations	Page 10-11 "Partnering with Industry Experts"
<b>STRATEGY AND ANALYSIS</b>		
102-14	Statement from senior decision maker	Page 2 "Letter from Our CEO"
102-15	Key impacts, risks, and opportunities	Page 14 "Compliance and Risk Management," Page 14 "Cyber Risk Management & Business Continuity Planning," Page 26 "Asset Resilience"
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	Page 3 "Mission, Core Values, Guiding Principles"
102-17	Mechanism for Advice and Concerns About Ethics	<p>The Firm's ethics policies are outlined in the Code of Conduct as follows:</p> <ol style="list-style-type: none"> <li>1. Ethical decision-making guidelines are outlined in the Code to assist employees if an ethical situation arises. These guidelines include reminders to avoid activities that look improper, to be attentive to situations that could result in improper action, to never be complacent and to ensure decisions for the Firm are impartial and objective. Employees are also encouraged to reach out to their supervisor or the Ethics Officer if they need guidance to resolve an issue.</li> <li>2. Consequences of Violations: Any individual who violates the Code is subject to penalty. Penalties could include, among other possibilities, a written warning, restriction of trading privileges, disgorgement of personal trading profits, fines, and suspension or termination of employment.</li> <li>3. Employees are encouraged to promptly alert the Ethics Officer or their manager of any actual or suspected wrongdoing.</li> <li>4. The Company has a confidential Ethics Hotline to report anonymously any actual or suspected instances of unethical or illegal conduct, auditing matters, or violations of other Company policies on the part of another employee, contractor or vendor.</li> </ol> <p>The Company holds periodic trainings on the Code of Conduct and customized e-trainings on ethics and bribery that are required of all employees to raise compliance awareness and instill core values.</p>

REGIME	DESCRIPTION	REFERENCE
<b>GOVERNANCE</b>		
102-18	Governance structure	Page 13 "Governance", Page 14 "Compliance and Risk Management," Page 8-9 "Integrated ESG Leadership"
102-22	Composition of the Highest Governance	Page 13 "Governance" The Affinius Holdings LLC Board of Directors meets semi-annually and provides general oversight of the platform, and receives, among other things, updates on strategic initiatives, operational programs, financial results, real estate industry trends and risk and compliance reports. Affinius Holdings LLC Board has delegated day-to-day business oversight of the Advisory Affiliates to the Affinius Capital Board of Directors. That Board assists O'Donnell, as CEO, in carrying out responsibilities for meeting strategic goals, monitoring the Company's risk profile and internal controls, and financial performance and reporting, among other things. The Holdco Board has also delegated investment responsibilities, including investment risk, to the Advisory Firms' Investment Committees.
102-23	Chair of the highest governance body	Len O'Donnell, Chairman and CEO.
102-31	Review of economic, environmental, and social topics	<a href="https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20">https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20</a>

<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	<a href="https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20">https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20</a>
102-42	Identifying and selecting stakeholders	<a href="https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20">https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20</a>
102-43	Approach to stakeholder engagement	Page 35-49 "Service," "Diversity, Equity, & Inclusion," "Culture & Employee Engagement," "Health & Wellness, Community" Page 13 "Governance"

<b>REPORTING PRACTICE</b>		
102-46	Defining report content and topic boundaries	
102-47	List of material topics	Page A2 "About this Report", <a href="https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20">https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20</a>
102-48	Restatements of information	There are no restatements in this report based on what was reported in the 2022 Sustainability Report
102-50	Reporting period	CY2022 - Q12023
102-51	Date of most recent previous report	November 2022
102-52	Reporting cycle	Annual
102-54	Claims of reporting in accordance with the GRI Standards	This report follows a "GRI Referenced" approach, which provides relevant and material disclosures as deemed appropriate by Affinius Capital and gives alignment to third-party standards.
102-55	GRI Content index	Page 52-54 "GRI Index"
102-56	External assurance	Affinius Capital has conducted third-party assurance of certain performance indicator data (Energy, water, waste, GHG) for various funds in its investment portfolio. This data is assessed and assured by, ISOS Group, LLC. The assurance process provides an independent opinion confirming that Affinius Capital has complied with procedures for data management and that the techniques for measuring and reporting various metrics are in line with third-party standards and industry best practices. A verification report, and standards used, can be furnished upon request.

<b>ENERGY, WATER, WASTE MANAGEMENT, &amp; MATERIALS</b>		
103-1	Explanation of the material topic and its boundaries	<a href="https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20">https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20</a>
103-2	Management approach and its components	<a href="https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20">https://affiniuscapital.com/app/uploads/Affinius-Capital-ESG-Guidelines-2023-as-of-9.20</a>

GRI-403 Occupational Health and Safety	Explanation of material topics, its boundary, how the topic is managed	Page 46-47 "Health and Wellness," Page 30-32 "Corporate Environmental Initiatives"
--	--	--

GRI-404 Training and Education	Explanation of material topics, its boundary, how the topic is managed	Page 43-45 "Culture and Employee Engagement" Page 37-42 "Diversity, Equity & Inclusion," Page 14 "Cyber Risk Management"
--------------------------------	--	--

405 Diversity and Equal Opportunity	Explanation of material topics, its boundary, how the topic is managed	Page 37-42 "Diversity, Equity and Inclusion"
-------------------------------------	--	--

405-1	Diversity of governance and employees	Page 35-36 "Service" and Page 37-42 "Diversity, Equity, and Inclusion"
-------	---------------------------------------	--

GRI 102: General Disclosures 2016 sets out reporting requirements on contextual information about an organization & sustainability reporting practices.





JEANNE GARZA

Senior Director,  
Office of the COO

**jeanne.garza**  
[@affiniuscapital.com](mailto:jeanne.garza@affiniuscapital.com)



JASON  
McINTYRE

Director, Sustainability

**jason.mcintyre**  
[@affiniuscapital.com](mailto:jason.mcintyre@affiniuscapital.com)



PETE McLAUGHLIN

Senior Managing Director,  
Co-Chief Operating Officer

**peter.mclaughlin**  
[@affiniuscapital.com](mailto:peter.mclaughlin@affiniuscapital.com)



9830 Colonnade Blvd., Suite 600  
San Antonio, Texas 78230 USA

[affiniuscapital.com](http://affiniuscapital.com)