



BALLAST

Environmental, Social and Governance (ESG) Policy

2023

Reviewed March 2023

ESG MISSION STATEMENT

Ballast believes that Environmental, Social and Governance (ESG) principles are crucial to developing a resilient business for our employees, long-term value for our investors and sustainable communities for our residents. As a vertically integrated real estate investment firm, we manage our investments with integrity, combining economic goals with responsible citizenship. While our primary responsibility is to add economic value to our clients' portfolios over the long-term, we believe that taking into consideration ESG factors can positively impact long-term economic performance. We will continue to build on our strengths as we look to the future and assess our growing role in creating healthier and more sustainable communities.

SCOPE OF POLICY

Ballast ESG Policy ("Policy") applies to Ballast's business units and real estate investments and is reviewed annually to reflect changes to the business plans. The purpose of the Policy is to publicly express our commitment to responsible investing, highlight the benefits ESG brings to our clients and outline activities we use to put our aspiration into action. The Policy is subject to all applicable local laws and regulations, including our obligations to our clients. Our approach to incorporating these considerations is dependent on our influence over the management of each investment which may vary depending on the investment structure and terms. In cases where Ballast has limited ability to influence and control the consideration of ESG issues in connection with an investment, whether at the investment or at the Fund level, Ballast will only apply those elements of this ESG policy that it determines to be practical.

ESG FRAMEWORK

Ballast acknowledges that it is managing assets on behalf of multiple investors that have tremendous influence on global economies and social well-being. As stewards of global capital and operators of local assets, Ballast has created an ESG framework that creates accountability and delivers transparency to our partners.

Environmental – We strive to minimize the environmental impact of our operations and improve efficient use of resources at the buildings we operate. Our experience proves that enhancing operational efficiency lowers costs and enhances returns. There are four pillars to Ballast's Environmental Framework:

- Save Energy – Ballast reduces energy demand and promotes low carbon energy sources.
- Save Water – Ballast reduces water use across properties and finds cost-effective water re-use opportunities.
- Reduce Waste – Ballast reduces and diverts waste from landfills through improved waste streams and tenant engagement.
- Physical Risk & Resiliency - Ballast continues to find creative ways to understand, manage and mitigate climate risks to protect our assets and preserve our communities.

Social – Ballast’s focus on social impact aligns with our holistic approach to real estate investment. When we align Ballast employees, investors and tenants, we create measurable change and healthier communities. There are four pillars to Ballast’s Social Framework:

- Diversity & Inclusion – Ballast promotes and encourages inclusivity across our corporate, vendor and asset level engagements.
- Tenant Amenities – Ballast maintains and upgrades existing tenant amenities while also creating bespoke experiences influenced by local interests.
- Health & Well-being – Ballast designs and provides amenities that create accessibility, foster safety and encourage healthy behaviors.
- Building Community – Ballast provides and expands essential housing and supports local efforts to solve affordability challenges.

Our employees drive our success and ensure that we deliver on our commitments to investors. Ballast is dedicated to making a difference in the communities where its employees live and work through our support of civic, philanthropic and non-profit initiatives.

Governance – Ballast pursues sound governance practices that help enable us to manage ESG risk, promote transparency and accountability and create value for our clients. We recognize that strong governance is essential to sustainable business operations and we aim to conduct our business according to the highest ethical and legal standards. There are two pillars to Ballast’s Governance Framework:

- Tracking & Reporting – Ballast is committed to measure and report on pillars of the ESG framework to investors.
- Commitment to Improve – As leaders in our business, in our homes and in our communities, Ballast commits to constant improvement to further our ESG impacts.

OUR PEOPLE

At Ballast, our people are at the center of our success. Our culture is founded on teamwork, accountability and a shared purpose to create value for our investors and our communities. We value unique perspectives and integrity, above all. We are committed to attracting, developing and retaining the best people in pursuit of our goal to be the real estate employer of choice. We measure employee satisfaction and collect employee feedback, which is used to shape the company's agenda, improve our culture and drive better outcomes for our employees and the company overall.

Our talent engagement programs are organized into four main categories: i) Reward & Recognition; ii) Benefits & Wellness; iii) Culture & Work Environment; and iv) Professional & Career Development.

Reward & Recognition – Effectively recognizing and rewarding the accomplishments of our employees is a key component of our talent engagement strategy. We have established and articulated philosophies as well as clear and transparent merit-based processes for promotion and compensation. We actively promote the recognition of our staff members through internal communication.

Benefits & Wellness – We believe that we have a responsibility to provide our employees and their families with a competitive benefits package that delivers flexibility and financial security. We also provide programs which encourage employees to make healthy choices and achieve their best across all five dimensions of health – physical, emotional, social, spiritual and financial. Work-life effectiveness is actively promoted to support individuals in balancing work and personal commitments through programs and benefits such as flexible working arrangements and our fully paid parental leave for both mothers and fathers.

Culture & Work Environment – Ballast's guiding principles emphasize a culture predicated on teamwork, perseverance, integrity and growth. Ballast employees operate in accordance with the Ballast Code of Conduct and Ballast Compliance Policies and Procedures. We are committed to providing equal employment opportunity as well as creating and maintaining a climate of professionalism, mutual respect and trust, free of any form of discrimination or harassment. We believe that having diversity of perspective and experiences at Ballast makes us better investment managers. Ballast seeks employees, vendors, and business associates from a deep and diverse pool of accomplished professionals.

Professional & Career Development – Supporting the ongoing growth and development of our employees is key to driving the engagement and job satisfaction of our employees. At the core of our employee development programs is a performance management program which focuses on ensuring expectations are clear and properly linked to reward. Embedded in this is a clear definition of the skills and competencies required to effectively perform various job functions at different levels, as well as a forum for feedback and coaching focused on employee development.

ADDITIONAL

This ESG Policy was last updated in March 2023. The Policy is subject to change as the firm considers necessary. Further, the Policy shall supersede and replace prior versions and shall apply on a going forward basis, subject to the limitations discussed herein, to the firm's existing and future investments.

