2023 Sustainability and ESG+R Report

ENVIRONMENTAL FOCUS
SOCIAL RESPONSIBILITY
GOVERNANCE AND COMPLIANCE
RESILIENCE TO CLIMATE CHANGE







BEACON
CAPITAL PARTNERS



About this Report

This document is the Annual Sustainability and ESG+R Report and covers the company's initiatives and progress for Beacon Capital Partners' ("Beacon") 2022 calendar year. All figures are as of December 31, 2022. This report has been prepared following the INREV Sustainability Reporting Guidelines.

Our ESG+R program is aligned with INREV and GRESB. Data provided herein has been reviewed by RE Tech Advisors and represents a snapshot of current performance for properties tracking energy consumption. The disclosures do not include estimates where data is unavailable.

If you have any questions about this report, please contact:

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We're pleased to report another year of progress on our Environmental, Social, Governance, and Resilience ("ESG+R") efforts.

We're grateful to have been awarded five stars by GRESB for our three participating investment entities in 2022, including #1 rankings within the peer set. We also welcomed a talented full-time professional, Gadea Aguado Sierra, to lead our corporate ESG+R efforts to the next level, and she's already had a meaningful impact.

Our environmental initiatives continue to focus on reducing our greenhouse gas ("GHG") emissions and reducing our carbon footprint. For the 12th consecutive year, we were recognized by the U.S. Environmental Protection Agency as ENERGY STAR Partner of the Year. In addition to our efforts to improve building energy efficiency, water conservation, and waste diversion from landfills, within this report you will also find a discussion of a few of the solar array projects that are online or in progress across our portfolio to deliver clean, renewable, and reliable energy to our buildings and tenants.

We're underway with an initiative in partnership with 9 Foundations (9F) that is focused on the health and wellness of our buildings. Leveraging the expertise of Dr. Joseph Allen, Director of the Healthy Buildings Program at Harvard University and founder and CEO of 9F, we have implemented programming across the portfolio to optimize the indoor environmental quality ("IEQ") of Beacon buildings and introduced the more intensive Healthy Buildings Optimization Program at select properties. We believe this initiative has both near and long-term benefits to our tenants, visitors, and employees, as well as the broader communities in which they live and work.

We have continued to pursue improved diversity, equity, and inclusion, including by engaging with external partners who align with our values. Women account for half of our team and 17% of the team identifies as minority. In 2022, we increased our spending with diverse business partners to 27% of our controllable property spending. We intend to make further progress this year.

In terms of transparency, in addition to this annual report, we have also reported to GRESB for the fifth consecutive year and are providing this report in alignment with the European Association for Investors in Non-Listed Real Estate Vehicles ("INREV") framework using data and figures from year-end of 2022. We are also a signatory of the United Nations Principles for Responsible Investment ("UN PRI"). We regularly monitor our assets for compliance with jurisdictional and corporate regulations and are currently developing an approach to climate risk management in alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") framework. Beacon's Decarbonization Program evaluates transition risks in accordance to Building Performance Standards ("BPS") and the Carbon Risk Real Estate Monitor ("CRREM") in alignment with the Paris Agreement using 1.5 degrees scenarios.

As we move forward in our ESG+R journey and reflect on the progress made over the past year, we set our sights on working toward our long-term goals and objectives of becoming carbon neutral by 2050, fostering a workplace and partnership network built on mutual respect and sustainability, and leading with a management structure that emphasizes integrity and best practices.

From all of us at Beacon, thank you for participating in our journey. We look forward to charting our success for years to come.



Fred Seigel
President & CEO



Dane Rasmussen
Managing Director and
Chair of ESG+R Task Force

Beacon's approach to sustainability

As an investor and manager of high-quality office and life science properties in the U.S., Beacon has long held the belief that it drives performance for its investors by considering and effectively addressing the needs of its tenants, communities, and broader world. Among the considerations are ESG+R issues that include sustainability and energy efficiency of our buildings; health and wellness of our tenants; expanded equity among our partners and within our team; and transparent communication and disclosure with our investors and other stakeholders. At Beacon, we evaluate and address ESG+R opportunities and risks initially as part of our real estate investment due diligence process and throughout our ownership.

GRESB REAL ESTATE

Awarded 5 stars for GRESB for all 3 submitted entities

ENERGY STAR AWARD 2023 PARTNER OF THE YEAR Sustained Excellence

Recognized ENERGY STAR Partner of the Year for 12 consecutive years

U.S. GREEN BUILDING COUNCIL LEED GOLD USGBC

Currently manage 21M+ sf of LEED-certified space

fitwel®

Fitwel Champion, multiple Best in Building Health Awards

PRI Principles for Responsible Investment

PRI Signatory aligning with leading responsible investment

NREV

ESG Reporting Standards Alignment

INTERNATIONAL WELL BUILDING INSTITUTE™

WELL certification for select new developments

BOSTON Green Ribbon COMMISSION

Develop strategies for resilience against climate change

GRESB Highlights

As a fiduciary, Beacon is committed to sound investment principles, the highest level of integrity, and transparency with our stakeholders. In the management of our investors' capital, our commitment includes a focus on improving the sustainability of our buildings and working toward their decarbonization, promoting the health and wellness of our tenants, advancing equity within our team and among our business partners, and identifying and mitigating the potential risks of a warming planet. We are grateful for the encouragement and collaboration of our investors and partners.

We are pleased to report that Beacon has been recognized for continued ESG leadership in the 2023 GRESB Assessment. Beacon submitted information for two of its active commingled funds (BCSP 7 and 8) and for a joint venture portfolio. All three portfolios maintained their five-star ratings.

Notably, Beacon ranked #1 in two peer comparisons (BCSP 8 in U.S. Office: Corporate / Value-added category and the joint venture portfolio in Diversified / Opportunistic category). All three submissions also earned a 30 out of 30 score for Management.

GRESB is a mission-driven and industry-led organization providing standardized and validated Environmental, Social, and Governance (ESG) data to financial markets. Established in 2009, GRESB has become the leading ESG benchmark for real estate and infrastructure investments across the world, used by 150 institutional and financial investors to inform decision-making. For the 2023 Assessment, the GRESB ESG Benchmark grew to cover more than $8.8 trillion of gross asset value, encompassing 2,084 real estate entities, 687 infrastructure assets, and 172 infrastructure funds.

GRESB

★★★★★ 2023

Fund 8 Score

93 out of 100

★★★★★

1st out of 18 United States of America
Office Corporate | Value-added

1st out of 96 GRESB Score within Americas
Non-listed | Value-added | Closed end

Fund 7 Score

89 out of 100

★★★★★

3rd out of 18 United States of America
Office Corporate | Value-added

JV Portfolio Score

89 out of 100

★★★★★

1st out of 8 United States of America
Diversified | Opportunistic

Beacon by the numbers

For decades, sustainability has been core to our work at Beacon. While we're proud to be recognized for our past, we continue to focus on our future. The data below shows our 2022 performance on key performance indicators.

1.73M KWH

of renewable energy was generated onsite in 2022

100%

of our current LEED Existing Building Operations and Maintenance certified properties have Gold or Platinum certifications

25M+ sf

are green building certified

18,837 MWh

of RECs purchased for 2022, equating to 2,597 homes' electricity use for one year

90%

of total square footage is Green Building Certified

27%

spending with diverse business partners as a % of controllable operating expenses

Energy Star
Partner of the year

for 12 consecutive years

Fitwel
Champion

committed to implementing Fitwel portfolio wide, and recipient of multiple Best in Building Health Awards

5th
consecutive year

reporting to GRESB

2023 Annual ESG+R Goals

The annual ESG+R goals described below were created with Beacon's overall ESG+R strategy in mind. These goals are aligned with the INREV Sustainability Reporting Guidelines and aim to improve sustainability efforts at both the asset and organizational level in 2023.

INREV REQUIRED

TARGET	DESCRIPTION	MEASUREMENT	COMPLETION	STATUS
Asset-level ESG+R Plans	Incorporate sustainability into asset-level plans and budgets to pursue sustainability measures for reducing energy, water, and waste.	Annual business plan	Incorporated in budgets annually	We are continually identifying opportunities to improve our building efficiencies, increase water conservation, and divert more waste from landfills to reduce the portfolio's environmental footprint. These sustainability measures are evaluated and included in annual property budgets.
Development ESG+R Initiatives	Follow Beacon's New Development Guidelines on all development projects. Evaluate Green Building Certifications (GBCs) for all development projects.	Percentage of properties pursuing certification by type	Ongoing	Beacon Capital Partners actively evaluates and pursues New Development GBCs whenever possible.
Acquisitions	Conduct ESG+R assessments on all acquisitions.	Acquisition assessment	During due diligence of acquisitions	We engage a third-party consultant to conduct ESG+R acquisition assessments as part of our due diligence process for all Beacon Capital Partners' acquisitions.
Environmental Targets	Beacon Capital Partners aligns its reduction goals with the Paris Accord to limit global warming by 2-degrees Celsius. Beacon Capital Partners has a target to reduce energy and emissions by 2.5% annually over a 10-year period and reduce water consumption and waste by 15% over 10 years, or 1.5% annually. This will be achieved through ongoing monitoring of data that is in our control and by implementing sustainability measures to improve efficiency.	Percentage variance from 2018-2028	Monitored monthly Status reported quarterly.	Comparing 2018 to 2022, Beacon Capital Partners' has a 11.6% Like-for-Like reduction in energy usage, a 24.4% Like-for-Like reduction in emissions, a 20.3% Like-for-Like reduction in water usage, and a 8.7% Like-for-Like reduction in waste.
Green Building Certifications	Strategically evaluate third-party green building certifications to achieve recognition for sustainability and health measures at our properties.	Green building certifications by percent by type	Monitored monthly Status reported quarterly	In 2022, 89.5% of Beacon Capital Partners' whole portfolio had earned at least one Green Building Certification, by square footage. By property type and square footage - 89.4% of Office assets and 92.7% of Life Science assets held at least one of LEED, Fitwel, and/or WiredScore certifications. We are in the process of piloting 9Foundations Health Building program at all assets with 9 Foundations, a multidisciplinary team of experts led by Dr. Joseph Allen, Director of the Healthy Buildings Program at the Harvard T.H. Chan School of Public Health
ENERGY STAR Ratings	Achieve ENERGY STAR certification for eligible buildings annually.	Certified properties by count	Monitored monthly Status reported quarterly	Beacon Capital Partners achieved ENERGY STAR certification for 52 buildings in 2022.
Current Regulation Compliance Monitoring	Approach to ensure compliance for current legislation related to ESG+R	Percentage of property compliance	Monitored monthly Reported annually	All Beacon Capital Partners properties complied with jurisdictional utility benchmarking requirements in 2022.

INREV BEST PRACTICE

TARGET	DESCRIPTION	MEASUREMENT	COMPLETION	STATUS
Annual ESG+R Training	Conduct annual ESG+R trainings for employees.	Training presentation	Conducted annually	Our third-party sustainability consultant provides an ESG+R update and training to our asset managers and property managers at least annually.
Tenant Satisfaction	Increase tenant engagement and improve overall tenant satisfaction based on the results of tenant satisfaction surveys and our ESG+R metrics survey.	Overall satisfaction score	Ongoing	Tenants receive satisfaction surveys from a third party. Our third-party sustainability consultant distributes sustainability tenant guides for property managers to distribute to tenants. Tenant engagement is monitored through our annual ESG+R metrics survey.
Green Leases	Incorporate green lease language into standard tenant leases.	Incorporated into new leases	Monitored with each new lease	Green lease language that is aligned with Beacon's ESG+R objectives is included, but not required, for all new leases.
Community Engagement	Increase community engagement across our properties. Accomplished by encouraging and providing ideas to property teams.	Percentage of properties participating in community engagement activities	Annual ESG Survey & Metrics Report	We monitor community engagement at the properties through our annual ESG Metric Reports. 100% of assets within the portfolio distribute sustainability and fit-out guides to tenants.
Innovation & Technology	Evaluate new technologies such as solar, smart metering, battery storage, and electric vehicle charging stations across the portfolio.	Number of projects by count	Ongoing	Across Beacon properties there were 205 electric vehicle charging stations and 14 on-site solar arrays in 2022. Beacon continuously evaluates new technologies across it's portfolio.
GRESB	Complete the GRESB Real Estate Assessment annually.	GRESB score and peer group ranking	Complete assessment by July	Beacon Capital Partners' has been reporting to GRESB since 2018. Data available for Reporting Year 2022 has been reviewed and submitted to GRESB along with our ESG+R policies, leadership, reporting, and employee and tenant engagement metrics in July 2023. Results will be released in October 2023. All funds that submitted achieved 5 green stars.
Industry Participation on ESG+R Initiatives	Support and actively participate in relevant industry groups and initiatives.	Disclosure of commitment/ Signatory/Membership/ etc.	Annually	Beacon is an active participant in the Boston Green Ribbon Commission, a charter that evaluates and develops strategies for resilience against near- or long-term changes caused by climate change. Beacon has also been a United Nations' Principles for Responsible Investment ("UN PRI") signatory since 2021 and has recently completed their first annual reporting period, disclosing information on activities from the 2022 reporting year.



Southline, Boston

INREV Environmental Metrics

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. INREV aims to improve the transparency of and promote best practice and professionalism in the real estate sector. INREV developed an integrated set of principles and recommendations including tools and examples for governance and information provision for investors and investment managers and investors of non-listed real estate vehicles.

INREV has included Sustainability Reporting Guidelines within their recommendations to form a disclosure framework that delivers meaningful data to increase visibility and insight into a vehicle's ESG efforts and details their next course of action for improvements. They aim to provide a coherent framework for ESG reporting in line with annual financial reporting and present a clear picture from the vehicle's strategy through to environmental key performance indicators.

The INREV environmental data table shown below is presented in line with GRESB data calculation methodology. Like-for-like data includes only comparable data points from the two consecutive reporting periods of Calendar Years 2021 and 2022. This refers only to properties that were both owned and operational throughout the entirety of CY21 and CY22. These properties must also have had two full years of complete data for CY21 and CY22 to be counted as part of the like-for-like calculation. Like-for-like data does not include data from properties that were either acquired or dispossessed in CY21 or CY22.

The Absolute data calculation reflects the total consumption values in both 2021 and 2022. This includes all consumption data from properties that were both acquired and/or sold in calendar years 2021 and 2022. It is the aggregate total of all consumption for all properties owned by Beacon for any amount of time for the full duration of 2021 and 2022.

ENERGY	ABSOLUTE (kWh)		LIKE-FOR-LIKE (kWh)		
	2021	2022	2021	2022	% Change
DISTRICT HEATING & COOLING	50,367,141.2	47,382,830.1	50,367,141.2	47,382,830.1	-5.9%
ELECTRIC	331,654,901.8	348,904,998.1	294,758,831.9	295,239,834.4	0.2%
FUELS	64,046,573.2	71,778,999.3	55,045,142.1	59,954,414.4	8.9%

EMISSIONS	ABSOLUTE ($mtCO_2e$)		LIKE-FOR-LIKE ($mtCO_2e$)		
	2021	2022	2021	2022	% Change
SCOPE 1	11,607.4	12,928.7	9,976.0	10,865.6	8.9%
SCOPE 2	119,392.1	125,273.2	107,116.5	106,705.5	-0.4%
SCOPE 3	N/A	424.9	N/A	N/A	N/A

WATER	ABSOLUTE (m^3)		LIKE-FOR-LIKE (m^3)		
	2021	2022	2021	2022	% Change
	590,578.8	713,630.3	491,131.9	548,634.7	10.0%

WASTE	ABSOLUTE (kg)		LIKE-FOR-LIKE (kg)		
	2021	2022	2021	2022	% Change
	5,602,024.5	6,796,504.6	5,189,664.0	6,175,845.6	19.0%

**The emissions are for operational properties only. Scope 1 emissions encompass direct greenhouse gas emissions with landlord-controlled energy that is directly burned on-site at the properties, such as natural gas. Scope 2 emissions are the indirect GHG emissions associated with landlord-controlled energy purchased from a utility at the properties, such as the emissions associated with the generation of electricity or district steam. Scope 3 emissions encompass emissions from tenant-controlled utility consumption at the buildings. Scope 3 emissions are only accounted for when tenant-controlled data is available.*



Environmental

Environmental Objectives

Over many years, Beacon has taken a thoughtful and deliberate approach to energy conservation and sustainability. Beacon has been recognized by the U.S. Environmental Protection Agency (EPA) as a Partner of the Year in Energy Management for 12 consecutive years and received the designation of "Sustained Excellence" beginning in 2014. We pursue certification at all eligible properties under the Leadership in Energy and Environmental Design (LEED) green building program that is managed by the U.S. Green Building Council. We strive to integrate our long-term ESG+R objectives, as outlined below and over the next several pages, throughout our operations.

- Implement conscientious management practices, including consistently measuring and monitoring all energy, GHG emissions, water, and waste, for properties within our control.
- Evaluate paths to be carbon neutral by 2050.
- Target allocation of at least 10% of property's total capital budget to sustainability-related improvements.
- Target reduction of energy and GHG emissions by 2.5% annually over a 10-year period, in alignment with the Paris Agreement and Science-Based Targets initiative.
- Target long-term reduction of water and waste by 15% over 10 years, or 1.5% annually.
- Evaluate and implement property enhancement and capital improvements and continue to assess new technologies to achieve emissions reduction targets.
- Assess additional opportunities to reduce GHG emissions through on-site solar, renewable energy certificates ("RECs"), offsets, and other renewable or alternative sources.
- Pursue ENERGY STAR® certification for all eligible buildings annually.
- Evaluate and obtain third-party GBCs, such as LEED, as well as health and wellness certifications, such as WELL™ and Fitwel.

ENERGY STAR Certification

ENERGY STAR® Portfolio Manager® is used to track landlord-controlled energy, water, and waste usage across our portfolio. Associated with the U.S. EPA, this program is one of the most recognized certification programs in the country.

We use the data from ENERGY STAR to benchmark our annual use and track our progress each year on sustainability measures. The ENERGY STAR score is calculated on a scale of 1 to 100, and if properties receive a score of 75 or higher, they may apply for an ENERGY STAR Certification, which is awarded annually.

ENERGY STAR AWARD 2023
PARTNER OF THE YEAR
Sustained Excellence

80%

of Beacon's office property square footage in 2022 was ENERGY STAR certified



On-site Renewable Energy

Beacon has committed to a number of actions and programs to reduce the carbon footprint of the portfolio. An important initiative is the installation of solar arrays to provide renewable energy for our buildings. Beacon evaluated the entire portfolio and has several solar projects underway.

Beacon has structured each solar project with a third-party operator who is responsible for the development, ownership, and maintenance of the solar array system, with oversight by Beacon's technical and asset management team. This structure allows each property to reduce its carbon footprint through the generation and use of solar electricity, and receive some rent from the solar developer, while bearing no increase in property operating expenses and incurring no property-level capital investment.

13

properties where solar projects are in development



CASE STUDY

Renewable Energy
Pearl East

Pearl East Innovation Campus is an 11 building, 485,000 square foot life science and office campus located in Boulder, Colorado. In 2022, Beacon partnered with a third party solar developer that will design, install, and operate solar panels across the Pearl East campus.

The Pearl East solar project is in the permitting phase, with installation scheduled to begin in 2024. The solar installation will consist of 11 carports, covering 284 outdoor parking spaces, and 5 rooftop systems. The installation is expected to produce 1.78 million kWh/year, reducing the campus GHG emissions by 1,150 tonnes per year.

The solar installation will generate electricity for internal use, aligning with the City of Boulder's permit requirements for renewable energy in new tenant space buildouts. These planned systems aim to supply about 35% of the property's electricity needs at 80% occupancy, resulting in a significant reduction—by a similar percentage—in both GHG emissions and the overall carbon footprint.

1.8M
kWh/year
of on-site renewable energy production

1,150
tonnes/year
of reduced GHG emissions

Water Conservation

At Beacon, we strive to reduce water usage across our portfolio. We track our water consumption using ENERGY STAR Portfolio Manager and actively implement reduction programs.

Plumbing Fixtures

Whenever possible, Beacon's properties are outfitted with low-flow plumbing fixtures. These toilet, faucet, and shower fixtures are designed to reduce the amount of water used without any impact on performance or water pressure. This simple initiative reduces water consumption by 30%.

Rainwater Re-use

Reclaimed rainwater serves various purposes at several of Beacon's properties. One of the main functions of reclaimed rainwater is irrigation. At The Crossroads in San Mateo, California, rainwater is collected in man-made ponds and streams. The water is then used for irrigation on the property's grounds. Bank of America Tower in Houston, Texas, has been similarly outfitted with a rooftop rainwater recovery and reuse system.

Water Treatment

HVAC System Water Treatment is an additional way Beacon saves a considerable amount of energy. Beacon has contracted with Homeyer Consulting for independent oversight of HVAC water treatment, which is principally focused on treating the chilled water and cooling tower water used to meet building cooling needs. This program has resulted in reduced corrosion and scale formation and thereby reduced energy-wasting friction in the chilled water pumping and piping systems.



1700 Broadway, Denver

CASE STUDY

Rainwater Harvesting
Bank of America Tower

Located in the heart of Houston's CBD, Bank of America Tower contains 780,000 square feet, providing unrivaled amenities and access to Houston's best retail and dining options. The Skypark, a 20,000 square foot elevated green park with stunning views of Houston's skyline, is fit with lounge spaces and workstations.

Bank of America Tower has been outfitted with a rooftop rainwater recovery and reuse system. Rainwater is recovered, treated, and reused in all building toilets/urinals and irrigation systems — reducing building municipal water use by approximately 60%.

Reclaimed rooftop rainwater is stored in a 50,000-gallon tank in the lower level of the building. Water from this tank is pumped through a water treatment system consisting of a 1-micron filter for removal of particles and suspended solids, activated carbon for removal of organic compounds and UV Light treatment for disinfection.

The treated water is pumped to a post-treatment 1,500 gallon tank. Water is drawn from this latter tank and supplied to all building bathroom toilets and urinals, and to all irrigation systems. This treated water is monitored by frequent laboratory testing to ensure high quality water with no environmental or health concerns. When reclaimed water is unavailable, municipal water is used to fill the post-treatment tank.



Bank of America Tower, Houston

Biodiversity

Promoting biodiversity is an integral facet of Beacon's sustainability commitment. We host beehives, as well as rooftop and ground-level pollinator gardens across our portfolio, partnering with Best Bees, a Boston-based beekeeping company and leader in scientific research to improve honeybee health.

We are committed to sustainability at our properties and in the communities where we operate. Beacon is proud to support and aid critical bee health research.



Each hive produces on average **four gallons** of honey per year.

Alternative Transportation

Beacon facilitates alternative transportation methods, such as cycling, carpooling or taking the bus or subway to help reduce GHG emissions instead of driving. Beacon has installed EV charging at several properties to encourage alternative transportation options, along with other initiatives such as bike rooms.

205

electric vehicle charging stations

302

electric vehicle charging ports across Beacon properties

Solid Waste and Recycling

Beacon uses ENERGY STAR Portfolio Manager to track waste-related data.

We encourage the use of sustainable materials, reusable items, and items that can be composted. At the property level, we promote recycling and provide tools to our tenants that inspire them to recycle. This comprehensive recycling program is now part of the standard building services.

1,887 tonnes

total waste diverted in 2022 (includes office and life science waste diverted)



Total Waste Diversion Rate

(percent of waste diverted from landfill)

- 1,887 tonnes diverted
- 4,907 tonnes landfill



Pearl East, Boulder

Social

Beacon is committed to a sustainable future that prioritizes the well-being of all stakeholders. We focus on establishing vibrant work environments that prioritize health and wellness for our tenants. This also includes active collaboration with local communities to seamlessly integrate our buildings into their surroundings, ensuring mutual benefit. Within our organization and in partnership with our business partners, including minority- and women-owned businesses, we are dedicated to fostering equity and diversity.

- Proactively address the information needs of our key stakeholders, including ESG+R data.
- Promote employee involvement and open communication through ongoing employee engagement, regular employee surveys, scheduled trainings (including ESG+R topics), career development programs, and annual employee performance reviews.
- Pursue increased diversity across our organization through our recruitment and career development efforts, our participation in organizations focused on equity advancement and improved racial inclusivity, and our focus on increased spending with vendors that are considered Minority, Women, and Disadvantaged Business Enterprises ("MWDBE").
- Ensure regular communication with property managers on sustainability best practices by providing resources, tools, and training on ESG+R topics, including sustainability, health and well-being, and resilience.
- Encourage our tenants to embrace and participate in our ESG+R efforts by providing them with educational material, hosting informational events, and implementing green lease language.
- Foster community engagement at Beacon and our properties through the development of charitable programs and by hosting events.



Pearl East, Boulder



Southline, Boston

Social Initiatives across Beacon Properties

1,271

events hosted in 2022 across Beacon properties through our SHIFT amenity program

112

partners engaged in 2022 through SHIFT amenity program

41

charitable events hosted in 2022 across Beacon properties

SHIFT
BY BEACON

Diversity, Equity, and Inclusion

Beacon believes that a culture of respect, integrity, and collaboration is fundamental to our ability to deliver industry-leading properties and services for our investors, partners, tenants, and other stakeholders.

Our culture has contributed to our ability to attract and retain a strong team of professionals who share our philosophy and enjoy working together, as evidenced by the long tenures at the company.

For years, we have elevated and advanced Diversity, Equity, and Inclusion (DEI) efforts. We seek to hire and retain talented people and recognize that the best talent can only be found by looking across the full spectrum of applicants, whether as full-time employees or interns. We promote an environment that welcomes and encourages a broad cross section of perspectives, allowing us to be dynamic and forward-thinking.

We recognize this kind of culture doesn't just happen; it must be cultivated. At Beacon, we work hard every day to actively and continuously build a culture that represents diversity of both people and ideas, reflective of our society.

To this end, we respect and encourage the contributions of all individuals, from different backgrounds, races, ethnicities, nationalities, socioeconomic statuses, religious backgrounds, genders, gender identities and expressions, and sexual orientations.

Company-wide Employee Metrics

As of December 31, 2022

102
total real estate professionals

50%
of employees were female

75%
VP level and above were under 50 years old

56
asset management, acquisitions, and development professionals

24
years average real estate experience MD level and above

13
years average Beacon tenure MD level and above

17%
of employees self-identified as minority

19%
of employees were age 25-34

23%

of female employees VP level or above self-identified as minority

43%

of employees in investment roles were women



DEI Committee

Our dedication to a diverse and inclusive workforce can be seen in our ongoing improvements to our recruitment strategies, internal processes, and external involvements.

- Formal DEI Committee led by two senior executives.
- Iaugural participant in the W.K. Kellogg Foundation's Expanding Equity program aimed at improving the racial inclusivity of companies through new tools, knowledge, and human-centered approaches for furthering racial equity strategies.
- Firm-wide commitment to hiring from broad, diverse candidate pools.

Business Partner Diversity

Beacon is committed to fostering business partner diversity as a core DEI principle. To achieve this, we've taken the following key steps:

- Engaged with and listened to our employees, prioritizing a people-first approach to understand their DEI needs.
- Collaborated with leading firms in the real estate industry to gain insights into their DEI efforts.
- Established an employee-led task force to pilot initiatives aimed at diversifying our vendors and suppliers, testing in select properties.
- Expanded our efforts across our entire property portfolio, appointing a dedicated lead to oversee the initiative's success.

Business Partner Diversity

At Beacon, having a workplace that prioritizes DEI includes being intentional with choosing external partners who share those same values.

Beacon is committed to pursuing business diversity across our portfolio and has been tracking and expanding business partner diversity since 2017. Over that time, we have grown our spending with diverse business partners from 4% to 27% at year-end 2022.

As part of the journey, Beacon has participated in the Expanding Equity program, a transformational initiative for advancing racial equity in the workplace. Expanding Equity offered frameworks and expertise onracial equity work that encouraged progress and goal setting.

In 2022, to further these efforts, Beacon partnered with data platform Supplier.io to create a customized platform to benchmark results, provide resources to grow the program, and expand relationships with business partners. Beacon is also partnering with Supplier.io to measure the economic impact of our business diversity initiative.

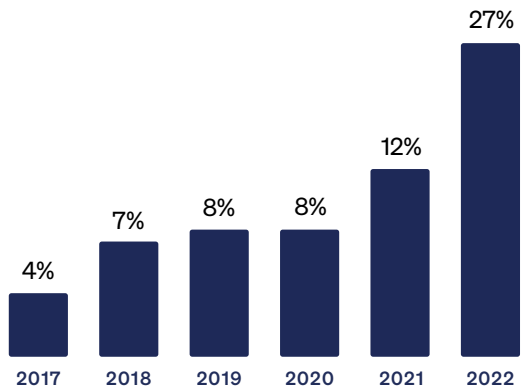
This assessment will quantify the extent to which the initiative has supported the surrounding communities by fostering opportunities for new businesses and generating employment.

Additionally, in 2022 the property managers at Beacon's buildings participated in an extensive training program that focused on reporting and reviewing results, sourcing new vendors, validating certifications, and planning the continued growth of the program.

Looking ahead, Beacon has set the following goals and actions to grow and sustain the business diversity program:

- Advance a 2023 diverse spending goal of 30%.
- Expand the initiative to contractors by developing a Tier 2 tracking program for operating and capital expenses.
- Require and prioritize third-party MWDBE certification status.
- Provide ongoing support and annual training for all property teams.
- Offer incentives and recognition to the property management teams for their contributions to expanding business partner diversity.

Spending with Diverse Business Partners as a % of Controllable Operating Expenses



Represents entire Beacon portfolio

CASE STUDY

Executive Maintenance, Inc.

EMI (Executive Maintenance, Inc.) is a leading provider of full-range commercial cleaning services in the Washington and Baltimore metropolitan areas. Over the past 30 years, EMI has grown from a small family-owned business to a success story with a remarkable growing workforce.

Beacon's partnership with EMI started early in 2022 and has been built upon trust and aligned values. EMI focused on operational excellence and had not considered being categorized as a minority contractor.

As Beacon expanded its DEI and business diversity efforts, one of the members of the Beacon leadership team, Shane McLaughlin, discussed certification with EMI. That dialogue sparked a journey that resulted in EMI being certified as a Minority Business Enterprise (MBE), Disadvantaged Business Enterprise (DBE), and Small Business Enterprise (SBE).

Kevin J. Conley and James S. Guzman (EMI Principals) are proud of that result and have concluded that such certifications mean being part of changing social dynamics, gaining and giving visibility, and an excellent business decision.

NMSDC
National Minority Supplier Development Council

MINORITY BUSINESS MBE CERTIFIED ENTERPRISE

DISADVANTAGED BUSINESS DBE CERTIFIED ENTERPRISE

SMALL BUSINESS SBE CERTIFIED ENTERPRISE



2445 M Street, Washington

Healthy Buildings Built on Science

Since early 2020, Beacon has worked closely with 9 Foundations to continue supporting healthy building environments. In 2022, Beacon engaged 9 Foundations to design and implement a customized Healthy Buildings program for its entire portfolio.

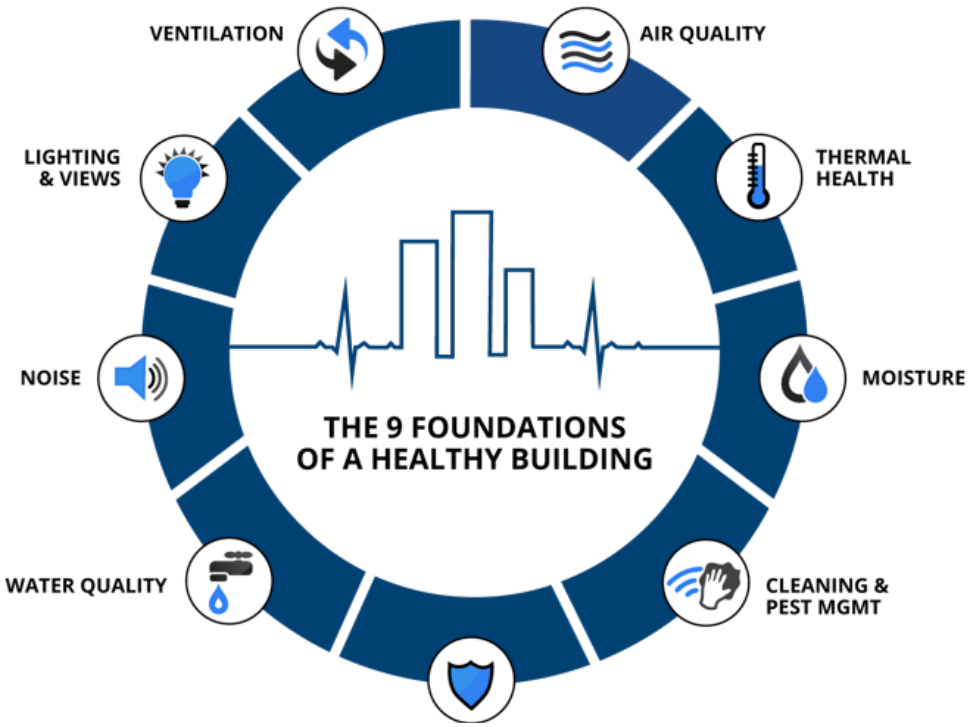
The program follows a science-based framework consisting of defined tasks to promote overall building health. In 2023, Beacon implemented the program across its portfolio, and along with a more expansive pilot program at five specific properties.

The program leverages cutting edge research around the core elements of healthy indoor environments.

The approach centers on the 9 Foundations of a Healthy Building, a research framework created by a multidisciplinary team of experts led by Dr. Joseph Allen, Director of the Healthy Buildings Program at Harvard University and founder and CEO of 9F.

The development of the 9 Foundations of a Healthy Building is based on decades of research on indoor environmental quality and serves as a standardized, holistic approach to understanding how buildings impact the people inside them.

9 Foundations of a Healthy Building



9 FOUNDATIONS

CASE STUDY

330 North Wabash

Located in Chicago, Illinois, 330 North Wabash (AMA Plaza) is a 1.2 million square foot iconic office building on the Riverwalk. Designed by award-winning architect Ludwig Mies van der Rohe, the building stands the test of time, with modern floor-to-ceiling windows and an innovative column-free design.

In January 2022, as part of Beacon's commitment to air quality excellence, 330 North Wabash was selected for a strategic healthy building initiative.

Our partners at 9 Foundations, a multidisciplinary team of experts led by Dr. Joseph Allen, Director of the Healthy Buildings Program at the Harvard T.H. Chan School of Public Health, conducted an on-site evaluation of the building's systems for health. The team designed a state-of-the-art indoor environmental quality (IEQ) program that will be used to verify indoor air quality and center operation decisions around occupant health and wellness.

9 Foundations noted multiple strategies in place at 330 North Wabash that were in line with best-in-class Healthy Building practices:

- The ventilation systems maximize fresh air intake. Restroom exhausts run continuously during building hours. Air quality is measured and reviewed monthly by a third-party consultant.
- 330 North Wabash uses three sets of air filters rated for their effectiveness in trapping airborne particles. Specifically, MERV 14 and 15 filters are used in the main air handling units, and MERV 13 filters are used on each fan powered box.
- The property meets or exceeds all ASHRAE requirements for ventilation.

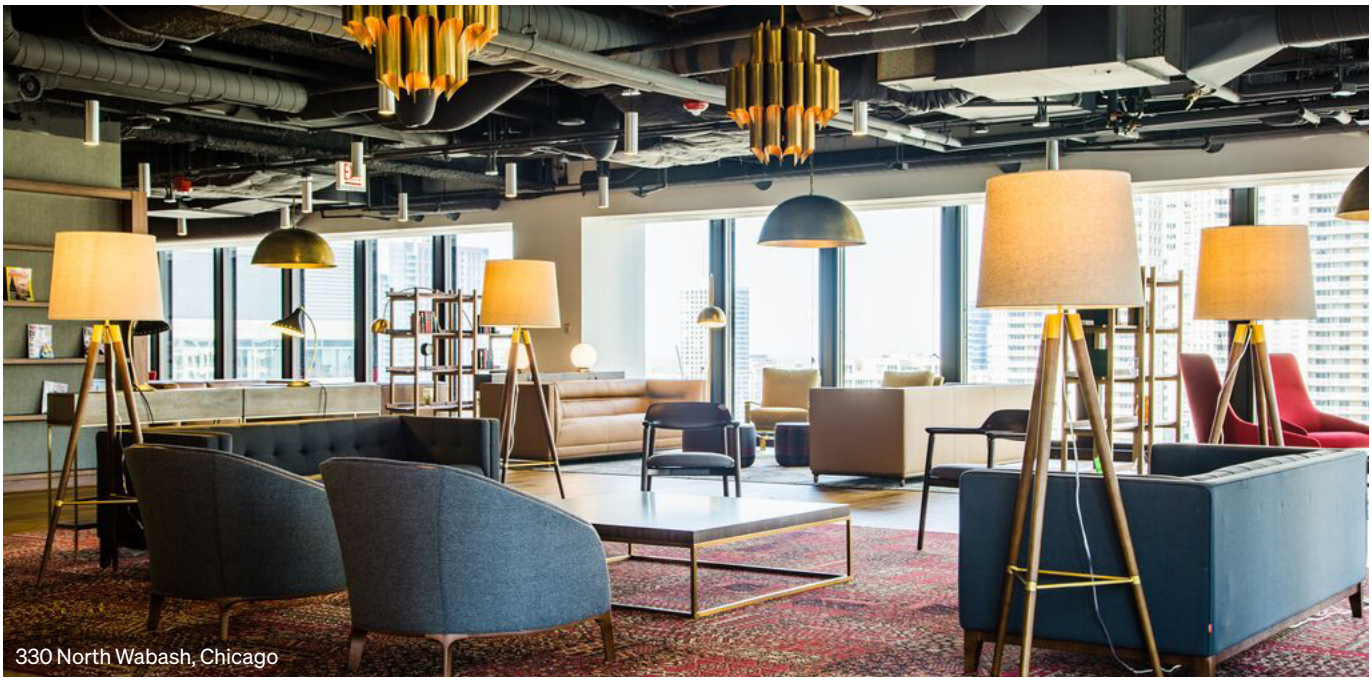


330 North Wabash, Chicago

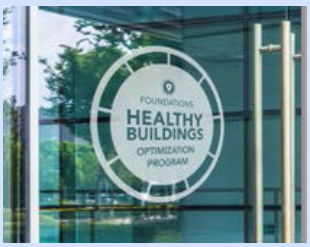
Healthy Buildings Optimization Program

As an extension from the work at 330 North Wabash in 2022, beginning in 2023, 9F deployed a Healthy Buildings Optimization Program that included additional in-depth building assessments related to IEQ. The Healthy Buildings Optimization Program is built to serve organizations that are committed to taking meaningful action to promote the health, well-being, and performance of building occupants.

Enrollment in the Healthy Buildings Optimization Program offers differentiation and excellence in the healthy buildings space, and is based on scientific evidence, expert validation, tailored support, and continuous improvement. The program is comprised of four core healthy building assessment strategies: Healthy Building Benchmark Survey, On-Site Evaluation, Real-Time Indoor Air Quality (IAQ) Monitoring,and Annual Indoor Environmental Quality (IEQ) Sampling.



330 North Wabash, Chicago



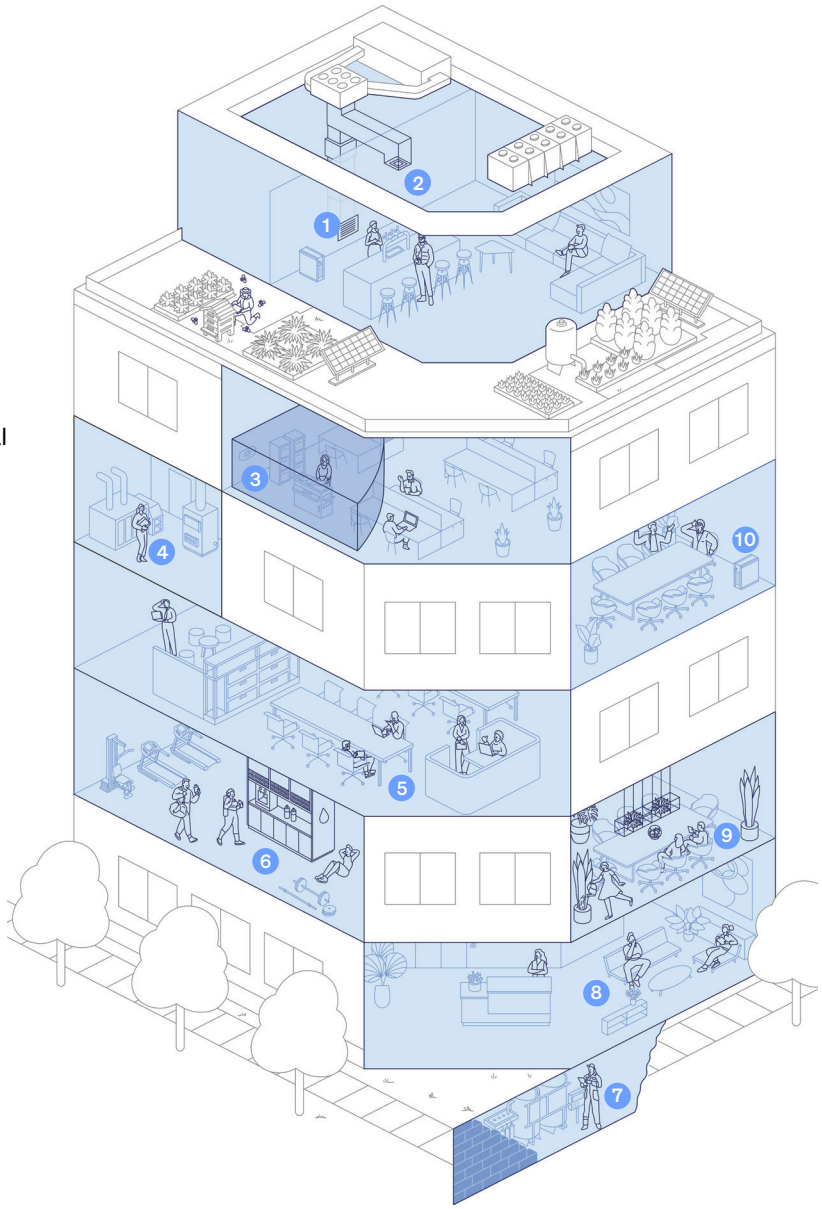
Healthy Buildings Optimization Program Shield

The Healthy Buildings Optimization Program Shield (displayed to the left) is a designation of the property's enrollment in the program. The Shield is intended to be displayed on a building façade as a visual representation of the priority placed on the health and the property's pursuit of optimizing the indoor environment for all occupants.

Healthy Building Strategies

By designing, operating, and maintaining workplaces to positively influence occupant health and wellbeing, Beacon is taking an active leadership role in the healthy buildings' movement. As part of the program, the following startegies are pursued at Beacon properties.

1. Enhanced filtration to remove airborne particles and reduce wildfire smoke exposure
2. Enhanced ventilation to promote cognitive function, reduce sick building syndrome symptoms, and reduce risk of infectious disease transmission indoors
3. Real-time indoor air quality monitoring and expert data analytics to track and verify better air quality
4. Annual benchmarking assessments to promote optimal healthy building performance
5. Science-backed resources for tenants on fit out and operations
6. Evaluates existing water management practices and routinely verifies water quality through independent testing and laboratory analysis
7. Independent expert indoor environmental quality sampling to verify safe water and clean air
8. Infectious disease preparedness and resilience protocols
9. Evidence-based guidelines to promote health during design, construction, and renovation
10. Supplemental portable air cleaners with HEPA filters



Third-party Partners and Tenants

Beacon recognizes the potential for working closely with tenants and third-party partners to maximize our contributions, and we recognize their impact on sustainability across our properties. We implement many initiatives to encourage our partners to promote sustainability, including the following:

Revolving Door Program

This effort encourages the use of revolving doors instead of side doors to conserve energy. For example, the first year we implemented the program at a Beacon property, we increased revolving door use to 95% (up from 60%), which resulted in $50,000 per year in energy savings.

Tenant Energy Awareness Program

We hold ongoing meetings with tenant senior management to convey the importance of ENERGY STAR and building energy use in energy conservation.

Tenant Contests and Events

We regularly hold events to encourage tenant participation in sustainability efforts. Past events have included energy awareness initiatives, EPA Battle of the Buildings programs to conserve building-wide energy use, “Calculate Your Carbon Footprint” events, and tenant energy savings competitions.

Beacon Sustainability Handbook

This is a comprehensive handbook that describes Beacon Sustainability initiatives and is for use by property managers and staff.

BEAM Awards

BEAM (Beacon Excellence Award in Management) celebrates excellence in property teams through results-based evaluation. It offers recognition in 14 award categories.



53 State, Boston

CASE STUDY

Property Teams
BEAM Awards

The Beacon Excellence Award in Management (BEAM) program recognizes Best in Class property teams exhibiting excellence as validated through a results-oriented Operations Narrative and Property Inspection. The program includes 14 award categories providing multiple opportunities within each category for recognition of top performers.

The Beacon Excellence Award in Management (BEAM) program provides insight into property maintenance and operations and highlight results in Community Enrichment, Tenant Experience, Energy Conservation, Sustainability and Health & Wellness, Emergency Preparedness and Life Safety, Financial Management, and Innovation.

In 2022, the BEAM awards celebrated outstanding achievements in various categories.

- 5 Star Awards: Best in Class Operations in Energy, Sustainability, Tenant Engagement, Financial Distinction and Innovation
- 4 Building Categories for Office Campus
- 2 Individual Awards: Property Manager of the Year and Engineer of the Year
- 2 Team Awards: Property Management Team of the Year and Engineering Team of the Year
- 1 Corporate Management Award recognizing management company results



Governance

Beacon's disciplined approach to governance ensures its delivering on commitments effectively and transparently. The ESG+R task force meets regularly to track progress and keep us aligned with our goals. In the interest of transparency, we release annual ESG+R reports detailing our performance and sharing our plans for the future.

- Regularly convene our ESG+R task force to discuss the direction and management of our ESG+R program.
- Maintain governance structures that afford appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest.
- Provide frequent and transparent disclosure to investors, including ESG+R objectives, strategies, performance, and company-level updates.
- Incorporate ESG+R into the comprehensive acquisition due diligence process.
- Monitor and manage compliance with local jurisdiction benchmarking requirements and ongoing additional policy or regulatory changes.
- Align our program and advance our performance in accordance with established sustainability reporting frameworks such as GRESB® and UNPRI.
- Collaborate with our joint venture partners on implementing, tracking, and reporting on our ESG+R initiatives.



1800 Larimer, Denver

ESG+R Task Force

Beacon's ESG+R task force serves as a cross-functional team to consider and address all four components of ESG+R. Through regular meetings, the task force identifies long-term and short-term goals, formalizes policies, and develops sustainability measures at the corporate level as well as the investment level. Task force members are responsible for overseeing ESG+R best practices and align corporate values with investments. The group also reviews Beacon's benchmark submissions and performance.

To improve team engagement, the group creates and shares internal communications with Beacon employees and coordinates community service events.

Members



Dane Rasmussen
Managing Director
Investor Relations



Fred Seigel
President and
Chief Executive Officer



Al Scaramelli
Managing Director
Sustainability



Zoya Puri
Vice President
Development



Shane McLaughlin
Managing Director
Asset Management



Molly McGovern
Sustainability
Coordinator



Jill Hyde
Deputy General Counsel



Gina Guarascio
Senior Vice President
Asset Management



Vishesh Garg
Vice President
Acquistions



Gadea Aguado Sierra
Associate ESG &
Sustainability



Deb Cloutier
External ESG+R Advisor
President, RE Tech
Advisors

Resilience

At Beacon, we continuously identify physical and transition risks that may be caused by climate change and evaluate mitigation strategies to reduce risk. Our robust resilience program coordinates security consultants, crisis management companies, and other stakeholders to develop and review its plans and procedures.

- Identify physical and transition risks at our assets that may be caused by climate change, and evaluate and implement risk mitigation strategies.
- Actively manage a robust, continuously-evolving cybersecurity program at both Beacon corporate offices and property assets to monitor and address cybersecurity threats, in coordination with law enforcement, insurance partners, industry experts, and third-party vendors.
- Operate a dynamic and flexible corporate technology and cybersecurity framework that allows Beacon resourcesto work securely from anywhere as needed. Routinely review, test, and grow business continuity plans to address potential threats to ensure continuous operations.
- Persistently monitor Beacon corporate and building networks to prevent bad actors from accessing and exploiting known vulnerabilities. Maintain consistent cloud backups to mitigate risk.
- Anticipate and prepare for evolution in regulations and technological advancements.



Wellesley Gateway, Boston

CASE STUDY

2 Harbor

2 Harbor Street in the Seaport district of Boston is a cutting edge life science building that has been designed with sustainability and resilience in mind.

Extreme Heat

- Light-colored pavement, white roof, and parking under the building reduce the heat island effect
- Reduced cooling loads due to efficient lighting, HVAC, and white roof
- Emergency generator
- Native species and reduced irrigation by 75%

Extreme Precipitation

- Tank for stormwater collection and other stormwater infrastructure
- Ground level vegetated areas

Sea Level Rise

- Elevated mechanical equipment (on the roof)
- Lobby level and building MEP systems elevated above City of Boston 2070 design flood elevation
- Ground level green areas

GHG Reduction

- Demand response (also reduces strain on the grid in case of extreme heat or natural disaster)
- Energy efficiency (reduction in carbon emissions)
- No CFC refrigerants
- Solar panels



2 Harbor, Boston

TCFD Disclosures Governance

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Beacon Capital's Climate Risk Program ("the Program") falls under the leadership of the ESG+R Task Force. The ESG+R task force, formed in 2021, meets regularly to plan, create, discuss, and monitor the implementation, measurement, and reporting of Beacon Capital's ESG+R Objectives. The Climate Risk Program is reviewed and updated no less than annually as global markets continue to evolve and respond to climate-related risks and opportunities. The Program is aligned with the TCFD framework and provides a process to identify physical and transition risks at the asset and portfolio levels for real assets.

Physical and transition risks are identified and aggregated at a portfolio level to support in managing overall risk, and monitor which risks require asset-level or programmatic approaches. Financial impacts are determined as material to the existing asset and are included in the overall portfolio risk assessment. Projects and strategies to reduce energy and emissions are evaluated and implemented into the portfolio's overall risk. Transition risks are identified and evaluated through a climate risk assessment report, and underwriting is done for financial impacts, within the due diligence process. The top decision-making authority, who chairs the Capital Committee, must approve all capital-intensive implementation measures (for example, high-cost energy conservation measures or structural modifications) at Beacon assets.

Beacon Asset Managers meet with external property management teams quarterly, at a minimum, to review formal property status reports that include sustainability measures. Asset Managers summarize findings to the top decision-making authority and address any material issues. The top decision-making authority participates in monthly reviews of those projects by phone or in person and is directly involved in sustainability-related projects on a daily/weekly basis.

Beacon Capital engages with third-party sustainability consultants, who work closely with the individual property teams to implement ESG-related measures. These external consultants conduct bi-weekly check-ins with the top decision-making authority through meetings and phone calls in order to provide an overview of the portfolio's performance. These meetings include reviewing results from transition and physical risk analyses and identifying any action items.



Strategy

Climate related risks and opportunities we have identified over the short, medium and long term

Beacon Capital evaluates both transition and physical risks posed by climate change. Transition risks identified include costs imposed by Building Performance Standards, audits and ordinances, implementation costs of upgrading building systems, and projected costs of renewable energy credit and offset purchases. Physical climate risks affecting Beacon Capital's portfolio include chronic stressors such as heat stress, water stress, sea level rise, and acute hazards such as flooding, wildfires, and storms. These climate-related risks are relevant in the short term and are anticipated to be further exacerbated in the medium and long term.

When assessing climate and ESG+R factors in asset management, Beacon Capital Partners defines the short-term time horizon to encompass the next one to three years, the medium-term to cover the next three to seven years, and the long-term horizon to span the next eight years and beyond.

Beacon Capital is actively pursuing ASHRAE Energy Audits across the portfolio, in order to understand the best risk mitigation opportunities at each asset. Identified short- and medium-term opportunities primarily include auditing and improving building performance through the implementation of low- and medium-cost Energy Conservation Measures. These include LED Lighting upgrades, equipment upgrades and replacements, and building automation system installation. Longer-term opportunities include solar or renewable energy installation and building electrification where feasible.

Impact of climate related risks and opportunities on the organizations business, strategy, and financial planning

Extreme weather events and chronic hazards pose financial impacts of increased insurance and utility costs, reduced occupancy, equipment repair and replacement, and supply chain and labor constraints. Identified financial impacts related to transition risks and opportunities have the potential to place increased costs on real assets. Monitoring market shifts and regulations and future-proofing our assets as the world transitions to a low-carbon economy will be pertinent in our business strategy and financial planning.

These risks and opportunities are incorporated into the company's business, strategy, and financial planning, as Beacon Capital recognizes that investment in reslience measures today will bring future benefits. The building improvements discussed above will require a substantial upfront financial commitment; therefore 10% of a property's total capital budget is committed to sustainability-related improvements. Improved energy efficiency should ultimately lead to lower maintenance and energy costs. Similarly, investing in climate peril preparedness now could reduce the exposure to future damage, repair, and other recovery expenses resulting from climate-intensified events. Individual buildings at high risk or extremely high risk of any combination of physical risk peril(s), as determined by Moody's ESG Solutions' Climate on Demand tool, will be flagged for review by the investment teams. It is the responsibility of the investment teams to incorporate mitigation strategies into each property's underwriting proforma prior to acquisition and business plans must be based on strategy, hold period, and tenancy.

Financial investment must be made into the various systems and mechanisms which support the company's ESG+R Goals. These include the usage of Climate Analytics tools and software, the resourcing required to collect and benchmark utility data, and pursuing ENERGY STAR® and other Green Building Certifications such as LEED, WELL, and Fitwel.

Beyond just financial planning for existing assets, climate risk is also considered during acquisition and portfolio management as a means to create a resilient and healthy portfolio.

Resilience of the organization's strategy taking into consideration different climate-related scenarios, including a 2°C or lower scenario

There are several climate analytics tools currently on the market. Through a vetting process, Beacon Capital Partners chose to use Moody's ESG Solutions' Climate on Demand tool in 2022, which assesses the exposure of assets to chronic and acute hazards based on the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP") 8.5. A secondary tool, Munich RE Location Risk Intelligence, is used to perform a more in-depth location-based assessment for select properties. Further, the Carbon Risk Real Estate Monitor ("CRREM") 1.5° C scenario is used to understand potential carbon reduction pathways.

The strategy of how assets are acquired and disposed of, and how long they are held will be affected by the identified climate-related risks. At the time of acquisition, the expenses associated with addressing a building's carbon emissions and resiliency will be considered alongside the typical valuation metrics. Features such as building modernization and electrification, adaptive reuse, and sustainable development will be at the forefront of the investment strategy.

Risk Management

Organizational processes for identifying assessing climate-related risk

Physical Risk

As part of Beacon Capital's Climate Risk program, Moody's Climate on Demand Platform is used to identify potential climate-related physical risk perils during our due diligence process for new acquisitions underwriting mitigation strategies. For the existing portfolio, properties are aggregated to calculate the percentage of risk by gross asset value ("GAV") for the following risk perils: Wildfires, Floods, Hurricanes, Heat Stress, Water Stress, Sea Level Rise.

Transition Risk

To evaluate transition risk during due diligence, Beacon requests a property's energy data to assess energy and emissions intensity and to identify any risks that should be included in underwriting. For an existing portfolio, a decarbonization model is developed to compare properties to benchmarks such as CRREM and the city/state emissions and energy thresholds. Properties over prescribed thresholds are identified as at-risk. Risk factors are evaluated and next step strategies and action items are compiled for consideration.

Organizational process for managing climate-related risks

The above processes are completed bi-annually or annually to continually re-assess risks based on progress in building performance and changes to ordinance and climate projections. Each cycle results in recommendations for next steps, such as energy conservation measure ("ECM") implementation, resiliency preparation, solar feasibility evaluations, and funding prioritization. The ESG+R task force is responsible for carrying forward these recommendations to make progress towards mitigating climate risks.

Metrics & Targets

Targets

Target reduction of energy and GHG emissions by 2.5% annually over a 10-year period, in alignment with the Paris Agreement and Science Based Targets initiative.

Metrics

Green Building Certifications

48 buildings, 29,263,078 square feet of green building certified floor area across the portfolio

Annual Renewable Energy

Off-site Renewable Energy 2022: 21,825 MWh
On-site Renewable Energy 2022: 1,730 MWh

Benchmark, Audit, and Performance/ Ordinance

51 properties were located in jurisdictions with city or state benchmarking or audit ordinances and performance mandate requirements in 2022

2022 Scope 1, Scope 2, and Scope 3 GHG Emissions

Scope 1: 12,928.7 MTCo2e
Scope 2: 125,273.2 MTCo2e
Scope 3: 424.9 MTCo2e
Total: 138,626.8 MTCo2e

Emissions are calculated by RE Tech Advisors. Scope 1 emissions encompass direct GHG emissions with landlord-controlled energy that is directly burned onsite at the properties, such as natural gas. Scope 2 emissions are the indirect GHG emissions associated with landlord-controlled energy purchased from a utility at the properties, such as the emissions associated with the generation of electricity or district steam. Scope 3 emissions encompass all indirect emissions, such as emissions from tenants. Scope 3 emissions are only accounted for when tenant-controlled data is available. Based on who maintains operational control, emissions are classified into Scope 1, 2 and 3. For properties managed directly by the landlord, indirect emissions are considered Scope 2 and direct emissions are considered Scope 1. For properties where the landlord does not have operational control, direct and indirect emissions are considered Scope 3.

Spaces that inspire your best work

beaconcapital.com