

2024



Corporate Sustainability Report



COPT DEFENSE
PROPERTIES

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CEO Letter

We celebrated our 25th anniversary as a publicly traded company in 2023, which represented a transformational year for COPT Defense Properties (the “Company” or “COPT Defense”). We have been working for more than 10 years to deeply concentrate our investments into properties that serve U.S. Defense mission activities and achieved 90% concentration by 2023. Accordingly, we evolved our company identity from Corporate Office Properties Trust to COPT Defense Properties to reflect this strategy and concentration. As the market fundamentals for traditional commercial office space remains pressured, we anticipate that demand within our Defense markets will sustain growth that outpaces the national profile. As Defense property markets continue to have strong and growing demand, we will continue to develop, acquire and lease additional Defense properties while generating attractive risk-adjusted returns for shareholders and meeting the needs of our tenants and communities.

As we continue into 2024 and beyond, environmental and social responsibility will remain key elements in our approach. I am pleased to share updates regarding the progress

we made toward our corporate sustainability goals over the last year in this tenth annual edition of our Corporate Sustainability Report. This report is supplemented by additional materials found on our website, including disclosures that align with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) and outline the potential effects of climate-related risks across our portfolio.

For over two decades now, we have leveraged industry best practices, such as the Leadership in Energy and Environmental Design (“LEED”) standards, to guide our sustainability journey. We continue to incorporate sustainable building design and energy-efficient features during both new construction and the redevelopment of existing assets. As we build on our progress, we also strive to promote tenant satisfaction through our operational improvements and community spaces. We proactively invest in data-driven maintenance programs, which extend the life of critical assets, and building design features that enable reductions in energy consumption. These investments have yielded both increased resource use efficiency and cost savings, which we pass along to tenants.





With support from our Board of Trustees and Environmental, Social and Governance (“ESG”) Steering Committee, we continue to explore opportunities to further leverage existing data and optimize our environmental management strategies, while also identifying new avenues to enhance data quality and availability and ultimately expand our reporting. As we refine our strategic roadmap and target key opportunities for improvement, we consider external influences, such as regulatory changes, that may affect our operations. We are closely tracking these developments and will continue to engage all relevant stakeholders to update our disclosures and change management processes as necessary.

Throughout our continued growth, I am proud of our steadfast focus on shareholder returns and tenant service in conjunction with our commitment to advancing the sustainability attributes of our portfolio. Several industry associations and rating organizations have also recognized our achievements. In 2023, COPT Defense received its ninth consecutive “Green Star” award from the Global Real Estate Sustainability Benchmarks (“GRESB”) survey, a Low Risk rating from Sustainalytics and an “A” rating from MSCI. This external recognition motivates our team to continue building upon our progress toward our 2025 goals and the next steps in our sustainability journey. I look forward to sharing further developments in future reports.



Stephen E. Budorick
President + Chief Executive Officer

Company Overview

Headquartered in Columbia, Maryland, COPT Defense is a fully integrated and self-managed REIT focused on owning, operating and developing properties in locations proximate to, or sometimes containing, key U.S. Government (“USG”) defense installations and missions, referred to herein as our Defense/Information Technology (“IT”) Portfolio. Our shares are listed on the New York Stock Exchange (“NYSE”) under the symbol “CDP” and are also included in the S&P MidCap 400 Index.

As of December 31, 2023, our Defense/IT Portfolio was comprised of 190 operating office and data center shell properties (including 24 owned through unconsolidated joint ventures) totaling 21.7 million square feet (“SF”) with a 97.2% year-end lease rate. Our Defense/IT Portfolio included 848,000 SF placed into service in six newly developed properties in 2023 that were 98% leased. We also owned eight other operating properties totaling 2.1 million SF in the Greater Washington, D.C./Baltimore region as of December 31, 2023.

We operate as a full-service partner and strive to address the individual needs of each tenant.

The properties in our Defense/IT Portfolio are adjacent to, or sometimes contain, tenants’ demand drivers, which include mission-critical facilities of USG organizations and agencies supporting defense and national security activities, such as intelligence, surveillance, reconnaissance, missile defense, cybersecurity, space exploration, research and development and advanced weapons systems testing and engineering, as well as data center shells in Northern Virginia, one of the largest data center markets in the world.

We manage most of our assets through our operating partnership, COPT Defense Properties, L.P. (“CDPLP”) and subsidiaries (collectively, the “Operating Partnership”), of which COPT Defense is the sole general partner. CDPLP owns real estate directly and through subsidiary partnerships and limited liability companies. In addition to owning real estate, CDPLP owns subsidiaries that provide real estate services, including property management, development and construction services, primarily for our properties but also selectively for third parties.



2023 KEY SUSTAINABILITY ACHIEVEMENTS



Achieved a 94% portfolio-wide occupancy rate and a 95% leased rate at year-end, demonstrating higher resiliency among peers



Received ninth consecutive "Green Star" recognition from GRESB



Donated over \$480,000 through our Associate Grant Program, employee donations and COPT Defense Cares philanthropic endeavors in 2023



Recognized by Newsweek as one of America's Most Responsible Companies in 2024, based on 2023 data, ranking in the top 30 in the Real Estate and Housing Industry

COPT DEFENSE BY THE NUMBERS (AS OF YEAR-END 2023)

410
EMPLOYEES



\$624.8
MILLION IN REVENUE
FROM REAL ESTATE



198
OPERATING
PROPERTIES

23.9
MILLION SF



7.6 MIL
LEED ACCREDITED SF

2023 KEY SUSTAINABILITY ACHIEVEMENTS (CON'T)

MARYLAND

111 PROPERTIES | 11.1 MILLION SF | 92.8% OCCUPIED | 93.7% LEASED

WASHINGTON, D.C.

3 PROPERTIES | 546,000 SF | 75.7% OCCUPIED | 83.6% LEASED

VIRGINIA

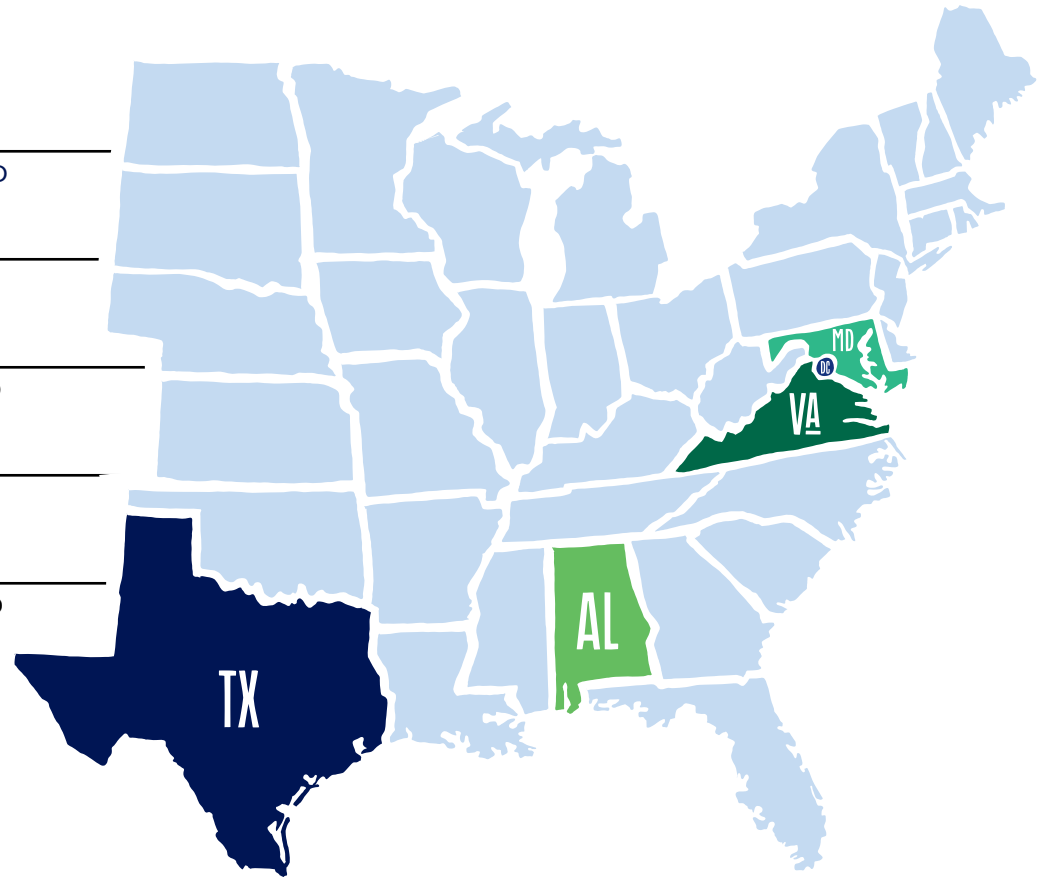
54 PROPERTIES | 8.8 MILLION SF | 95.4% OCCUPIED | 96.7% LEASED

TEXAS

8 PROPERTIES | 1.1 MILLION SF | 100.0% OCCUPIED | 100.0% LEASED

ALABAMA

22 PROPERTIES | 2.3 MILLION SF | 97.5% OCCUPIED | 98.8% LEASED



SUSTAINABILITY PRINCIPLES

COPT Defense incorporates sustainability into our development, construction and operations programs to align with shareholder expectations. We strive to improve our environmental impact, empower our workforce, contribute to our communities and ultimately generate shareholder value in accordance with our “RITE” principles.

R

REDUCE

Minimize the consumption of energy and water resources when and where possible, and reduce our greenhouse gas (“GHG”) intensity, water use and non-recyclable waste

I

INNOVATE

Continue to adapt and enhance building operations, designs and technologies to maximize benefits

T

THRIVE

Allocate resources to manage sustainability-related risks and continue generating resilient cash flows that benefit our shareholders

E

ENGAGE

Select, align and grow a healthy and talented workforce; attract, retain and support high-credit tenants who value our full-service relationship; support our surrounding communities; and deliver on all shareholder expectations



In addition, COPT Defense utilizes the UN Sustainable Development Goals (“UN SDGs”) to demonstrate our contributions to global sustainability progress. In 2023, COPT Defense continued to contribute to 13 of the 17 UN SDGs, and we focus specifically on the goals that are most applicable to the Company and where we believe we can make the most significant impacts, including “Ten: Reduced Inequalities,” “Eleven:

Sustainable Cities and Communities” and “Twelve: Responsible Consumption and Production.” Our contributions to these priority goals are included in the sections and focus areas listed below, and our UN SDG Index outlines our alignment with additional goals and can be found on [page 54](#).

Sustainable Development Goal	Our Contribution
 SDG10: Reduced Inequalities	> United Way of Central Maryland, Alabama, Texas + Virginia > Diversity + Inclusion > Building Our Communities > Investor Relations
 SDG11: Sustainable Cities + Communities	> United Way of Central Maryland, Alabama, Texas + Virginia > Sustainable Buildings > Building Our Communities
 SDG12: Responsible Consumption + Production	> Sustainability Objectives > Sustainable Buildings > Waste > Water > Resilient Building Operations



COPT Defense + the Environment

SUSTAINABILITY OBJECTIVES

In 2020, we set five-year environmental targets for achievement by 2025 for energy use, scope 1 and 2 GHG emissions, water use and solid waste diversion from landfills to measure the impact of our sustainability strategy. Annually, we collect data on our environmental performance and compare against the baseline to track progress toward our goals. The data allows us to identify opportunities for improvement as we strive to enhance the sustainability of our portfolio. We also publish this data externally to promote accountability with our stakeholders.

To support oversight of our sustainability objectives and management approach, our Vice President of Operations + Risk monitors compliance through our ISO 14001-aligned environmental management system ("EMS"). Our EMS incorporates industry-leading environmental management practices and continues to play a critical role in achieving our 2025 sustainability goals. Our ESG Steering Committee, which includes our Chief Executive Officer ("CEO"),

Chief Financial Officer ("CFO"), Chief Operating Officer ("COO") and other senior leadership, discusses our corporate sustainability program on a quarterly basis at minimum and refines our sustainability strategy, EMS and targets as applicable.

As we evaluate potential capital investments to increase efficiency and meet our environmental targets, we also consider the associated cost savings and the impacts on our stakeholders. We continue to explore ways to adjust our goals in alignment with industry trends and regulations while factoring in the best interests of our tenants and shareholders. The table below defines the current scope of each goal and provides a progress update.



Environmental Goals for 2025

Environmental Aspect ¹	Goal	2025 Goal ²	2023 Status	2019 Baseline
 Energy Use	5% intensity reduction	22.3 kWh/SF	10.4 kWh/SF (56% decline)	23.5 kWh/SF
 Scope 1 and 2 GHG Emissions	5% intensity reduction	6.89 kg CO ₂ e/SF	2.9 kg CO ₂ e/SF (60% decline)	7.25 kg CO ₂ e/SF
 Water Use	Zero increase in water use intensity	0.0362 m ³ /SF	0.0408 m ³ /SF (13% increase)	0.0362 m ³ /SF
	Implement corporate water management program			
 Solid Waste Diversion from Landfill	Enhance communications to increase tenant and staff awareness of proper waste management practices			

¹Energy and GHG emissions within COPT Defense's operational control exclude buildings that are wholly tenant-controlled.

²Kilowatt-hours ("kWh"); kilograms ("kg").

ENERGY

ENERGY CONSERVATION

We are proud to have achieved our energy use reduction goal ahead of schedule. Building on this progress, we reached a 56% reduction in intensity for properties that are within our operational control in 2023 compared to our 2019 baseline.¹ Our resource conservation practices have yielded positive environmental impacts and cost savings that benefit our tenants. We will continue to work with our tenants to evaluate new conservation measures to support further reductions in energy consumption. Our ongoing strategy includes the following initiatives to upgrade our equipment and increase overall efficiency:

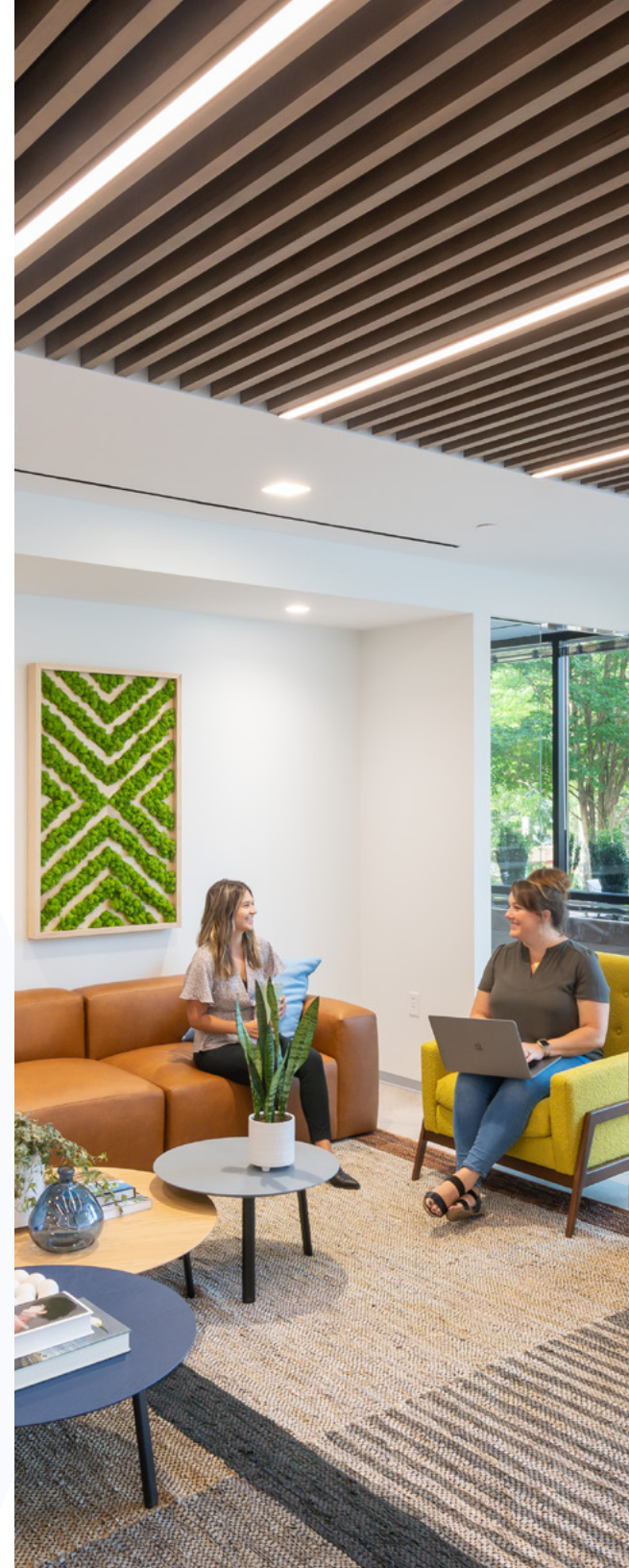
- > Upgrading building automation systems capable of monitoring and managing electricity demand
- > Incorporating high-efficiency heating, ventilation and air conditioning ("HVAC") systems
- > Pursuing opportunities to increase electrification
- > Offering electric vehicle charging and exploring potential expansion of such offerings in response to tenant requests and where it makes business sense
- > Participating in the ENERGY STAR® program

We also aim to further analyze our energy footprint and understand additional opportunities to minimize energy consumption. COPT Defense employs several tools to monitor energy use on an ongoing basis, including Tridium's Niagara

Framework®, a building automation system that we continue to install throughout the buildings within our operational control. Niagara provides insight into resource consumption patterns to identify potential areas for improvement. As we seek to strengthen our monitoring capabilities through the expansion of Niagara, we have also begun to explore complementary tools, such as expanded use of submetering of tenant spaces. In 2023, we began working with a third-party partner to evaluate the feasibility of installing submeters within a portion of COPT Defense's operational control portfolio. Automated submeters would complement the existing Niagara systems to support increased data availability and reporting to tenants and regulators.

As part of our energy management strategy, we factor in the impact of emerging and proposed regulatory policies, such as the Maryland Building Energy Performance Standards ("MD BEPS"), when determining priorities for updating equipment at affected sites. We are preparing to comply with expected regulation timeframes by electrifying gas units where appropriate. We continue to monitor the implications of MD BEPS and other local, state and federal regulatory policies on our portfolio as we implement energy reduction initiatives.

¹ Adjustments in natural gas calculations for assets and improvements in data quality have resulted in slightly modified calculation methodologies for energy and emissions data in 2023.





ENERGY-RELATED TECHNOLOGIES

Through our strategy, we pursue renewable energy sources where possible to contribute to the achievement of our targets. In 2023, we directly generated 234 Megawatt-hours (“MWh”) of solar energy and procured 6,425 MWh of electricity from renewable sources, accounting for approximately 4% of the total electricity consumption for our portfolio under operational control. To further decarbonize our portfolio, we are evaluating additional low-carbon technologies, including solar, where technologically and economically feasible. We recognize that the grid increasingly includes energy from renewable sources as well.

In addition, COPT Defense continues to support tenant-led sustainability initiatives. A number of our tenants, in response to our tenant satisfaction survey, have requested COPT Defense support in utility efficiency improvement projects. In addition, multiple tenants have also started to install EV charging stations based on their own workforce demands. Where possible, we collaborate with our tenants to enhance overall sustainability.



RESILIENT BUILDING OPERATIONS

We strive to understand the potential effects of climate-related risks and opportunities on our business by regularly assessing our portfolio's exposure and reviewing our strategy to strengthen resilience against physical risks. As part of our annual property and flood insurance renewal processes, we gauge the likelihood of temperature swings, extreme weather and flooding at our asset locations. Through this assessment in 2023, we confirmed that no COPT Defense properties are within a Federal Emergency Management Agency ("FEMA")-designated 100-year flood zone, and we identified only four buildings, comprising less than 600,000 SF in total, which are adjacent to a flood zone. We continue to reduce this flooding risk by enhancing stormwater management practices, installing flood gates, if needed, and raising foundation height, if possible. In addition to flood-related risks, we are also analyzing aspects of water-related stress for the geographies of our buildings. To mitigate the potential impacts

of climate-related risks on our assets, we may seek to incorporate adaptable building designs and capital improvements as appropriate, and we continue to pursue initiatives that support energy efficiency. We also conduct safety drills to prepare for extreme weather.

Annually, we share updates regarding our management of climate-related risks based on the TCFD framework. These disclosures, which cover our climate-related governance, strategy, risk management and metrics and targets, are included as an annex to this Corporate Sustainability Report and are available on our website [here](#). We continue to monitor the evolution of climate-related reporting, including the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards developed by the International Sustainability Standards Board ("ISSB"), and we plan to adjust our reporting as needed.

HIGHLIGHT

The majority of the geographic areas of our portfolio, including Alabama, Maryland and Virginia, are exposed to no or low water stress. Our water-related stress analysis indicated that only one of our operating regions, San Antonio, Texas, reflects an area with moderately low water stress. We have used recycled water for irrigation and cooling tower makeup water to reduce water consumption in our San Antonio, Texas, location as standard practice since 2010.



WASTE

We routinely evaluate our waste management practices as we work to reduce our waste contributions to landfills. To increase awareness of waste diversion, property management teams utilize digital communication and written signage to educate tenants on best practices for waste reduction and management within their applicable building systems. Most Maryland properties have transitioned from a single stream recycling program to a multi-stream program to reduce recycling contamination and further increase tenant participation. In recent years, we have also established a composting program, and we plan to assess other sites for expansion as feasible. For our facilities that track waste, 49% of the waste generated in 2023 was either recycled or converted from waste to energy, and therefore diverted from landfills.

COPT Defense is categorized as a very small quantity ("VSQ") generator of hazardous waste. Defined by the U.S. Environmental Protection

Agency ("EPA"), VSQ refers to organizations that "generate 100 kilograms or less per month of hazardous waste or one kilogram or less per month of acutely hazardous waste."¹ Since safety and sustainability are central to our waste management practices, we require that certified transporters and disposal facilities remain in full compliance with applicable regulations when managing our hazardous waste.

As we pursue improvements in waste reduction, we also continue to enhance data quality to measure our progress more accurately. In early 2024, COPT Defense transitioned to a new waste data provider to improve data quality and increase data coverage of our assets. We view this transition as an important step in enhancing the management and reporting of our waste footprint.

¹ Conditions for exemption for a very small quantity generator, EPA, 40 CFR 262.14, <https://www.ecfr.gov/current/title-40/chapter-I/subchapter-I/part-262#262.14>

HIGHLIGHT

Following the Company's rebrand to COPT Defense, we recycled uniforms with the old branding in partnership with a third-party company. This engagement helped divert this large quantity of textile waste from landfill disposal.

HIGHLIGHT

In 2023, our Grounds to Grow Program at 250 West Pratt continued into its second year, helping tenants prevent the landfill disposal of single-use coffee cups. Through this year's participation in the recycling program, we diverted 564 pounds of organic material and 188 pounds of aluminum and plastic from landfills. We strive to expand this program into other sites within our portfolio.



WATER

Our corporate water management program covers all domestic and sanitary water use in our buildings, including sinks and toilets, as well as water used in irrigation systems, sprinklers and cooling towers. In 2023, we recorded approximately 1.1 million m³ of water usage for domestic and sanitary uses. The increase compared to 2022 reflects a growth in day-to-day occupancy as more tenants' employees utilize facilities on a daily basis and as new facilities started reporting data. Similarly, in 2023, we tracked 147,000 m³ of water usage for irrigation, sprinklers and cooling towers, which was driven by a warm, dry year that necessitated more water to maintain our exterior landscaping. There was minimal variance in the total wastewater discharged to publicly owned sewer systems.

As we have worked to balance tenants' needs with resource conservation initiatives, we have

focused on addressing strategic improvements where we can make an impact on both water consumption and water costs for tenants. At a number of sites, we have installed drip irrigation, which conserves water by irrigating plants directly at the roots, and implemented smart irrigation systems that adjust the water dispersal schedule and quantity based on satellite tracking of evapotranspiration patterns. We further minimized water usage by planting drought-tolerant and/or native landscaping at over 60 of our sites in the past three years. To conserve water through daily activities within our buildings, we have also installed efficient fixtures, including low-flush and dual-flush toilet systems and low-flow faucets.

While we work to improve our water management practices, several dynamic elements affect our operations. As our ground maintenance crews maintain the integrity of our landscaping, annual

fluctuations in rainfall and weather may result in changes to our water usage. The varying stages of the construction-to-building launch process require different amounts of water, so there are typically notable increases in water usage as new developments are completed and irrigation systems are deployed. We will continue to seek out ways to improve our operations in response to unpredictable weather patterns that affect water demand across our sites. We will also continue to comply with all local, state and federal water regulations. COPT Defense has neither received notices nor does it have any knowledge of incidences of non-compliance with respect to water permits or regulations.



HIGHLIGHT

Six of our assets are currently using stormwater/greywater for non-potable applications. We are exploring the integration of greywater usage in other existing and developing sites.

SUSTAINABLE BUILDINGS

COPT Defense regularly incorporates sustainable building design elements to enhance the performance of our portfolio and create value for our stakeholders. We track existing and evolving sustainability opportunities for our assets and develop improvements when feasible. We refer to building energy sustainability standards such as ENERGY STAR® and LEED, when applicable, throughout our construction and renovation processes.

RESILIENT BUILDING CONSTRUCTION + OPERATIONS

When we construct new buildings for our portfolio, we strive to analyze all potential design elements that may impact a building's resilience and sustainability, resource efficiency and tenant and community accessibility. We follow accepted industry practices while aiming to meet or exceed tenant needs. As appropriate, we seek to operate and construct buildings in alignment with frameworks as defined by the EPA's Green Building standards and LEED Building Design + Construction and LEED Operations + Maintenance standards. These guidelines inform our approach to tracking construction-related waste, energy efficiency in commercial interior renovations and our neighborhood development impact. We have also adopted LEED standards to enhance our internal processes and implement best practices for cleaning, integrated pest management, energy reduction, low-flow water fixtures and landscaping. Our internal team, which

includes six LEED Accredited Professionals, leads the application of third-party standards.

In 2023, we partnered with Schneider Electric to benchmark 45 buildings as part of the EPA and Department of Energy's ENERGY STAR® program. Approximately 4.2 million SF of the COPT Defense portfolio received ENERGY STAR® certification as part of this exercise, indicating that the buildings demonstrated higher energy efficiency than at least 75% of buildings with similar operating conditions, regional weather and other facility characteristics.

For our existing buildings, we aim to incorporate efficiency measures through renovations and operational improvements to extend assets' useful lives and enhance tenant satisfaction. We regularly assess our buildings for areas of improvement, including the repair and replacement of technology nearing the end of its useful life. By retrofitting existing buildings, we can both modernize our assets and prevent the creation of new waste that is associated with new building construction. Building electrification (e.g., electrifying gas units) is another area we are pursuing to help us achieve our energy use goals and comply with local regulations.

We have also incorporated IBM's Maximo® Computerized Maintenance Management System ("CMMS") into our buildings to effectively synchronize and manage maintenance schedules, with the exception of one building that is fully tenant-controlled. This software allows us to monitor efficiency and address potential building issues before they arise. We track 13 different



critical assets, including chillers, generators and other types of units, for potential renovations that increase the useful life of this equipment. Rooftop unit ("RTU") renovations allowed us to extend the life of 226 RTUs by almost four years. On average, we complete 95% of our total and critical asset maintenance on time. By proactively managing preventative maintenance in-house, we control expenses and quality of the work performed while extending the life of existing equipment.

ENVIRONMENTAL IMPACTS

We continue to incorporate environmental attributes into our existing and new building designs where possible. For example, eco-friendly roof colors allow us to minimize the urban heat island effect, resulting in lower energy usage and subsequent emissions. Buildings that incorporate white or tan roofs have been found to improve our temperature control in warmer months, as less energy is absorbed into buildings. We also utilize wind-resistant roof designs to withstand severe weather events. When possible, instead of painting a building's exterior, we utilize elastomeric coatings which act as a building façade sealant, providing a strong water and air infiltration barrier. We also proactively replace sealant joints to make our buildings more energy efficient. At the ground level, we have incorporated bioswales to help with stormwater runoff, as well as selected native plants that require minimal additional water apart from rainfall. Incorporating native plants into our landscaping also supports the conservation of local habitats.

HIGHLIGHT

We have worked to integrate sustainability across building maintenance whenever possible. For our janitorial services, we have incorporated green seal GS-42 validated services. GS-42 maintains green cleaning through building-specific operating procedures, sustainable purchasing, employee training and tenant communications. We have also integrated a pest management program that is low chemical and low impact on tenants.

HIGHLIGHT

Our ENERGY STAR® program has continued to grow in participation and performance across our portfolio. Our sites in Huntsville, Alabama, have seen significant improvements in participation rates as we strive to make our buildings more sustainable.



HIGHLIGHT

The MD BEPS legislation will require the electrification of natural gas-operated buildings that meet certain criteria. Although many of our existing buildings do not use natural gas and are already electrified, we are actively exploring the feasibility of transitioning the remaining properties that currently use natural gas.

HIGHLIGHT

In 2023, we continued to support biodiversity through beehives we keep on-site in Columbia, Maryland and Springfield, Virginia. We hosted events to make soap and candles from beeswax and to educate tenants about COPT Defense's conservation efforts in the community. The events were received positively by the tenants, and we plan to host similar events in the future. We will continue to explore other locations for potential expansions of our beehives.

COMMUNITY ENGAGEMENT

Fostering a positive relationship with our surrounding communities is an integral element of our operations. As part of our approach to construction and development, we reach out to communities during the initial development process. We aim to mitigate potential issues with our future neighbors before they arise and address potential concerns about property development. We build connections with our local communities by engaging community members to understand and incorporate their priorities in our development plans when applicable. In addition, we work with community business associations to collect multiple perspectives when developing our properties, and we continue to evaluate potential impacts on surrounding communities as part of our due diligence process.



Supporting Our People

EMPLOYEE SAFETY

We remain firmly committed to supporting the health and safety of our workforce, and we recognize that our Company's continued growth depends on the wellbeing of our employees. Therefore, we maintain a robust health and safety program that promotes a shared understanding of each employee's role in managing salient risk factors. We also encourage employees to exercise their Stop Work Authority if a task poses threats to safety.

All new hires in operations are required to complete training that offers health and safety guidance tailored to their job function as part of standard employee onboarding. Training for field-based employees expands on hazard prevention, including how to safely navigate confined spaces and work at heights. We also provide supplementary training on an annual basis. In 2023, 100% of our operations workforce attended either a live or recorded safety training session.

Beyond regular refreshers, COPT Defense offers targeted training sessions to address emerging risks as identified via dialogue with employees or in response to near-miss events. Providing proper personal protective equipment ("PPE") to our employees is also vital in maintaining their safety, which is why we nearly doubled the stipend for employee PPE in 2023.

Quarterly safety meetings and weekly safety moments are another key part of our ongoing safety program. Our health and safety department shares weekly communications that provide insights gained from company-wide trends and local incidents with relevant employees to facilitate shared learning. These company-wide weekly safety moments feature helpful tips for both operations and corporate employees on how to effectively promote safety. In 2023, COPT Defense's Safety Committee was established with management and employee

involvement to enhance our commitment to fostering an effective safety culture and preventing workplace injuries and illness. The Safety Committee is a constructive entity, providing guidance and leadership in matters pertaining to the overall safety of our employees, tenants, contractors and visitors at each of our COPT Defense cornerstone offices.

We seek to uphold safe working conditions for all individuals working on COPT Defense properties, including both our employees and third-party contractors. The safety of our contractors is paramount to the success of our organization because they are critical partners in our operations. COPT Defense's Environmental, Health and Safety ("EHS") manual establishes that contractors are responsible for developing and implementing their own environmental, health and safety programs to facilitate contract employees' and subcontractors' adherence to the Company's

standards for on-site safety. Contractors must provide proof of a written safety program to their COPT Defense contract administrator, as well as training and applicable certification records of their employees, prior to commencing work. Throughout the contract, contractors are required to submit reports of findings and associated corrective actions from worksite inspections on at least a weekly basis, as well as within 72 hours of the occurrence of a recordable incident. In 2023, we updated the Contractor Safety section of our EHS Manual to offer revised guidance to further manage EHS hazards on our properties.

We track all pertinent safety metrics for both COPT Defense employees and contractors who work on Company sites in accordance with Occupational Safety and Health Administration (“OSHA”) requirements. These metrics enable Company and departmental leadership to compare current incident rates against historic performance and industry benchmarks and to identify trends that may indicate a need for focused training or additional resources. Additionally, increased incidence of health and safety violations by contractors on worksites may result in disciplinary action up to and including discontinuance of contracts.



SAFETY PERFORMANCE SUMMARY

	2023	2022	2021
OSHA Total Recordable Incident Rate	0.9	0.8	1.6
Benchmark	-- ¹	1.8	1.8
OSHA Lost Day Incident Rate	0.0	0.0	0.7
Benchmark	-- ¹	0.9	1.0
Absentee Rate	2.0%	3.0%	2.30%
Contractor Reportable Incidents	10	--	--
Contractor Fatalities	0	0	0
Employee Fatalities	0	0	0

¹ The 2023 benchmark is not available at the time of report publication.

EMPLOYEE HEALTH + WELLBEING

COPT Defense values employee wellbeing as a key priority, including financial, physical, career, emotional and community wellness. Through our Wellbeing Program, we provide high-quality benefits to support our workforce across each of these five dimensions. Employees can access financial, legal and emotional counseling resources, and many employees utilize our properties' onsite amenities to exercise at their convenience, including guided fitness classes, walking paths and top-of-the-line exercise centers. We incentivize employees to proactively manage their physical health by offering lower health insurance premiums for those who participate in annual wellness checks. We also organize wellness workshops, including yoga sessions, to promote mental and physical wellbeing.

In 2023, we partnered with CareFirst at our Canton Crossing location to support injury prevention and stress relief for our operations employees. In addition to the benefits provided by the CareFirst partnership, we aimed to establish monthly employee engagement events to increase morale and holistic wellness. From summer happy hours to company-wide theme events to beekeeping workshops, we work to provide our employees with opportunities to connect and strengthen relationships. We continue to cultivate a positive and supportive workplace culture at COPT Defense through multiple pathways.

Our Wellbeing Champions, who serve as local wellness ambassadors, support our Wellbeing Program and answer initial questions when employees request clarification about our

wellness initiatives. In addition to supporting their fellow employees, our Wellbeing Champions may collect input from peers and leverage this feedback to enhance our offerings. We also encourage our Wellbeing Champions to share feedback with our Human Resources team as part of our ongoing process to evaluate and improve our overall approach for promoting employee health and wellness. To supplement information shared with employees by our Wellbeing Champions, we plan to implement an updated, modern benefits platform that will provide additional guidance and details about our Wellbeing Program in 2024.

We proudly offer fair, competitive wages and benefits to all eligible employees. In addition to compensation packages, our Human Resources team provides a comprehensive guide that outlines employee and employer costs associated with each benefit plan and offers insights to simplify the process. Our health plan offerings, outlined in the COPT Defense benefits guide, are designed to exceed market indicators and significantly reduce employee costs. We strive to ensure that our employees feel confident in their benefit elections, so we also offer individual explanations to employees and personalized guidance during onboarding and annual open enrollment. Through a new partnership established in 2023, Quantum Health serves as a healthcare advocate to further support our employees in managing their benefits. Quantum Health acts as an intermediary between insurance providers and medical caregivers to help our employees as they navigate various healthcare options.

HIGHLIGHT

Quantum Health provides a personal concierge service to our employees and their covered dependents to address any questions related to the COPT Defense health plan. Care Coordinators are the front lines of this care and service, giving employees and their covered dependents access to a team of knowledgeable and compassionate professionals to help with their healthcare journey. For example, one employee praised their care team at Quantum Health for helping them navigate challenges that arose following a colon cancer diagnosis. Quantum Health worked to find a Personal Care Guide nurse who provided clinical support throughout the treatment, prepared for provider conversations and assisted with obtaining authorizations for treatment and diagnostic tests, medication reconciliation and cost savings programs.



TALENT MANAGEMENT

WORKFORCE ATTRACTION

We are dedicated to building a strong workforce and attracting leading talent through strategic recruitment practices and internship opportunities. In 2023, we broadened our recruitment initiatives and doubled our participation at university job fairs as compared to 2022. In addition to Human Resources personnel, we prefer to involve a range of employees at job fairs, including recent entry-level hires, to share their experiences with prospective applicants and promote direct peer engagement with students.

Our Company also identifies high-quality candidates by actively building connections with local trade schools and associations, such as the Apartment and Office Building Association (“AOBA”) of Metropolitan Washington, the Maryland Apprenticeship and Training Program (“MATP”) and the Maryland Apprenticeship and Training Council (“MATC”). We recently expanded our engagement with educational institutions, including technical schools and the University of Alabama’s Collaborative Organization of Research(ers) and Evidence-Based Practices, as well as industry groups, such as the National Association of Real Estate Editors and Project Destined.

These partnerships and networks allow us to connect with skilled individuals and attract a diverse set of talent via apprenticeships and early-career hiring initiatives. Our internship programs also enable students pursuing a four-year degree to acquire on-the-job experience

at COPT Defense before transitioning into the full-time workforce. In 2023, we hosted ten interns, two of whom were offered and accepted job opportunities. Through these internships, we strive to actively engage participants and foster professional development.

As COPT Defense monitors succession plans for key leadership and prepares for expected retirements, we have focused on the promotion of long-tenured employees who know our business and tenants best. We are pleased to have promoted over 70 individuals in 2023 in recognition of employees’ current and future contributions to our organization, and we believe that these leaders will make positive contributions to our continued growth and development as a company.

TRAINING + DEVELOPMENT

We seek to promote employee development and growth by encouraging employees to expand their knowledge and skills through continued learning. To support our employees in this endeavor, we recently upgraded our learning management system, which is a platform accessible to all employees and designed to deliver training across a wide range of topics. Currently, the platform offers training resources on diversity and inclusion, performance reviews and mentorship. As needs continue to evolve, we plan to expand this platform further and incorporate new content over the coming years.

In alignment with our dedication to promoting employee development and a welcoming culture,

we also encourage participation in our employee-led mentorship program. Through this nine-month program, mentors and mentees engage in discussions related to career progression and skill development, among other topics. In 2023, our mentorship program flourished, achieving 24 participants – a record for the program.

COPT Defense offers tuition assistance to employees who are actively pursuing further education or professional certifications. In 2023, COPT Defense allocated a total of over \$40,000 to 12 participating employees for educational support, further demonstrating our commitment to employee growth and career advancement.

Each field office also provides programs for training office and technical staff, including an enterprise training platform, and offers educational resources and certifications through organizations such as the National Association of Power Engineers (“NAPE”), Building Owners and Managers Institute (“BOMI”), the Institute of Real Estate Management (“IREM”) and Associated Builders and Contractors (“ABC”). We encourage our field employees to continually seek development beyond on-the-job training.

EMPLOYEE ENGAGEMENT

Our leadership regularly collects input from our employees to promote collaborative discussion, inform our decision-making process and drive program improvements. Throughout 2023, COPT Defense hosted “town hall” style meetings, featuring our senior management,

to discuss the ongoing business strategy and how the broader workforce connects to that strategy as well as share insights. We encourage open dialogue during these sessions to allow employees to engage directly with leaders and ask questions about current initiatives, as well as share their own ideas.

We also conduct third-party surveys to gather anonymous feedback and enable employees to express their opinions regarding company performance, leadership, opportunities for career progress and work-life balance. In 2023, we leveraged Fortune's Great Place to Work survey system and yielded impressive results, scoring well above the industry benchmarks with 93% of COPT Defense employees stating that it is a great place to work compared to 57% of employees at U.S.-based companies. We plan to conduct the survey annually to continue tracking our performance. These types of feedback mechanisms allow us to identify specific areas of improvement, assess existing strengths and update ongoing priorities for the Company. Reflecting our commitment to a positive working environment, approximately 40% of our employees have been at COPT Defense for ten years or more, and we believe this demonstrates the importance of our employee engagement efforts and our investments in our talent.

DIVERSITY + INCLUSION

At COPT Defense, we strive to cultivate an experienced and dedicated team, without bias, that welcomes employees with a wide variety of experiences. We are proud to be an Equal

Opportunity Employer and remain committed to recruiting qualified applicants of diverse racial, ethnic, socioeconomic and gender backgrounds.

As of December 31, 2023, we had a total of 410 employees, with 407 of them being full-time equivalent ("FTE"). Of our total number of employees, 172 building technicians served as skilled trades professionals specializing in mechanical and operating systems maintenance and property upkeep. The remaining 238 employees held office-based roles in leadership, operations management, asset management, development, finance and company support functions. In 2023, approximately 53% of our office-based staff were female and approximately 32% were part of a minority race. We continue to collect metrics on gender, race/ethnicity and age for our employees to monitor trends in our workforce.

To support diversity and inclusion across our value chain, we welcome a multitude of suppliers and aim to maintain our connections with these suppliers as our business evolves. With much of our portfolio located in Maryland, Virginia and Washington D.C., we appreciate the numerous opportunities to collaborate with a wide range of local partners. Our goal is to foster a fair, inclusive and competitive business environment that offers equal opportunities to all partners, including small, minority-owned and women-owned businesses.

WORKFORCE RACIAL + ETHNIC DIVERSITY FOR FTES¹

	Total
White	277
Black/African American	57
Hispanic/Latino	39
Asian	19
American Indian/Alaskan Native	0
Two or More Races	15

¹as of December 31, 2023



WORKFORCE GENDER DIVERSITY FOR FTES²

	Total
Female	126
Male	281

²as of December 31, 2023



HIGHLIGHT

We strive to comply with the U.S. General Services Administration ("GSA") small business contracting policies, and we periodically report the percentage of vendor contracts held by women-, minority-, veteran- and disabled persons-owned businesses at GSA-occupied locations.

HIGHLIGHT

Within our communities, we offer various amenities that support the holistic needs of both tenants and community members, including a medical center and daycare centers. At Columbia Gateway, we are proud to have Ascension Saint Agnes Health Center choose us to support their real estate needs. Ascension Saint Agnes helps to address the need for accessible healthcare and offers a range of services, such as primary care, OB/GYN, surgical and medical specialties, along with on-site imaging and lab facilities.

HIGHLIGHT

We recently upgraded 100 Light Street by installing energy-efficient appliances in the café and integrating communal amenities. This property features Lumen Plaza, an outdoor space that hosts seasonal events, including food trucks and farmers markets, and has attracted both tenants and community members.

BUILDING OUR COMMUNITIES

SHARED SPACES FOR TENANTS + COMMUNITY MEMBERS

As we invest in and expand our portfolio, we strive to create spaces that promote community and both mental and physical health. Our property managers foster engagement and regularly solicit input from tenants to understand concerns and evaluate satisfaction levels. Through our property upgrades and maintenance, we also target sustainability initiatives that deliver efficiencies and benefits for our tenants while responding to their needs.

Expanded office amenities reflect the increasing interest in flexible workspaces for tenants. In 2023, COPT Defense completed an 8,000 SF project at our 1753 Pinnacle Drive building in McLean, Virginia, transforming a former restaurant into an amenity space, which features a coffee bar, lounging and gaming zone and conference rooms. We considered sustainable improvements throughout this renovation, including the replacement of the existing storefront with high-efficiency glass windows. This upgrade

brightened the space and enhanced energy efficiency by reducing temperature loss and minimizing air leakage.

Our tenants also continue to express a strong interest in health and wellness. In 2023, we upgraded additional fitness centers and community spaces, accounting for 27,590 SF of renovated space across seven properties. We also have installed bike racks where tenants can sign out bikes at no charge to promote physical activity and local engagement. At our 7067 Columbia Gateway Drive property in Columbia, Maryland, we constructed a new fitness center for tenant use, and we fully renovated another property to upgrade the pre-existing facility and modernize the fitness equipment. In addition, the engagement center at this location offers free prenatal meetings to review insurance for community members. In an effort to further develop our relationship with our tenants, COPT Defense conducted a tenant survey in 2022, which confirmed that a significant majority of tenants remain satisfied with our property management and sustainability initiatives.



PHILANTHROPY

At COPT Defense, we utilize our talents and financial resources to uplift our communities. Our employee-led Corporate Contribution Committee directs the Company's philanthropic efforts, including charitable donations and volunteer initiatives. To promote active participation, we empower our staff to tailor our community engagement efforts to meet the unique needs of individual communities. Throughout 2023, in collaboration with our committed team members, COPT Defense partnered with over 65 charitable organizations. Together, we contributed volunteer hours, donated materials and extended financial support, all aimed at creating a meaningful impact on the lives of those in our communities.

In conjunction with our ongoing engagements, we maintain our Associate Grant Program, an initiative that enables our employees to direct Company support toward meaningful causes. Each employee can nominate an organization for consideration, raising awareness and potentially guiding Company-sponsored grants to their chosen organization. Our Corporate Contribution Committee reviews Associate Grant applications and allocates funds ranging from \$200 to \$50,000 to deserving organizations nominated by CDP

employees. In 2023, our contributions totaled \$349,000 through this program. Through our Corporate Giving Committee and Associate Grant Program, we supported the missions of multiple organizations that align with our values, including the Howard Hospital Foundation, United Way, the Maryland Food Bank, Signal 13, which supports the funding of the Baltimore City Police Department, and the American Cancer Society.

Notably, 2023 represented our most successful year to date in partnering with the United Way. Our steadfast support for United Way's mission to "improve lives by mobilizing the caring power of communities around the world to advance the common good" remains unwavering. Strengthening our partnership, we engaged multiple United Way locations, including United Way of Central Maryland, Alabama, Texas and Virginia. We collaborated on numerous projects aimed at supporting families and education, promoting safe and affordable housing initiatives and combating homelessness within our communities.

As a part of our Associate Grant Program, we reached a company-wide participation rate of 44% for donations to the United Way organization. Our employees raised over \$110,000, which was

supplemented by our Company match program that contributed an additional \$42,000.

COPT Defense also supported enrollment of families in the United Way Family Center of Howard County. This daycare, which became fully operational in 2023, provides essential childcare services and includes support for Asset-Limited, Income-Constrained and Employed ("ALICE") families. COPT Defense constructed the \$3 million facility and provided access with zero economic rent for 20 years. This represents an in-kind contribution that we estimate at over \$375,000 per year (based on current market conditions). We also developed a second daycare in Huntsville, Alabama, to cater to the needs of working parents in that area.

Reflecting our employee leadership in social initiatives, one of our employees, Bill Barroll, was named Visionary of the Year for his efforts to drive support for the Leukemia & Lymphoma Society ("LLS"). As we enhanced the visibility of our employee-led programs and contributions, we have witnessed increased engagement and employee participation across various counties. We strive to continue to actively strengthen our philanthropic endeavors across our communities.



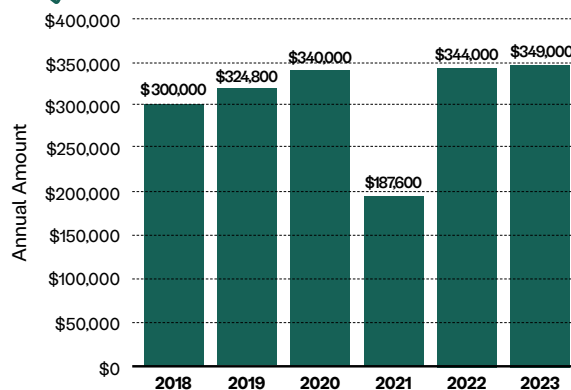
HIGHLIGHT —————
Over \$150,000 donated to United Way through employee donations and company matching.

We also continue to encourage volunteering through our Donate 8 program, which allows up to eight paid work hours for employees to volunteer at organizations of their choice. By offering this opportunity, we enable our team members to align their volunteering commitments with their personal interests and foster impactful contributions. The continued positive responses from our employees reflect their enthusiasm; in 2023, 50% of eligible team members leveraged the opportunity to engage in volunteering activities. The collective effort resulted in over 1,620 paid work hours dedicated to volunteering, amounting to over \$82,000 estimated in donated wages.

Our COPT Defense Cares program supplements our efforts to invest in our communities. This initiative allows employees to contribute to ongoing charitable endeavors by participating in “casual Fridays” in exchange for a small weekly donation. In 2023, 44% of eligible employees participated in the program, which led to a collective donation of nearly \$21,800. In addition, COPT Defense matched monthly employee donations up to \$1,000 per month, resulting in an additional contribution of approximately \$12,000 in 2023, thereby amplifying the impact of our collective philanthropy.



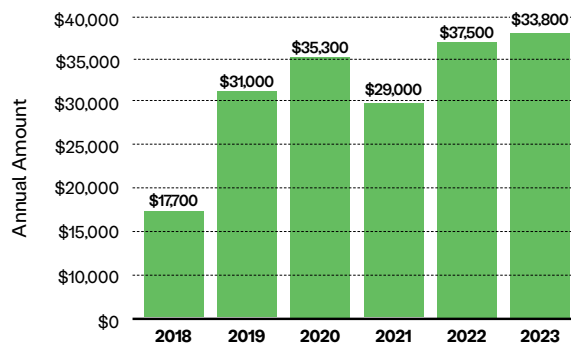
ASSOCIATE GRANT DONATIONS



TOTAL: \$1,845,400+



COPT DEFENSE CARES DONATIONS¹

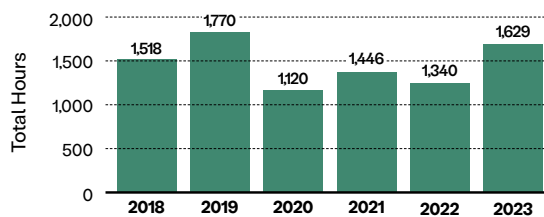


TOTAL: \$184,300+

¹Includes employee contributions and the Company match.



DONATE 8 VOLUNTEER HOURS



AVERAGE: 1,471 hours



HIGHLIGHT

COPT Defense seeks to support the education of those in our community by providing scholarships for the dependents of employees. In 2023, we awarded ten scholarships equivalent to \$5,000 each to fund the continuation of their education.

Sustainability Governance

CORPORATE GOVERNANCE

SUSTAINABILITY-RELATED POLICIES

In alignment with our commitment to robust corporate governance, we implement effective processes to maintain oversight and accountability for our operations. Our Environmental Policy Statement, Human Rights Policy, Code of Business Conduct and Ethics and Vendor Code of Business Conduct and Ethics collectively form the foundation of our corporate sustainability program. COPT Defense's Vice President of Operations + Risk, who engages other organizational leaders to integrate sustainability factors into our processes, leads our external sustainability reporting efforts.

SUSTAINABILITY GOVERNANCE

Our Board of Trustees monitors sustainability and governance-related responsibilities to identify risks, transparency, accountability and effective decision-making. In 2023, our Board of Trustees consisted of ten individuals, nine of whom were

independent as defined by the Securities Act of 1934. Board members sit on at least one of four standing committees, including Audit, Compensation, Investment and Nominating and Corporate Governance committees, in accordance with their respective skillsets and areas of expertise.

The charter for COPT Defense's Nominating and Corporate Governance Committee outlines the responsibilities regarding sustainability matters and corporate governance. Every quarter, our CEO and General Counsel update the Nominating and Corporate Governance Committee on these topics, and the Committee shares critical information with the entire Board. Annually, the Nominating and Corporate Governance Committee assesses the composition of the Board of Trustees and evaluates the Board's ability to effectively represent shareholders and oversee critical company matters. We also promote diversity on the Board to reflect a range of perspectives, backgrounds and experiences.

Annual shareholder elections offer shareholders an annual opportunity to express their degree of satisfaction with Trustee performance, and COPT Defense maintains a policy for mandatory retirement when Board members reach the age of 75. Our shareholders voted in favor of our Trustees 2023 performance with support for reelection of 97.7% on average.

Our executive-level, cross-functional ESG Steering Committee, formed in 2021 and led by our CEO, CFO and COO, has primary responsibility for overseeing the formal execution of our short- and long-term sustainability strategy. Our Steering Committee monitors the following priorities regularly: climate-related risks and opportunities, performance against our sustainability objectives and development of our annual sustainability disclosures.

Our executive team continues to review sustainability-related matters and recognizes the importance of finding connections between

sustainability and long-term value creation. Executives actively participate in setting sustainability priorities, integrating them into our corporate strategy and monitoring alignment with shareholder expectations.

TENANT EDUCATION ON SUSTAINABILITY TOPICS

At COPT Defense, we pursue tenant engagement and education to further contribute to sustainability efforts. At our quarterly meetings with tenants, we present sustainability topics, which may include simple actions, such as closing blinds to reduce sun exposure and maintain cool temperatures, as well as more technical education, such as programming a thermostat and/or adhering to the American Society of Heating, Refrigerating and Air-Conditioning Engineers (“ASHRAE”) standards in winter and summer to reduce energy consumption and emissions.

INVESTOR RELATIONS

We routinely engage with existing and prospective shareholders and sell-side analysts throughout the year in various forums. We supplement our investor-specific communications with press releases, earnings calls, during which shareholders may engage with senior management, publicly available disclosures, including regulatory filings, and this report. In 2023, we held nearly 100 meetings, amounting to approximately 250 touchpoints with investors and sell-side analysts. Notably, we held our first Investor Day event in over a decade, which featured management presentations and a property tour of three of

our business parks; this event enabled us to provide in-depth explanations regarding our corporate strategy, demand drivers, growth outlook and the secure nature of our portfolio.

In addition, we participated in a variety of investor events, including the National Association of Real Estate Investment Trusts (“Nareit”) REITweek and REITworld conferences in June and November 2023, five sell-side analyst conferences and several individual meetings and property tours. Our investor relations team works diligently to communicate with our shareholders, and these efforts were recognized by IR Magazine, which nominated COPT Defense for excellence in investor relations for the real estate industry.

We recognize the significance of engaging with our shareholders on various matters, including our sustainability efforts. This report and our annual Proxy provide our shareholders with information that is relevant to our sustainability endeavors. COPT Defense is highly responsive to investor queries about our emissions, energy intensity, water conservation efforts and waste management programs.

SNAPSHOT OF THE 2023 BOARD OF TRUSTEES:



10 Trustees Total



9 Independent Trustees

66

Average Age

9 Years

for Average Tenure



3 Women



2 People of Color

100%

Independent Committees



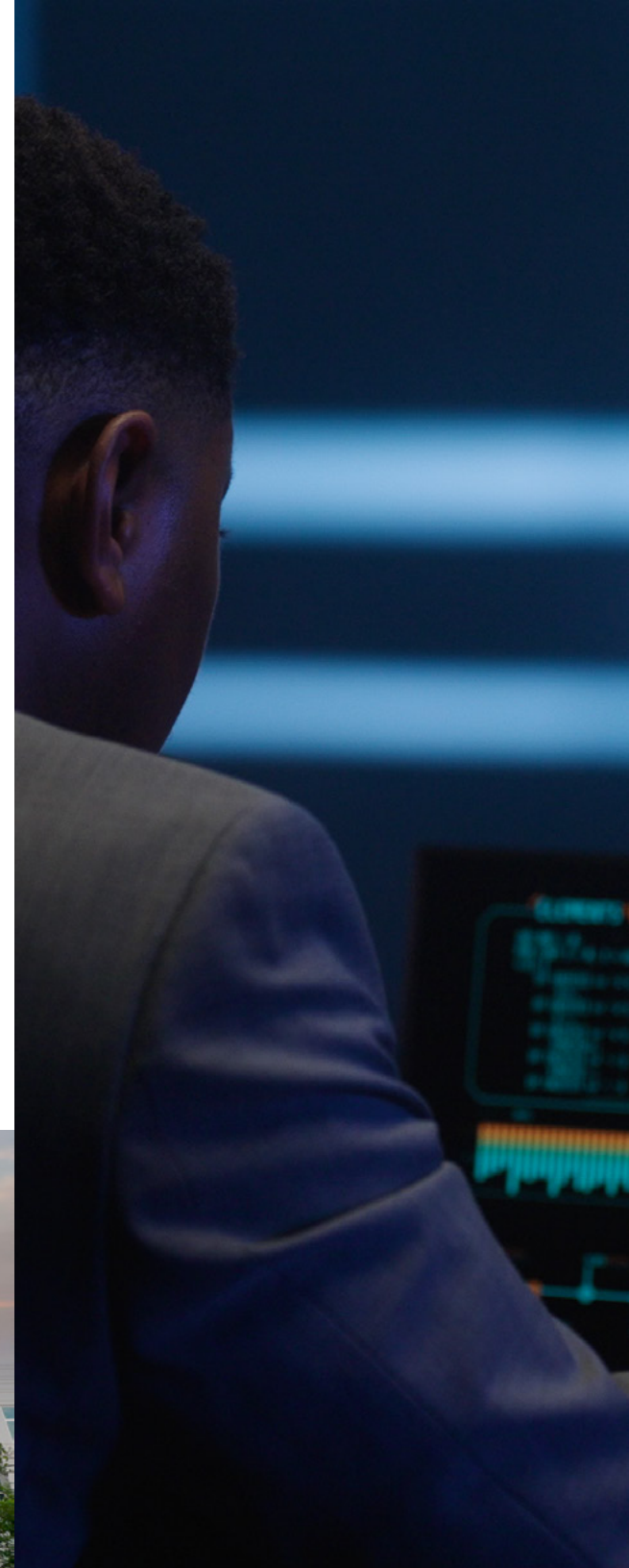
CYBERSECURITY + DATA PRIVACY

CYBERSECURITY GOVERNANCE + STRATEGY

COPT Defense works diligently to protect our Company and tenants against cybersecurity threats and maintain data privacy, because cybersecurity is crucial for the safety of our stakeholders. Our tenants, who recognize the importance of cyber protection, may provide critical services to customers and communities, and often require uninterrupted access to digital and physical infrastructure. We support the business continuity plans of our tenants and guard against threats by leveraging best-in-class technology and the expertise of our team. Due to our Defense/IT strategy and the nature of our customers, we may have a heightened likelihood of being targeted for cyber-attacks or intrusions. Therefore, we employ multiple cybersecurity risk management initiatives, including regular cyber risk assessments that evaluate our systems to identify potential vulnerabilities in alignment with the Company's risk tolerances.

Our Vice President – Information Technology + Chief Information Officer ("CIO") leads our processes for assessing, identifying and managing cybersecurity risks and reports directly to our Executive Vice President and CFO. Our CIO, a Certified Information Systems Security Professional ("CISSP") with over 20 years of information systems and information security leadership experience, directs our IT team members. External engagements also inform our ongoing approach and may include cybersecurity-related panels, industry presentations and advisory boards, tabletop exercises and information-sharing collaborations.

While our cybersecurity program provides an initial level of protection, we take further action by collaborating with our tenants and vendors to recognize potential threats and mitigate risks. We also implement strict data privacy measures to safeguard the personal and business information entrusted to us. To date, we have not experienced cybersecurity events that were individually, or in the aggregate, material.





CYBERSECURITY PROGRAM + DATA PRIVACY CONTROLS

As part of our cybersecurity program, we encourage both our employees and business partners to maintain awareness of ways to uphold data privacy. To help employees effectively identify and mitigate potential threats, we offer trainings on best practices to isolate and report suspected cybersecurity breaches. In 2023, 97% of employees completed our enhanced cybersecurity training program via our recently implemented learning management system, which reflects our workforce's commitment to improving our cyber defenses. We also offer additional learning opportunities to supplement the annual training throughout the year, including casual lunch-and-learns and conversations regarding topics of interest to employees.

Our cybersecurity platform streamlines our approach and optimizes our system's performance by maintaining a reliable and secure network. Senior leadership oversees our Company-wide cybersecurity program, and our Board's Audit Committee is responsible for reviewing cybersecurity and IT updates at least once per quarter. In 2023, we continued to advance our physical and digital defense systems in response to the constant evolution of potential threats. To address tenant requests, we enhanced cybersecurity capabilities and expanded the IT team to increase in-person coverage across various regions and embed cyber expertise at some of our sites.

We continue to improve our cybersecurity practices through our participation in tabletop exercises to identify and address risks and actively work to anticipate potential threats and breaches.

We established a formal partnership with the National Security Agency's Cybersecurity Collaboration Center and support the Real Estate Information Sharing and Analysis Center ("RE-ISAC"), which acts as a cybersecurity sharing and partnership mechanism between our community, the Department of Homeland Security and law enforcement. Our employees exchange insights and learn from peers across the industry by engaging with these and other relevant external organizations, and our CIO has held leadership positions in the Executive Committee of the Real Estate Cybersecurity Consortium and the Cybersecurity Steering Committee at the RE-ISAC. By sharing best practices, we can strengthen our processes and contribute to resilience in the real estate industry.

Physical security is also key to our efforts to improve security measures. We have developed initiatives that require visitors to sign in and limit facility access as well as regularly conduct safety drills for intruders. Recognizing that physical security can impact cybersecurity and data privacy, we collaborate with our tenants and local law enforcement agencies to protect our personnel and facilities.

ETHICAL BUSINESS CONDUCT

We continue to prioritize ethical business conduct across every aspect of our operations. Our Human Rights Policy outlines our commitment to non-discrimination, equal opportunity and the fair treatment of all individuals, including tenants, regardless of race, gender, ethnicity, national origin or religion, in alignment with pertinent U.S. laws. The Policy formalizes our belief in the equal rights of individuals, encompassing the right to fair treatment without discrimination and to be assessed based on their merit in employment decisions.

The Code of Conduct and Ethics requires that all COPT Defense personnel and Board members align with ethical standards, such as anti-bribery and anti-corruption provisions, in their capacity as Company representatives, as well as comply with statutory and regulatory requirements. Each quarter, the General Counsel reports to the Audit Committee and to the entire Board regarding whether any violations of our Code of Ethics have been reported. We work to uphold our anti-bribery and anti-corruption expectations by implementing mandatory trainings for employees. We also maintain an anti-money laundering program,

which allows COPT Defense to meet Office of Foreign Assets Control and Sarbanes-Oxley compliance measures while promoting customer due diligence and ethical behavior within our value chain. We expect our employees to adhere to high standards of personal ethics.

We strive to support positive partnerships with our vendors through our Vendor Code of Business Conduct and Ethics, which requires the highest standards of product quality and business integrity in our supplier interactions. In alignment with our Human Rights Policy, we oppose unlawful labor practices across our Company, vendor network and supplier base, including practices related to child labor, forced labor and employee discrimination. COPT Defense works to mitigate human rights risks by actively enforcing compliance among all vendors, including their employees, agents and subcontractors, and requires them to uphold our standards for honesty, fairness and personal integrity. In addition, our employees undergo training on our Human Rights Policy and associated protocols to promote understanding and implementation of that policy.

In partnership with a third party, we provide a 24/7 Ethics Hotline for all individuals interested in anonymously reporting a concern or potential ethics violation. We strive to promote an environment of open and honest communication, and we encourage transparency by offering a variety of formal incident reporting mechanisms overseen by management, our General Counsel and Human Resources. In 2023, we did not receive any complaints with respect to ethical issues or incidents concerning bribery, corruption or anti-competitive behavior. More details regarding the hotline can be found in the Governance section under the Investors tab on our website.

If we receive a report of a potential incident, our General Counsel and Vice President of Human Resources will examine and resolve the matter. After properly investigating, they deliver a summary of their assessment and remedial actions to the Audit Committee for the Board's consideration, if appropriate. The Audit Committee continues to monitor incident reports and oversee the Company's compliance with legal and regulatory requirements.





LOBBYING ACTIVITIES

In 2023, COPT Defense did not engage in any lobbying activities with respect to the U.S. Government and did not make financial contributions to the campaigns of any candidates running for the U.S. Senate or the U.S. House of Representatives. As such, COPT Defense has not made any financial contributions in connection with any lobbying or campaign activities with respect to the U.S. Government. COPT Defense operates in the states of Alabama, Maryland, Texas and Virginia and in Washington, D.C. During 2023, COPT contributed \$5,000 to the various state and local campaigns of the following individuals running for public office in the State of Maryland:

These campaign contributions were made and disclosed in accordance with state law and were made when the candidates themselves reached out to COPT Defense. We evaluate whether to make these contributions based on whether the candidates are actively involved in their local community and are seeking to make their communities a better place for all who live and work there. COPT Defense did not hire third-party lobbyists in 2023. From time-to-time, we will engage local counsel and advisors to assist with zoning matters that require involvement from local elected representatives.

2023 LOBBYING ACTIVITY

Recipient	Date	Donor	Amount
Allison Pickard (Anne Arundel County Council)	3/30/2023	CDPLP	\$250.00
Mike Rogers (Maryland House of Delegates)	5/15/2023 11/29/2023	CDPLP	\$250.00 \$1,000.00
Steuart Pittman (Anne Arundel County Executive)	8/24/2023	CDPLP	\$2,500.00
Pete Smith (Anne Arundel County Council)	9/29/2023	CDPLP	\$1,000.00

About This Report

In 2019, we worked with an independent third-party organization to complete a formal materiality assessment to identify the sustainability issues with the largest impact on our Company due to their importance to our stakeholders – including our workforce, tenants, communities and investors. We report annually on these topics in our sustainability disclosures. We plan to review and update our material topics in the future to inform development of our goals and annual reporting.

We engaged ERM Certification and Verification Services, Inc. (“ERM CVS”) to provide assurance for our GHG Scope 1 and Scope 2 emissions data for calendar year 2023. The Independent Assurance Statement is included on the next page of this report.

Our ESG Steering Committee, which is headed by our CEO, and external consultant, Environmental Resources Management, Inc. (“ERM”), prepared this Sustainability Report that covers all of COPT Defense’s reportable segments during the reporting year. For any questions pertaining to this report, please contact our Governance and Compliance department at gc@copt.com. The Board of Trustees, either collectively or individually, can be contacted by writing to them by way of our General Counsel as follows:

GENERAL COUNSEL

COPT Defense Properties,
6711 Columbia Gateway Drive, Suite 300,
Columbia, Maryland 21046



THIRD-PARTY ASSURANCE STATEMENT FOR SELECTED DATA

Independent Limited Assurance Report to COPT Defense Properties, L.P.

ERM Certification & Verification Services Incorporated (“ERM CVS”) was engaged by COPT Defense Properties, L.P. (“CDP”) to provide limited assurance in relation to the selected information set out below and presented in CDP’s 2024 Corporate Responsibility Report (the “Report”).

Engagement summary

Scope of our assurance engagement

Whether the data for the following selected information are fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

GHG Emissions

- Total Scope 1 GHG Emissions [metric tonnes CO₂e]
- Total Scope 2 GHG Emissions (location-based) [metric tonnes CO₂e]

Energy

- Total energy [kWh]

Water

- Total water supplied (municipal water intake) [gallons]

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.

Reporting period

1 January 2023 – 31 December 2023

Reporting criteria

- The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions
- GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for Scope 2 GHG emissions
- CDP’s greenhouse gas calculation methodology for GHG emissions data, as described on page 36 of the Report; and
- CDP’s water reporting methodology for water, as described on page 42 of the Report.



Assurance standard and level of assurance

We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Respective responsibilities

CDP is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report.

ERM CVS' responsibility is to provide a conclusion to CDP on the agreed scope based on our engagement terms with CDP, the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2023 data for the selected information listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Report a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Report;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected information;
- Reviewing of a sample of qualitative and quantitative evidence supporting the reported information at a corporate level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated 2023 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Evaluating the conversion and emission factors and assumptions used;
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.



The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. Our work was undertaken through desktop review. We did not undertake in-person visits to any of CDP's assets.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to CDP in any respect.



September 23, 2024
Malvern, PA

ERM Certification & Verification Services Incorporated
www.ermcvs.com | post@ermcvs.com





GREENHOUSE GAS CALCULATION METHODOLOGY

During the 2023 reporting year, COPT Defense's GHG inventory maintained an operational control boundary for the purposes of sustainability reporting. This organizational boundary includes direct (e.g., fuel combustion) and indirect (e.g., generation of purchased electricity and steam) emissions generated or consumed by buildings that are partially or wholly controlled by COPT Defense, such as:

DIRECT EMISSIONS – SCOPE 1

- > Stationary equipment (from the combustion of natural gas and diesel in boilers, furnaces and heaters)
- > Transportation (from the combustion of gasoline in automobiles and trucks)

INDIRECT EMISSIONS – SCOPE 2

- > Purchased energy products (from the generation of electricity, green power and steam)¹

Although emissions associated with the generation of purchased energy products are a consequence of COPT Defense's consumption, they are considered indirect emissions because they are generated by another organization that falls outside of COPT Defense's organizational boundary (e.g., an electric generator or utility provider). Buildings that are wholly tenant controlled therefore fall outside of COPT Defense's organizational boundary. As such,

emissions associated with those buildings are designated as Scope 3 emissions. We are not currently reporting our Scope 3 emissions but may reassess this position in the future.

Decisions on organizational boundary determinations are made following the guidance of Chapter 3, Setting Organizational Boundaries, in the Greenhouse Gas Protocol Corporate Reporting and Accounting Standard (Revised Edition).

EMISSION FACTORS

Emission factors used for COPT Defense's inventory are based on guidance documents provided by the EPA.

For direct emissions, equivalent emission factors for CO₂, CH₄, N₂O, HFC and PFC by fuel type or process application are used for all sites worldwide according to figures published by the U.S. Mandatory Reporting Rule.

For indirect emissions, emission factors for the specific electricity supplied to COPT Defense facilities are defined for each relative geography where COPT Defense operates. Emission factors from the EPA Emissions & Generation Resource Integrated Database ("eGRID") are utilized for location-based reporting. The Company relies on emission factors from the U.S. Green-e® Residual Mix for market-based reporting if utility-specific emission factors are unavailable.

¹ We do not include solar energy in our calculations since renewable energy does not generate emissions during electricity generation.

Additionally, we utilize Global Warming Potentials (“GWPs”) from the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report (“AR6”) using 100-year values.

ESTIMATION METHODOLOGY

Throughout and at the conclusion of the year, it is common for energy sources to have data gaps. Furthermore, there are instances where data must be gap-filled or estimated. For our non-data center properties, gap-filled data is based on actual invoiced data, while estimations are based on intensity estimates. If a site is opened during the reporting year, no data will be gap-filled or estimated before that date. If a site is closed during the reporting year, no data will be gap-filled or estimated after that date. For our data center properties, COPT Defense utilizes design capacity to estimate electric power usage. COPT Defense’s data centers have a design capacity of generally either 24 MW or 30 MW. Data centers are active 24/7/365, so estimates are calculated by turning the MW design capacity into yearly MWh.

In 2023, we expanded our data coverage and determined that many of our sites are not actively utilizing natural gas as we had originally assumed in our estimations. We modified our natural gas calculation methodology to more accurately reflect our natural gas consumption accordingly. Where applicable, we provide restatements to reflect the updated methodology and data throughout the Corporate Sustainability Report (“CSR”).



Sustainability Performance Data 2021-2023

GRI INDICATOR	METRIC	UNITS	2021	2022	2023
GENERAL					
GRI 2-6	Revenue from Real-Estate Operations	\$ USD	\$556.6 million	\$586.4 million	\$624.8 million
	Number of Properties	#	186	194	190
	Number of Employees (at year end)	#	405	395	410
	Full-Time Employees	#	403	393	407
	Part-Time Employees	#	2	2	3
	Temporary Employees (i.e., interns)	#	-	8	10
GRI 405-1	Female Employees	#	130	128	126
	Male Employees	#	275	267	281



GRI INDICATOR	METRIC	UNITS	2021	2022	2023
GOVERNANCE					
GRI 405-1	Board of Trustees Age Diversity	Years	60-72	59-73	60-74
GRI 405-1	Female Trustees	#	2	3	3
	Male Trustees	#	8	7	7
SOCIAL					
GRI 205-2	Employee Completion of Anti-bribery & Corruption Training	%	-	-	97
GRI 403-9	OSHA Total Recordable Incident Rate ("TRIR")	%	1.6	0.8	0.9
	TRIR Benchmark	%	1.8	1.8	1 ¹
	OSHA Lost Day Incident Rate ("LDIR")	%	0.7	0.0	-
	LDIR Benchmark	%	1.0	0.9	1 ¹
	Absentee Rate	%	2.3	3.0	2.0
	Workplace Fatalities	#	-	-	-

¹ The 2023 benchmark is not available at the time of report publication.



GRI INDICATOR	METRIC	UNITS	2021	2022	2023
SOCIAL (CON'T)					
GRI 413-1	Approximate Total Contributions	\$ USD	-	\$489,500	\$482,800
	Associate Grant Donations (Company Donations and Matching)	\$ USD	\$187,600	\$344,000	\$349,000
	Contributions to United Way (Employee Contributions Only)	\$ USD	-	\$120,000	\$112,000
	COPT Defense Cares Donations (Employee Contributions Only)	\$ USD	\$17,000	\$25,500	\$21,800
	Donate 8 Volunteering	Hours	1,446	1,340	1,629

ENERGY + GREENHOUSE GASES¹

OPERATIONAL CONTROL					
Percentage of total square footage within operational control		%	65%	57%	68%
Operational Control Total Square Footage		#	16,971,541	16,279,894	20,422,779

¹Energy and GHG emissions within COPT Defense's operational control exclude buildings that are wholly tenant-controlled. Wholly tenant-controlled buildings represent approximately 31% of our portfolio square footage, but approximately 98% of our total estimated energy consumption in 2023.



GRI INDICATOR	METRIC	UNITS	2021	2022	2023
OPERATIONAL CONTROL					
GRI 302-1	Energy Use	MWh	249,938	221,548	213,037
	Grid Electricity Purchased	MWh	166,919	166,505	165,934
	Renewable Energy Purchased	MWh	6,438	6,644	6,425
	Steam Purchased	MWh	6,867	6,681	5,797
	Fossil Fuels Purchased (e.g., diesel, gasoline and natural gas) ¹	MWh	69,482	41,488	34,647
	Renewable Energy Generated (e.g., on-site solar)	MWh	233	230	234
	Percentage of Electricity Consumption from Renewable Sources	%	3.80%	4.00%	3.90%
	Percentage of Electricity Consumption from Nonrenewable Sources	%	96.20%	96.00%	96.10%
	Percentage of Electricity Consumption from Grid ²	%	99.90%	99.90%	99.90%

¹ Our natural gas reporting methodology has been updated in 2023 to more accurately reflect our usage. We have restated the 2022 figures to align with this methodology and serve as a comparison point.

² Percentage of grid electricity consumption involves all electricity (under operational control) consumed without on-site solar generation.



GRI INDICATOR	METRIC	UNITS	2021	2022	2023
GRI 302-3	Energy Intensity	kWh/SF	15.1	10.9	10.4
GRI 305-1	Scope 1 GHG Emissions ¹	Metric tons CO ₂ e	12,864	7,504	6,291
GRI 305-2	Scope 2 GHG Emissions (Location-based) ¹	Metric tons CO ₂ e	53,604	53,802	52,689

WATER + WASTE

TOTAL PORTFOLIO²

GRI 305-5	Total Water Withdrawal	Thousand cubic meters	709	833	1,230
	Domestic Water Withdrawal	Thousand cubic meters	610	679	1,083
	Other Water Withdrawal (e.g., irrigation, sprinklers and cooling towers)	Thousand cubic meters	99	154	147
	Water Consumption ³	Thousand cubic meters	99	154	198
	Wastewater Discharge (estimate)	Thousand cubic meters	610	679	1,032
GRI 306-3	Solid Waste Generation	Metric Tons	7,303	8,819	8,619
GRI 306-4	Solid Waste Diversion from Landfill (i.e., recycled)	%	52%	48%	49%

¹ Scope 1 and Scope 2 GHG emissions reflect sources emitting CO₂, CH₄ and N₂O.

² Water metrics are reported for all operating assets in 2023. In previous years, certain exclusions were applied based on construction cycles. For waste, metrics are provided for all reportable assets. We continuously aim to improve our waste reporting boundary to capture our additional assets.

³ Water consumption is calculated as water withdrawal minus water discharge. This does not account for evaporative loss from cooling towers. We do not have a process for monitoring that evaporative loss currently.



Global Reporting Initiative ("GRI") Index

This report has been prepared in reference to the GRI Standards (2021) to inform the contents and structure of this sustainability report. GRI is a global organization that helps organizations communicate the impact of their business on key sustainability issues. GRI publishes standards and associated guidance that are widely used around the world. The index below offers our readers direct references to where specific sustainability information can be found in this report or on our website.

GRI STANDARDS: GENERAL DISCLOSURES

DISCLOSURE		LOCATION OR RESPONSE
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Overview
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	This report, published in November 2024, covers sustainability initiatives for all of COPT Defense's reportable segments in calendar year 2023. With the publishing of this report, we continue our cadence of publishing an annual sustainability report. About This Report
	2-4 Restatements of information	N/A
	2-5 External assurance	About This Report
	2-6 Activities, value chain, and other business relationships	Company Overview 2023 10-K (p. 5-9)
	2-7 Employees	Company Overview Supporting Our People Sustainability Performance Data

DISCLOSURE		LOCATION OR RESPONSE
GENERAL DISCLOSURES (CON'T)		
GRI 2: General Disclosures 2021 (Con't)	2-9 Governance structure and composition	Corporate Governance 2024 Proxy Statement
	2-10 Nomination and selection of the highest governance body	Corporate Governance 2024 Proxy Statement
	2-11 Chair of the highest governance body	Corporate Governance 2024 Proxy Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance
	2-15 Conflicts of interest	Ethical Business Conduct Code of Business Conduct and Ethics
	2-16 Communication of critical concerns	Ethical Business Conduct
	2-17 Collective knowledge of the highest governance body	Board of Trustees Webpage
	2-18 Evaluation of the performance of the highest governance body	Nominating and Corporate Governance Committee Charter
	2-19 Remuneration policies	2024 Proxy Statement (p. 23-47)
	2-20 Process to determine remuneration	2024 Proxy Statement (p. 23-47)
	2-21 Annual total compensation ratio	2024 Proxy Statement (p. 41-42)
	2-22 Statement on sustainable development strategy	CEO Letter Sustainability Principles Sustainable Buildings

DISCLOSURE		LOCATION OR RESPONSE
GENERAL DISCLOSURES (CON'T)		
GRI 2: General Disclosures 2021 (Con't)	2-26 Mechanisms for seeking advice and raising concerns	<u>Ethical Business Conduct</u> <u>Code of Business Conduct and Ethics</u>
	2-27 Compliance with laws and regulations	<u>Ethical Business Conduct</u> <u>Code of Business Conduct and Ethics</u>
	2-28 Membership associations	<u>Investor Relations</u> <u>Talent Management</u> <u>Cybersecurity + Data Privacy</u> <u>Ethical Business Conduct</u> <u>Employee Health + Wellbeing</u>
	2-29 Approach to stakeholder engagement	<u>Investor Relations</u> <u>Community Engagement</u> <u>Employee Engagement</u>
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<u>Investor Relations</u>
	3-2 List of material topics	Below is our list of material topics identified in our 2019 materiality assessment: Customer Satisfaction Data Privacy and Physical Security Energy and GHG Emissions Employee Engagement Employee Health, Safety and Wellness Talent Management Ethical Business Conduct Financial Performance R&D and Innovation

GRI STANDARDS: GENERAL DISCLOSURES

DISCLOSURE		LOCATION OR RESPONSE
ENERGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Buildings
GRI 302: Energy 2016	302-1: Energy consumption within the organization	Sustainability Objectives Sustainability Performance Data
WATER		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Sustainability Objectives
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Sustainability Objectives
	303-2: Management of water discharge-related impacts	Water Sustainability Objectives
	303-5: Water consumption	Water Sustainability Objectives Sustainability Performance Data
EMISSIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Resilient Building Operations COPT's 2024 TCFD Disclosures
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	Sustainability Performance Data About This Report Sustainability Objectives
	305-2: Energy indirect (Scope 2) GHG emissions	Sustainability Performance Data About This Report Sustainability Objectives

DISCLOSURE		LOCATION OR RESPONSE
WASTE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>Waste Sustainability Objectives</u>
GRI 306: Waste 2020	306-3: Waste generated	<u>Sustainability Performance Data</u>
	306-4: Waste diverted from disposal	<u>Waste Sustainability Performance Data</u>
EMPLOYMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>Employee Health + Wellbeing</u>
GRI 401: Employment 2016	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>Employee Health + Wellbeing</u>
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>Employee Safety</u>
GRI 403: Occupational Health and Safety 2018	403-2: Hazard identification, risk assessment, and incident investigation	<u>Employee Safety</u>
	403-5: Worker training on occupational health and safety	<u>Employee Safety</u>
	403-9: Work-related injuries	<u>Employee Safety Sustainability Performance Data</u>
DIVERSITY AND INCLUSION		
GRI 3: Material Topics 2021	3-3 Management of material topics	<u>Diversity + Inclusion</u>
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	<u>Corporate Governance Diversity + Inclusion Sustainability Performance Data</u>

DISCLOSURE		LOCATION OR RESPONSE
TALENT MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Management
GRI 404: Training and Education 2016	404-2: Programs for upgrading employee skills and transition assistance programs	Talent Management
CUSTOMER HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Building Our Communities
COMMUNITY ENGAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Engagement
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	Community Engagement Sustainability Performance Data
DATA PRIVACY AND CYBERSECURITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Cybersecurity + Data Privacy
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity + Data Privacy
ETHICAL BUSINESS CONDUCT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical Business Conduct
GRI 205: Anti-Corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	Ethical Business Conduct Code of Business Conduct and Ethics
GRI 206: Anti-Competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethical Business Conduct Code of Business Conduct and Ethics

Sustainability Accounting Standards Board (“SASB”) Index

DISCLOSURE		LOCATION OR RESPONSE (DEFENSE/IT)	LOCATION OR RESPONSE (OTHER) ¹	UNITS
ENERGY MANAGEMENT				
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property sector	54.5%	100%	Percentage (%) by floor area
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage	693,101	182,960	Gigajoules (GJ)
	(2) Percentage grid electricity	84.2%	65.8%	Percentage (%)
	(3) Percentage renewable, by property sector	3.5%	0.0%	Percentage (%)
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector ²	-1.3%	-2.9%	Percentage (%)
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating	15.7%	35.7%	Percentage (%) by floor area
	Percentage of eligible portfolio that (2) is certified to ENERGY STAR, by property sector	15.7%	35.7%	
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	<u>Energy</u>		

¹ Other Office Properties: In addition to our Defense/IT Portfolio, we also owned eight other office properties as of December 31, 2023. Included among these properties is a portfolio of properties located in the Greater Washington, DC/Baltimore region, which we historically referred to as Regional Office.

² To report a like-for-like comparison for adherence to SASB standards, several properties which came online in 2023 or were sold in 2023 were excluded from the metrics. As a result of these exclusions, SASB-reported environmental metrics will have some minor variance from the environmental metrics reported in the Sustainability Performance Data of this CSR.

DISCLOSURE		LOCATION OR RESPONSE (DEFENSE/IT)	LOCATION OR RESPONSE (OTHER) ¹	UNITS
WATER MANAGEMENT				
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area	100%	100%	Percentage (%) by floor area
	Water withdrawal data coverage as a percentage of (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	0%	0%	
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage by property subsector	1,157	73	Thousand cubic meters (m³)
	(2) Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress, by property subsector	0%	0%	Percentage (%)
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector ²	1.9%	6.1%	Percentage (%)
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	<u>Water</u>		
MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS				
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	Not available		Percentage (%)
	(2) Associated leased floor area, by property sector			Square meters (m²)
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption	45.5%	0%	Percentage (%) by floor area
	Percentage of tenants that are separately metered or submetered for (2) water withdrawals, by property sector	45.5%	0%	
IF-RE-410a.3	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	<u>COPT Defense + The Environment</u>		

¹ Other Office Properties: In addition to our Defense/IT Portfolio, we also owned eight other office properties as of December 31, 2023. Included among these properties is a portfolio of properties located in the Greater Washington, DC/Baltimore region, which we historically referred to as Regional Office.

² To report a like-for-like comparison for adherence to SASB standards, several properties which came online in 2023 or were sold in 2023 were excluded from the metrics. As a result of these exclusions, SASB-reported environmental metrics will have some minor variance from the environmental metrics reported in the Sustainability Performance Data of this CSR.

DISCLOSURE		LOCATION OR RESPONSE (DEFENSE/IT)	LOCATION OR RESPONSE (OTHER) ¹	UNITS
CLIMATE CHANGE ADAPTATION				
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sector	-	-	Square meters (m ²)
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Resilient Building Operations COPT's 2024 TCFD Disclosures		
ACTIVITY METRICS				
	Number of assets, by property sector ²	205	17	Number
IF-RE-000.A	Number of assets, by property sector (10-K reportable)	183	9	Number
	Number of assets, by property sector (10-K non-reportable)	22	8	Number
	Leasable floor area, by property sector	20,469,204	2,140,367	Square Feet (SF)
IF-RE-000.B	Leasable floor area, by property sector (10-K reportable)	20,469,204	2,140,367	Square Feet (SF)
	Leasable floor area, by property sector (10-K non-reportable) ³	N/A	N/A	Square Feet (SF)
IF-RE-000.C	Percentage of indirectly managed assets, by property sector	45.5%	-	Percentage (%) by floor area
IF-RE-000.D	Average occupancy rate, by property sector	96.2%	73.2%	Percentage (%)

¹ Other Office Properties: In addition to our Defense/IT Portfolio, we also owned eight other office properties as of December 31, 2023. Included among these properties is a portfolio of properties located in the Greater Washington, DC/Baltimore region, which we historically referred to as Regional Office.

² While the SASB Index and 10-K overlap on select topics, these tables are not translatable. For example, the assets in the SASB Index include auxiliary structures, such as parking garages and surface lots, that may not always be referenced in financial reports when discussing assets.

³ Assets included in the 10-K have a specific methodology for measuring square footage. This methodology is not applied to the aforementioned auxiliary structures that are excluded from 10-K reporting. Note that the 10-K square footage reported here does not align with the square footage used in this report for intensity metrics or the Sustainability Performance Data, which reflects gross square footage. This is a change in approach compared to previous years.

UN SDG Index

GOAL	OUR CONTRIBUTIONS
 SDG1 No Poverty	> Building Our Communities
 SDG2 Zero Hunger	
 SDG3 Good Health + Wellbeing	> Employee Safety > Employee Health + Wellbeing
 SDG4 Quality Education	> Talent Management > Building Our Communities
 SDG5 Gender Equality	> Corporate Governance > Diversity + Inclusion > Investor Relations
 SDG6 Clean Water + Sanitation	> Water



	SDG7 Affordable + Clean Energy	> Energy
	SDG8 Decent Work + Economic Growth	> Sustainable Buildings > Talent Management > Ethical Business Conduct
	SDG9 Industry, Innovation + Infrastructure	> Sustainability Objectives
	SDG10 Reduced Inequalities	> United Way of Central Maryland, Alabama, Texas + Virginia > Diversity + Inclusion > Building Our Communities > Investor Relations
	SDG11 Sustainable Cities + Communities	> United Way of Central Maryland, Alabama, Texas + Virginia > Sustainable Buildings > Building Our Communities
	SDG12 Responsible Consumption + Production	> Sustainability Objectives > Sustainable Buildings > Waste > Water > Resilient Building Operations
	SDG13 Climate Action	> Sustainability Principles > TCFD Index



TCFD Index

We reference the TCFD framework to inform the contents and structure of this disclosure. TCFD is a global organization that helps organizations communicate the financial impact on their business from climate-related issues. TCFD publishes guidance that is widely used around the world. The index below offers our readers direct references to where specific information can be found in our disclosures.

CODE	TCFD RECOMMENDED DISCLOSURE	LOCATION OF INFORMATION
GOVERNANCE		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	COPT Defense 2024 TCFD Disclosure, Page 2
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	COPT Defense 2024 TCFD Disclosure, Page 2
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	COPT Defense 2024 TCFD Disclosure, Page 2-7
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	COPT Defense 2024 TCFD Disclosure, Page 2-7
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	COPT Defense 2024 TCFD Disclosure, Page 2-7

CODE	TCFD RECOMMENDED DISCLOSURE	LOCATION OF INFORMATION
RISK MANAGEMENT		
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.	COPT Defense 2024 TCFD Disclosure, Page 8-9
TCFD 3(b)	Describe the organization's processes for managing climate-related risks.	COPT Defense 2024 TCFD Disclosure, Page 8-9
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	COPT Defense 2024 TCFD Disclosure, Page 8-9
METRICS + TARGETS		
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks are integrated into the organization's overall risk management.	COPT Defense 2024 TCFD Disclosure, Page 9
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	COPT Defense 2024 Corporate Sustainability Report, Page 44
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	COPT Defense 2024 Corporate Sustainability Report, Page 11



TCFD Disclosure

CDP is a REIT focused on owning, operating and developing mission-critical facilities that support key U.S. Government defense installations and defense contractors. This document supplements our various public disclosures in our Corporate Sustainability Report to provide further transparency on how we manage climate-related risks and opportunities, including how we approach identifying, evaluating and mitigating the current and anticipated financial implications to our business. To aid the reader in reviewing our approach, we have aligned this supplement with the reporting framework recommended by TCFD.¹

BACKGROUND

We have assessed our portfolio's exposure to the effects of climate change, and we believe that the following actions support mitigation of any potential climate-related changes:

- > We build and renovate our portfolio to achieve energy efficiency.

- > The geographic markets in which we operate are not in high catastrophe-exposed areas and will be slower to feel the possible effects of climate change than other parts of the global community.
- > Most of our tenants are essential and resilient, which reinforces our own resiliency.
- > We have established resilient risk transfer practices to uphold the strength of our balance sheet in the event of a large loss.
- > Our senior leaders continue to be engaged and committed to our ESG progress.

Our current state of readiness has effectively prepared us to navigate future challenges and to seize potential opportunities while keeping potential climate-related changes fully integrated into our strategic planning. By maintaining strong corporate governance, employing enterprise risk management practices and tracking relevant metrics, we will continue to develop ways to reduce our contribution to carbon emissions, mitigate risks and seek out opportunities that could benefit our shareholders.

¹ In October 2023, the TCFD announced that it fulfilled its mission and disbanded. Its responsibilities were transferred to the ISSB. ISSB later developed its own standard (IFRS S2: Climate-Related Disclosure) which fully incorporates the TCFD recommendations. ISSB has advised that companies can continue to use the TCFD recommendations should they choose to do so. As such, COPT Defense has elected to continue using the TCFD recommended framework for now.



GOVERNANCE

Our sustainability roots date back to 2003 when we committed, where possible, to developing base buildings to LEED Silver minimum standards. In 2010, we deepened our commitment by adopting our first series of operating policies to help guide us in addressing sustainability-related issues throughout our business. In alignment with our Environmental Policy Statement, implemented in 2018, we annually publish disclosures regarding our ESG impacts and strive to enhance our performance year-over-year.

Our ESG Steering Committee, which is comprised of representatives from each division of the Company, including the CEO, CFO, COO and General Counsel, is responsible for sustainability-related matters within the

company, including potential climate-related change. In this role, Committee members manage the production of our annual corporate sustainability report, development and implementation of our resource use reduction goals and our climate-related strategy (including the periodic review and reporting of risks and opportunities relating to sustainability and environmental, social responsibility, governance and related ESG matters).

Our Board of Trustees maintains oversight of sustainability-related governance and performance. Specifically, our Board's Nominating and Corporate Governance Committee's charter was updated in 2021 to define responsibilities for sustainability-related policies. To keep Committee members informed, our CEO

and General Counsel provide regular updates regarding ongoing sustainability initiatives, including those to assess and manage climate-related risks and opportunities. The Nominating and Corporate Governance Committee provides regular reports to the Board summarizing our environmental risks and opportunities and how our management team is addressing such ESG issues, including climate change risk.

STRATEGY

We have identified the following climate-related risks and opportunities over the short, medium and long term and our business planning and management processes aim to mitigate these risks and take advantage of these opportunities.

CATEGORY	DESCRIPTION	TIME HORIZON ¹
TRANSITION RISKS		
Policy & Legal	Pursuant to rules and regulations recently finalized by the U.S. Securities and Exchange Commission and to policies enacted by certain state and local jurisdictions, reporting and disclosure requirements may require our Company to incur additional compliance costs and may expose us to enforcement actions (e.g., paying for building renovations to comply with Maryland's new policies), fines, penalties and/or litigation with respect to reporting and compliance matters. Our Company will monitor actions taken in other states (e.g., California's enactment of climate-related disclosures) to be prepared for potential policy action and related increased costs within our operating states.	Short to medium term
Technology	We anticipate that climate-related technological improvements (e.g., building efficiency or electrification upgrades) will continue over time, likely at a higher cost. However, greater operating efficiencies should help offset rising energy costs.	Medium term
Market	Potential climate change impact on commuting options could adversely affect demand for space (e.g., remote working opportunities) and our ability to operate our properties effectively and result in additional operating costs.	Long term

¹Definition of time horizon categories: Short term = 1-2 years; Medium term = 2-8 years; Long term = 8-25 years

Reputation	Failing to continuously improve our ESG performance, including management of climate issues, could result in lack of investor confidence, reduction of capital availability or decreased willingness of prospective tenants to lease space from us.	Medium to long term
PHYSICAL RISKS		
Acute	Our possible exposure to extreme weather events, such as heavy rainstorms, hurricanes and tornadoes, may increase, resulting in a higher potential for property damage. Under these circumstances, affordable insurance may be more difficult to obtain.	Short, medium and long term
Chronic	Shifts in temperature and precipitation amounts, and/or increased frequency of extreme weather events, would likely place strain on existing infrastructure, which could impact the availability of utilities on which we and our tenants rely, such as power and water. Furthermore, this strain combined with increased demand during extreme temperatures will likely result in higher costs during cooling periods. Conversely, more mild cold weather may generate savings in heating periods and a reduction of snow and ice management expenses.	Medium to long term
OPPORTUNITIES		
Resource Efficiency	Continuing to improve building efficiency in new construction and property upgrades will likely entail higher capital costs but resulting lower energy use will provide payback.	Short, medium and long term
Energy Source	We evaluate the cost effectiveness of low-carbon energy sources and incorporate renewable energy where available and appropriate.	Short, medium and long term
Products & Services	When requested, we engage with our tenants to understand their needs and preferences, including environmental, health and safety and climate-related features, and we work to meet those needs and preferences.	Short, medium and long term
Markets	We focus on developments with low tenant risk and low natural disaster risk. This market strategy helps reduce operating costs, enhance returns on invested capital and provide higher operating stability.	Short, medium and long term
Resilience	Our primary tenants place utmost importance on business continuity and resilience; we collaborate to enhance structural resilience to operate continually, and we strive to maintain a consistent supply chain and operations under the expected range of future conditions.	Short, medium and long term

Most of our properties are located in the Mid-Atlantic region (specifically Maryland, Washington D.C. and Northern Virginia), with additional assets in Alabama and Texas. These areas are at-risk to experience moderate effects of climate change, including rising temperatures, increased storm intensity and associated flooding in winter and spring and increased drought conditions during summer and fall. We are mostly concentrated in suburban areas that are not as subject to the urban heat island effect.

For almost 20 years, we have been designing, constructing and retrofitting our properties with better technology to keep our buildings performing efficiently, including building materials (e.g., tan roofs, insulation, UV-blocking windows), ENERGY STAR®-rated appliances and HVAC systems, water-saving fixtures, building automation systems and smart irrigation technology. Building exteriors incorporate natural, drought-resistant vegetation for landscaping purposes. We have also installed on-site solar generation at select buildings, as appropriate, to provide tenants with carbon-free energy. Integrating these technologies during the construction and operation of our portfolio helps minimize resource intensity and, in turn, the greenhouse gas footprint associated with buildings within CDP's operational control, to the extent feasible. As a result, these efficiencies should generate cost savings for both CDP and tenants in the near term and bolster the resiliency of our portfolio in the long term.

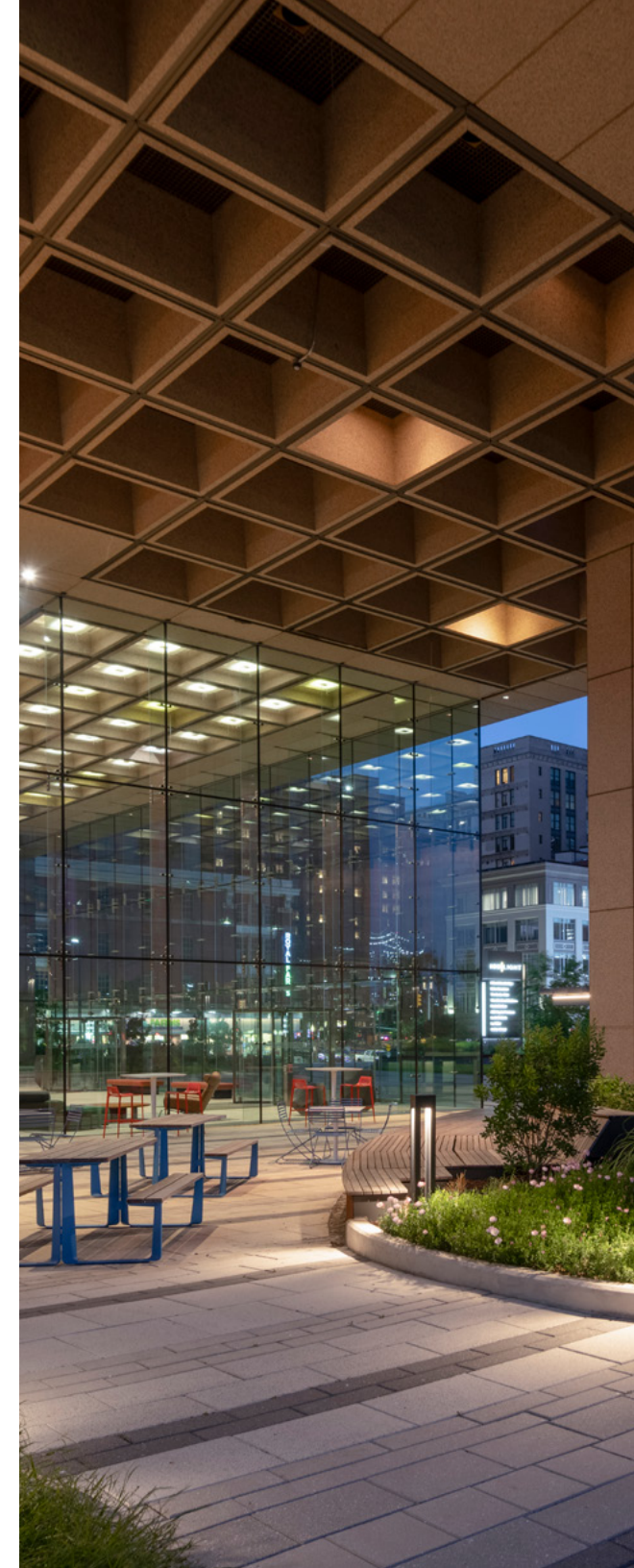
The highest maximum temperature in Central Maryland within the past 20 years was 106° F

(41° C) recorded in July 2011.¹ Our equipment functioned fully and maintained comfortable levels within our buildings and would be effective to design temperatures of 120° F (49° C) or more. From a financial perspective, electricity usage and therefore costs are expected to increase if temperatures rise in the future. Rising regional temperatures would likely result in cost savings during heating periods and potentially lower expenses related to snow and ice management. We hedge our electricity costs by locking in rates with utility providers in multiyear rate agreements. Most electricity and water costs are passed through to our tenants.

None of our properties are located within a FEMA-designated 100-year flood zone; only four properties out of approximately 200 within our portfolio are located adjacent to a flood zone. We purchase flood hazard insurance for those properties through the National Flood Insurance Program ("NFIP") to supplement our property insurance. Our properties comply with building codes and thus are designed to manage 100-year storm events.

In 2022, we incorporated scenario analysis as a tool to help us strategize for the future. The scope of the chosen scenarios encompasses our company as a whole using time horizons that are compatible with external factors that are already beginning to shape our business. As we mature in our climate strategy efforts, we expect to refine our scenario analysis to increase the company's resilience to possible future scenarios.

¹ As observed by the National Weather Service at the Baltimore/Washington Thurgood Marshall airport weather station.



EMERGING + EVOLVING RISKS

We are now and will continue for the short term to be faced with proposed, anticipated and/or enacted policy and legal changes targeted to reshape the design, construction and operation of commercial real estate, including the following.

STATE OF MARYLAND

In 2022, the State of Maryland enacted legislation¹ aimed at (what we perceive to be) aggressively reducing GHG emissions by 60% by 2031 as compared to 2006 values and reaching net-zero emissions by 2045. Under this legislation, approximately half of our portfolio would be subject to the forthcoming state-specific energy performance standards and fees for exceeding the standards, if applicable. Additionally, development and construction projects in Maryland (unless meeting certain exemptions) will be subject to revised state-specific building codes that will require most new buildings to rely solely on electricity in lieu of fossil fuels, such as natural gas.

In early 2023, Howard County, Maryland (in which approximately 12% of our portfolio is situated, based on square footage) passed climate-related legislation that will influence county building codes in a way similar to the Maryland state legislation.

WASHINGTON, D.C.

The District of Columbia is committed to becoming climate resilient by 2050. The Climate

Commitment Act, enacted in 2022, codified the District's interim climate targets. A task force was assembled to develop a roadmap for meeting climate resiliency, which identified 23 actions related to critical facilities, new and existing buildings, land use planning and efficient building performance. The District is also planning to enact resilient building performance standards. An example cited in the District's Climate Ready D.C. plan, released in 2020, suggests developing a standard that all new buildings should be equipped to maintain thermal comfort levels without power on a 95° F day for 12 hours.

COMMONWEALTH OF VIRGINIA

In March 2024, Virginia published its first deliverable under the EPA Climate Pollution Reduction Grant ("CPRG") program. The state's Priority Climate Action Plan ("PCAP") identifies the top 10 emissions reduction measures for major economic and GHG emission-generating sectors. Measure 4, in particular, aims to increase residential and commercial building efficiency and to identify and implement GHG reduction solutions at homes, businesses and institutions. Virginia hopes to reduce CO₂e in the short term (2025-2030) by 15 MM tons through efficiency projects and by 5 MM tons through other solutions. Long term (2025-2050) reduction goals are set at 112 MM tons and 47 MM tons, respectively.

¹In July 2024, the Maryland Department of the Environment ("MDE") took action to advance the MD BEPS which are required by the Climate Solutions Now Act ("CSNA") of 2022. Under Title 2, Subtitle 16 of the Environmental Article, the goal is to reduce direct GHG emissions and improve energy efficiency from Maryland's building sector for specific buildings that are 35,000 SF or larger. The regulation requires covered building owners to measure and report data to MDE. Per language in the Budget Bill (Fiscal Year 2025), Senate Bill 360, Chapter 716 of 2024, MDE plans to adopt energy use intensity ("EUI") standards in 2027.



STATE OF ALABAMA

Alabama also released its PCAP in March 2024. The plan includes a collection of measures aimed at implementing various incentive programs to enhance energy efficiency in buildings across the residential, commercial and industrial sectors in certain parts of the state, including Huntsville (Madison County). Incentive programs would focus on replacing existing HVAC systems with certified energy-efficient products and adopting energy-efficient lighting. Alabama estimates these initiatives could reduce CO₂e by approximately 1.5 MM tons in the short term (2025-2030) and by 17 MM tons in the long term (2025-2050).

STATE OF TEXAS

The Texas PCAP, also published in March 2024, focuses on incentivized, voluntary measures with co-pollutant benefits from the three largest GHG-emitting sectors in Texas: industry, transportation and electric power. These three sectors emit almost 90% of the state's GHG emissions. Measures included in this plan are voluntary actions that are available statewide for implementation by eligible entities. The commercial sector in Texas can anticipate the promotion of alternative fuels, such as biofuels combined with solar arrays at closed landfills, available to commercial buildings, along with requirements to transition to heat pumps and increase recycling and waste reduction efforts. The models detailed in the plan assumed a 100% policy implementation schedule by 2050 for these measures.

CITY OF SAN ANTONIO, TEXAS

The City of San Antonio, one of the top 10 largest and fastest growing cities in the U.S., aims to achieve carbon neutrality by 2050. In 2019, the City Council adopted a climate action and adaptation plan ("CAAP") that outlines mitigation strategies intended to advance carbon neutrality, inclusive of adaptive ecosystem restoration and social equity strategies. As the region experiences increasing temperature and extreme heat events coupled with declining annual precipitation, the plan also identifies 45 adaptation strategies to address these climate impacts and more. The strategies involve reducing energy use, water consumption and solid waste generation from commercial, industrial and residential buildings.

It is challenging for us to quantify the future impact of these and other policies and legislation on our operations as each jurisdiction in which we operate is approaching climate action in its own way. Generally, to meet the various building energy performance standards and revised building codes, we expect that we will need to design and build our assets to be even more efficient and to invest capital to retrofit natural gas-burning equipment (e.g., hot water heaters, small emergency generators, boilers, etc.) with electric-powered equipment, purchase higher-efficiency heating and cooling units and add onsite renewable energy projects.

Over the medium term, particularly in the next six to seven years, transition risks include the following:

- > Engineering professionals may be overwhelmed by retrofit design requests.
- > Increased demand for equipment may raise costs and affect availability.
- > Contractors may be overwhelmed with decommissioning, installation and commissioning requests.
- > Jurisdictional permitting and inspection staff may be overwhelmed.
- > The power grid may be constrained to keep up with increased electricity demand.
- > The cost of electricity may increase.
- > The cost to operate buildings may increase, which could impact leasing.
- > Availability of utility incentives may be limited, if not exhausted.
- > There is a possibility of incurring fees for not being able to meet energy performance standards.
- > Our ability to pass costs to tenants, as is common in commercial real estate, may be greatly constrained.
- > Financial and reputational effects of non-compliance may include costs of enforcement actions and decreased value from decline in property demand.

CDP aims to maintain full compliance with all pertinent local, state and federal regulations. As such, we have not explored the alternate outcomes of partial compliance or non-compliance. To mitigate risks that would negatively affect full compliance, we pursue actions to:

- > Begin working with our operating partners and key suppliers now to plan.
- > Continue to boost existing equipment efficiency through preventive maintenance.
- > Proactively replace aging building equipment with higher efficiency systems.
- > Retrofit existing buildings with building automation systems.
- > Design our future buildings to at least meet performance standards.
- > Explore alternatives to relying on grid power, such as solar.
- > Adopt new and changing technologies, when feasible.

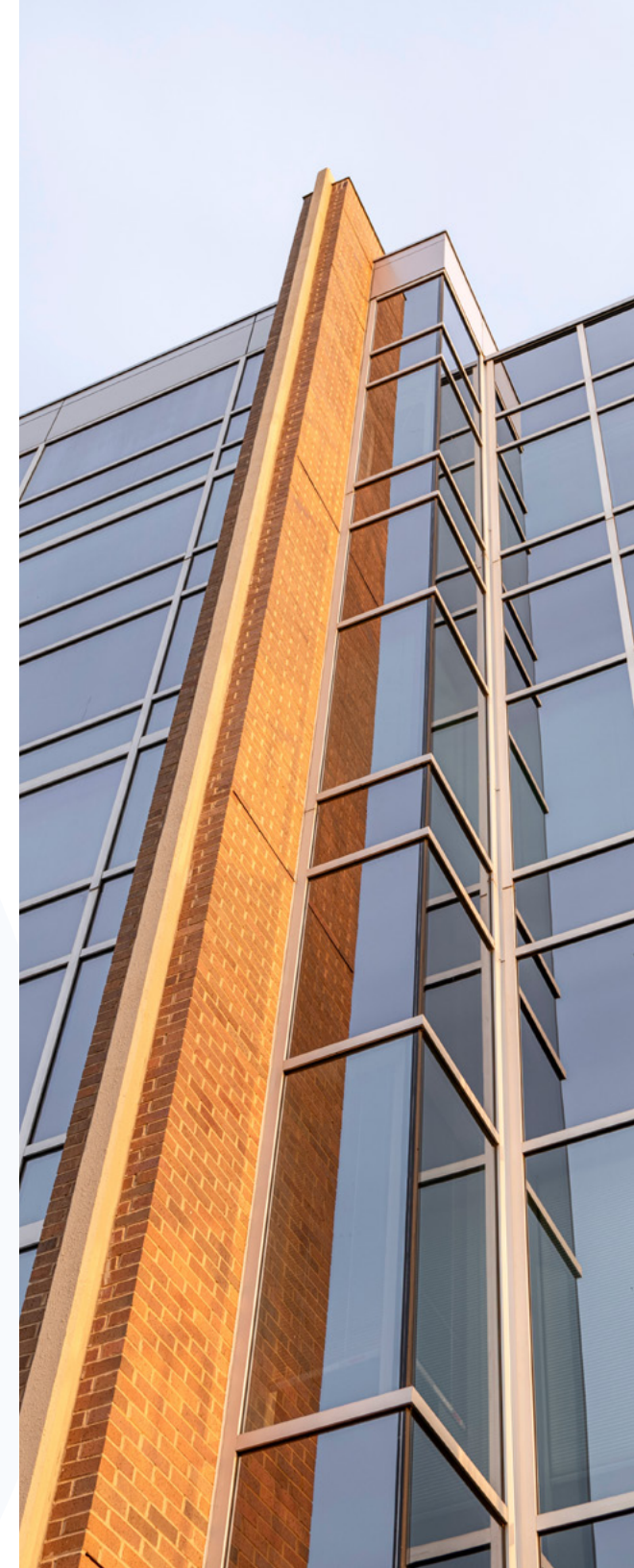
LONG-TERM IMPACTS

Our properties in the medium- to longer-term time horizon (up to 25 years) may be most susceptible to the physical risks posed by extreme heating and cooling and to a much lesser extent by other physical risks, such as flooding, extreme weather and sea level rise. While approximately 95% of our portfolio lies within areas anticipated to be moderately affected by broad seasonal temperature swings, the associated risks are low. This is mostly due to the fact that our portfolio is largely located in temperate, inland areas outside of high-

catastrophe (“CAT”) prone areas in Maryland, Virginia and northern Alabama. None of those properties are in areas of water stress. However, Texas may be moderately affected by increased periods of drought in advance of the mid-Atlantic states. Similarly, while none of our properties are in high-hazard flood zones, we have a few properties adjacent to areas with a higher potential for flooding.

To account for the full range of potential scenarios, our current financial planning reflects a “business-as-usual” scenario. To that end, we evaluate opportunities to:

- > Continue to refine and test the efficacy of our emergency response and business continuity plans.
- > Confirm that our properties maintain compliance with relevant building codes (e.g., wind-lift and reflectivity on roofing systems).
- > Work closely with our insurance broker and insurers to identify, control and/or prevent losses, when possible.
- > Retrofit our buildings with technologies, such as flood barriers, where warranted.
- > Strengthen the design of future buildings, as necessary.



RISK MANAGEMENT

We employ the same process for climate-related risk management as we do for other aspects of our enterprise risk management program: we identify, analyze, prioritize, treat and monitor risk. As part of our annual portfolio risk review, we assess physical risks and their potential impacts. Each year, in collaboration with our insurance broker, we review our portfolio to verify the accuracy of the underwriting information. This process identifies any changes to flood hazard mapping, wind tier zone designations or other risk engineering information that may affect

maximum probable loss scenarios. Our property insurer annually inspects our larger properties for loss prevention or mitigation opportunities.

While our properties could be susceptible to extreme weather, such as tornadoes, hurricanes and heavy precipitation, they are not in high CAT-exposed areas. As such, we have secured substantial property insurance limits (\$1 billion for each occurrence) with a low deductible, underwritten by top-rated, financially secure carriers.

REAL ESTATE LIFE CYCLE OPPORTUNITIES + IMPACTS

CATEGORY	CURRENT STATE	CLIMATE-RELATED OPPORTUNITIES	POTENTIAL FINANCIAL IMPACTS
Land Acquisition + Holding	Situated in non-CAT exposed areas	Limit to areas not within high-CAT zones	> Higher cost of land > Higher cost of risk transfer > Reduced land availability
Development	Resilient tenant base, focus on LEED	Mitigating acute and chronic risks through stronger building and/or lot design	> Increased costs; Lower yield > Higher cost of risk transfer
Construction	Focus on LEED, use of proven and new technology	Building more efficient products with new technology	> Higher cost of materials > Reduced resource consumption, lower operating cost
Leasing	Partnering with tenants	Operating our buildings more efficiently	> Reduced resource consumption, lower operating cost
Operations	Incorporating "green" concepts in all that we do	Operating our buildings more efficiently	> Reduced resource consumption, lower operating cost
Dispositions	Evaluate the potential sales of under or non-performing assets	Shed less efficient assets, thereby increasing the overall efficiency of our portfolio	> Reduced resource consumption, lower operating cost



We will continue evaluating and refining our TCFD disclosures and sharing our findings with our stakeholders.

METRICS + TARGETS

We track and report on energy use, water use and GHG emissions across our portfolio. The selected metrics are both in line with other REITs and with reporting frameworks, such as the SASB and GRI standards. As a result, we report on metrics that are material to the Company. In 2020, we established a goal to reduce energy

and Scope 1 and 2 GHG emissions intensity from our operational portfolio by 5% by the year 2025, and to keep water intensity flat (zero increase), compared to a 2019 baseline. Our annual Corporate Sustainability Report includes details on our consumption and emissions data and our progress against these goals.

We continue to evaluate opportunities to improve our current reporting practices for Scope 1 and 2 emissions, energy, water and waste data.



**GHG EMISSIONS
FOR 2023**

- **SCOPE 1:**
6,291 Metric Tons CO₂e
- **SCOPE 2:**
52,689 Metric Tons CO₂e





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