



THE
GREEN
CITIES
COMPANY



Responsible Investment Policy

GREEN CITIES INVESTMENT MANAGEMENT

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1 / PURPOSE

As a vertically integrated real estate investment management firm with in-house development and property management, The Green Cities Company's values and practice are rooted in environmental stewardship, social impact and fiduciary responsibility across all disciplinary practices of the Firm. The Green Cities Company ("Green Cities") demonstrates its long-standing commitment to positive environmental and social outcomes in all of its properties across its portfolio and captures the Firm's intent in this regard in its responsible investment practices.

Green Cities defines responsible investment as the confluence of environmental, social, and investment value. Our differentiated approach to investment management is holistic, encompassing the environmental footprint of an asset, the diversity and inclusivity of its community, and the wellbeing and fulfillment of its occupants and neighbors. We believe a focus on environmental, social, and governance factors (ESG) enhances the quality of our investments, promotes occupant health and wellbeing, and improves economic and social outcomes for local communities and therefore must play a central role in our investment management approach.

To this end, Green Cities applies an investment management approach that fully integrates ESG considerations into all stages of the investment lifecycle. As defined by the Principles for Responsible Investment (PRI) and inspired by our ability to contribute to the United Nations Sustainable Development Goals (SDGs), ESG integration ensures that ESG issues are explicitly and systematically included in all investment decisions. Translated into practice, this means both financial and ESG information is analyzed, but not that financial factors are ignored; ESG-related risks and opportunities within investments are analyzed, yet ESG is not a driver for every investment decision; and investment decisions take financially material ESG information into account but do so without sacrificing portfolio returns for ESG performance. Green Cities takes this process one step further by examining the financial benefit for each ESG consideration, which many times is beneficial to a property's performance and financial return.

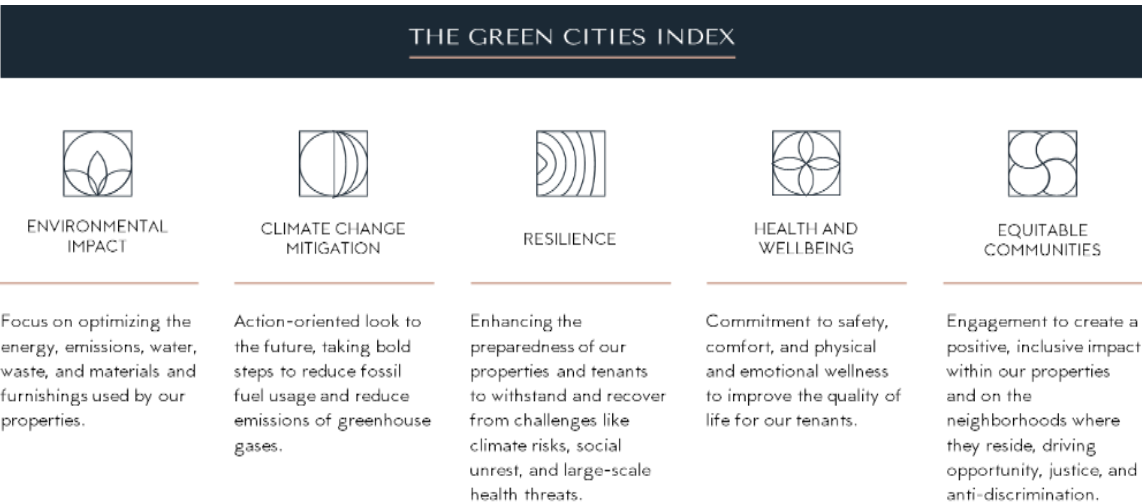
The purpose of this policy is to coalesce the firm's ESG investment management approaches into a formal statement on responsible investment. Implementation of the Green Cities' approach to responsible investment is outlined in additional detail in the firm's environmental, social, and governance policies which are components of this responsible investment policy and included in the Appendix.

2 / ESG MONITORING & MEASUREMENT

The firm maintains a proprietary framework, the Green Cities Index (GCI), to track all material ESG impacts. This unique index is a robust metric fully integrating ESG and diversity, equity, inclusion, and access (DEI&A) considerations throughout the investments' lifecycle as well as in the Firm.

Driven by a deeply held organizational desire to take a differentiated approach to the traditional concepts of "green" and "sustainable," the GCI was originally developed in 2020 through an extensive Materiality Assessment. Led by the firm's core values – constant innovation, sustainability focus, human focus, community engagement, institutional rigor, and success to be proud of – the assessment was informed by standards included in PRI, GRI, GRESB, TCFD, LEED, Fitwel, and B Corp, as well as feedback from key stakeholders including investors, tenants, and industry partners. Green Cities expects to update this Materiality Assessment with regularity to seek an industry-leading approach to measuring, reporting, and driving enhanced ESG-related performance.

The Green Cities Index covers the entire portfolio and guides the tactical execution of the firm's ESG goals within the various funds, strengthening the firm's commitment around ESG and showcasing our desire to redefine green investing in the real estate investment space. This pioneering approach promotes our deep focus on five key pillars:



Within each ESG pillar are a set of strategies with measurable outcomes, or Key Performance Indicators (KPIs), most applied uniformly across the portfolio such as alternative transportation options and community partnerships, and others applied strategically where the opportunity exists for maximum impact such as onsite energy production or a rooftop garden. We believe positive results in each of these categories have a direct and beneficial impact to investment returns.

3 / ESG INTEGRATION

Green Cities' policies with respect to responsible investment are reflected in our investment process and are applied consistently to each acquisition. Our goal is to apply a cross-functional approach and a broad perspective to each of our properties with extensive internal collaboration consisting of in-house operational, design, construction management, underwriting, asset management and ESG expertise. For every investment, and with active executive-level oversight, our team considers the unique attributes of each specific asset to develop holistic, property-specific ESG plans that add value.

This all-team approach is designed to maximize the firm's fully integrated expertise. With thorough, detailed investigation early in the underwriting process of each investment, we achieve tailored capital improvements, innovative development and operational ESG strategies, and a holistic approach to each building which strengthens the property's overall position in the marketplace and value proposition as an investment.

SOURCING AND DUE DILIGENCE

In deal sourcing and due diligence, existing ESG aspects and the potential for ESG value creation opportunities are evaluated through existing documentation received from the property seller, energy audits, property condition assessments, climate risk assessments, onsite investigation, and evaluation of comps. A specific Green Cities Index Intake Form is used during this process which has been directly informed by the future measuring and reporting requirements of our GCI.

ACQUISITION

The ESG Team reviews the GCI Intake Form and works cross-functionally, with acquisitions, asset management, property management, marketing, design, and construction management to develop the property's ESG business plan in line with our goals as expressed in the GCI. The investment memorandum presented to the Investment Committee for acquisition approval captures the strategies from this cross-functional workshoping which go beyond environmental impact and address climate change mitigation, resilience, health and wellbeing, and equitable communities. The Investment Committee actively considers ESG alongside all other investment factors in its determination of a property's financial and impact return potential.

INVESTMENT MONITORING

After Investment Committee approval and acquisition, weekly project meetings are led by asset managers to coordinate the execution of the property's business plan. The ESG Team participates in these meetings and leads the direction of the ESG initiatives.

Each property's business plan and corresponding budget, including the ESG budget, is reviewed and updated annually. ESG performance is closely monitored through annual benchmarking and with the Green Cities Index. In this capacity, key ESG metrics are monitored and reported by asset, by Fund and across the Firm's portfolio in aggregate, all of which is detailed in the firm's annual Environmental

and Community Impact Report. The executive team holds monthly property performance meetings and quarterly all-team meetings – both including participation by the ESG Team – to review the overall status of all managed assets, market dynamics, and the firm’s overall business strategy.

DISPOSITION

ESG value creation is reflected in financial metrics such as property occupancy, rents, NOI, and at disposition, lower cap rates and higher overall valuations. Operational cost savings and stronger rents, occupancy, and overall lease renewal rates are a by-product of overall tenant satisfaction with the property and valued lifestyle around health, wellbeing, and positive environmental and social impacts. Green building certifications such as LEED and health and wellness certifications such as Fitwel help position our properties in the marketplace as premium assets enhancing both leasing and sale opportunities.

4 / REPORTING & SUSTAINABILITY OUTCOMES


Green Cities supports transparency and balance in ESG reporting. We hold ourselves accountable to achieving our stated ESG objectives at each asset through both voluntary and mandatory reporting which has been a cornerstone of our ESG platform for nearly a decade. Sustainability outcomes are detailed in our annual Environmental and Community Impact Report which is published at the General Partner level for the entire active portfolio. Over one hundred ESG priorities in five categories quantify meaningful outcomes across the portfolio.

These outcomes directly contribute to the SDGs, and we take our position to continue to drive sustainability in resilience throughout our cities, within our properties, and for our residents very seriously. We believe the commitments reported on in the GCI as outlined above demonstrate an ongoing and intentional contribution to the SDGs as follows:

PRIMARY CONTRIBUTIONS

11 SUSTAINABLE CITIES AND COMMUNITIES 	MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

ADDITIONAL CONTRIBUTIONS

6 CLEAN WATER AND SANITATION 	ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL
8 DECENT WORK AND ECONOMIC GROWTH 	PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

In addition to the impact of our portfolio-wide metrics, KPIs are reported in aggregate for each separate Fund and by asset. Asset-level reporting ensures ESG accomplishments at each investment are fully transparent to our investors and stakeholders.

Additional voluntary ESG reporting includes participation in the annual GRESB survey, annual reporting to ULI Greenprint's Center for Building Performance, and maintaining the firm's B Corp certification.

As a signatory to the PRI, Green Cities is required to complete the annual PRI survey, though we are also voluntary signatories of the PRI Advance initiative to support the global advancement of human rights.

5 / STEWARDSHIP

INDUSTRY LEADERSHIP

Green Cities has been an advocate for responsible investment that maximizes overall value to investors for over a decade through extensive involvement with ESG-focused organizations and initiatives at various levels within the commercial real estate community.

- The firm has reported by fund to GRESB since 2013.
- Green Cities has been a signatory of the United Nations-supported PRI since 2017 and seeks to support the UN Sustainable Development Goals through the impact of its integrated ESG strategies.
- Green Cities has been a certified B Corp since 2015. Certified B Corporations, or B Corps, are for-profit companies that meet rigorous standards of social and environmental performance, accountability, and transparency. Green Cities engages actively with the B Corp PDX local group near its Portland, Oregon headquarters, as well.
- Green Cities is Fitwel Viral Response certified at the GP-level and expects to be certified at each active asset in the portfolio by the end of 2022.
- Green Cities has been a member of the US Green Building Council (USGBC) since the early 2000's and supports the affiliated USGBC chapter organizations in each of our key markets.
- In 2019, Green Cities became a member of ULI's Greenprint Center for Building Performance, a global group of property owners working to achieve significant improvements in environmental impact, particularly carbon emission reductions. In 2021, Green Cities declared a public commitment to ULI Greenprint's goal of Net Zero by 2050.
- Green Cities supports the Paris Climate Agreement and has developed science-based targets to significantly reduce operational carbon across our portfolio by 2030.

ADVOCACY

At Green Cities, we believe in promoting policies which improve environmental, social, and governance practices and which transition the industry into a more sustainable future, with the goal of maximizing overall value for our investors.

We engage with stakeholders to increase ESG understanding, create buy-in around ESG value creation and create feedback loops to inform the evolution of our ESG program based on the most material ESG impacts. Priorities include ESG factors with material impact on financial and/or operational performance such as retro-commissioning and staff training; ESG factors with systemic influence such as climate change and ecological resilience; and specific ESG factors relevant to our beneficiaries such as our union labor policy. Our Social Policy included in the Appendix provides additional detail regarding these engagement practices.

We advocate for broader adoption of responsible investment practices and sustainable development strategies in a variety of ways including:

- Participation in formal collaborative engagements.
- Participating in and help directing the strategy and content of The Green Cities Exchange, an informal, collaborative series of industry-specific discussions. Through these targeted and intimate events, Green Cities aims to create forums for education, sharing of ideas, and mutual advancement around topics including equity, inclusion, access, health and wellbeing, resilience, and climate change. Conversations through The Exchange are facilitated by and opened to external partners and stakeholders to advance the internal team's ESG knowledge while also enhancing the firm's overall industry stewardship and knowledge.
- Leveraging internal resources (i.e. ESG Team) to represent the firm provide guidance to the broader team and represent the firm. Partner approval is required for any significant or new positions on ESG initiatives.
- Engaging with policymakers directly and with third-party organizations and non-profits that engage with policymakers.
- Participating in sign-on letters to support ESG policy initiatives.
- Responding to policy consultations on ESG policy initiatives.
- Providing technical input on ESG policy changes.
- Establishing unique partnerships with other green building professionals and non-profits to further our environmental and social objectives.
- Engaging with standard-setters and industry associations including SBTi,GRESB, USGBC, NAREIM, and PREA to help define and advance industry best practice around ESG-related considerations.

- Green Cities is an active member of the ULI Greenprint Multifamily, Net Zero, and DE&I Steering Committees.

Outcomes from the firm's ESG stewardship activities are shared internally during weekly and quarterly standing all-team meetings and externally through our annual Environmental and Community Impact Report, quarterly investor announcements to investors, and press releases.

6 / ROLES & RESPONSIBILITIES

Responsible investment is applied consistently across the organization through close internal collaboration throughout the entire investment process.

- Responsible investment and the portfolio's performance relative to the GCI is the responsibility of all Green Cities employees.
- The executive team, comprised of the four Managing Partners, is responsible for ensuring that responsible investment remains at the core of the firm's business strategy.
- Full-time, dedicated ESG resources at Green Cities include the Senior Director of ESG and the ESG Analyst which comprise the ESG Team. The ESG Team is responsible for designing the vision for and executing the ESG priorities of the firm, through ongoing ESG management that involves coordination and integration with acquisitions, asset management, property management, design, and construction management.
- In addition, the Senior Director of ESG chairs our DEI&A Committee, working with our four Managing Partners to set and seek to execute on our social impact initiatives.
- The Chief Compliance Officer ensures that all investment activities comply with appropriate regulations.
- Asset managers are responsible for collaborating with the ESG Team to execute the property's ESG business plan.
- External property managers are required to collaborate with asset management and the ESG team to ensure the firm's sustainable operations practices and ESG priorities are implemented. Green Cities has developed proprietary training modules which align property staff with the goals and required measurements of the GCI. In addition, property management quarterly bonuses are tied to achievement of social impact goals set by The Green Cities Company.
- Green Cities' standard Limited Partnership Agreement commits to transparent ESG reporting. In addition, we provide for further commitments and reporting requirements of our Limited Partners through side letters.

The ESG Team reports directly to one of the Managing Partners and provides weekly updates on ESG activities. The ESG Team also meets weekly with select members of the Asset Management and Design & Development team, with a more broadly attended monthly meeting to review the advancement of ESG initiatives for each property's business plan. ESG updates are shared with the full corporate team during quarterly all-team meetings.

Green Cities follows rigorous governance protocols aligned with SEC guidelines. As a SEC registered investment advisor, we operate with clear and appropriate governance policies. Our firm is governed by an Investment Committee which consists of the executive team. Our Governance Policy includes our Compliance Manual, our Code of Ethics, our Cyber Security Policy, our Employee Handbook, and a Responsible Contractor policy. Our policy also includes an annual risk assessment of governance policies and procedures performed by our Chief Compliance Officer which informs the evolution of the policies.

Internal and/or external audits of our governance policies, including this Responsible Investment Policy, are performed annually. All employees of Green Cities Investment Management participate in annual training conducted by the Chief Compliance Officer to stay abreast of the firm's governance policies and reporting requirements. Please refer to the Governance Policy included in the Appendix for more detail.

7 / SCOPE

This policy is applicable to all investment management activities of the firm, including all real estate equity funds and separately managed assets. The Private Placement Memorandum for each fund includes language specifically supporting ESG as a differentiating and fundamental aspect of the Fund's mission.

8 / CONFLICTS OF INTEREST & EXCLUSIONS

Green Cities holds all investments directly through discretionary funds and all funds are focused on ESG value creation; therefore, conflict of interest and exclusion policies are not applicable.

9 / APPENDIX

A. ENVIRONMENTAL POLICY

At The Green Cities Company (Green Cities), we define, communicate, and track our environmental objectives in a variety of ways. Collectively, these commitments and actions comprise our Environmental Policy. They are at the core of who we are as a company and validate our track record in environmental responsibility and sustainable development. Apart from our status as a B Corp, which occurred in 2015, all commitments date back to the origination of our first Green Cities fund in 2009.

1. ESG APPROACH

Each Green Cities asset has a unique story, brand, and distinctive demographic, and our ESG approach reflects that by encouraging tailored asset-level experiences while also remaining standardized for operational excellence.

ACQUISITIONS

For acquisitions, we develop a detailed list of ESG objectives through a comprehensive process that includes a detailed review of existing conditions and a physical climate risk assessment. We conduct a gap analysis to identify opportunities for specific environmental strategies and engage in internal cross-functional workshoping whereby the unique attributes of a specific property – such as location, the historical context of the site, access to green spaces, etc. – are considered holistically. Value creation – increasing operating income, improving tenant retention, enhancing occupant health and wellness, mitigating physical and/ or regulatory risk, and establishing goodwill – is assigned to each ESG strategy we underwrite in the business plan. For standing assets, ESG business plans are updated annually to ensure alignment with property budgets and to communicate specific performance targets for that year.

NEW CONSTRUCTION

For new construction projects, a set of aspirational environmental goals is established early through an all-team workshop (“eco charrette”) which involves an extended version of the traditional design and construction team to include specialized consultants, jurisdictional authorities, utility program representatives and others as appropriate. Throughout design, we vet various ESG strategies in terms of cost, effort, and overall impact, resulting in a “flagship” strategy deemed most impactful along with other key ESG strategies aligned with the Green Cities Index.

Green Cities’ ESG goals are achieved by executing the property’s business plan over the duration of the investment. Significant focus is placed on assessing environmental impacts through ongoing monitoring of building performance; benchmarking against multiple data sets and tracking to our annual performance targets. The execution of this work is managed by the ESG Project Manager who coordinates with both internal and external property managers to ensure consistency across the portfolio.

2. ENVIRONMENTAL CRITERIA AND STANDARDS

The Environmental Impact pillar of the Green Cities Index outlines the environmental aspects of our work that have material impacts we track and report. The following is a summary of those impacts along with minimum performance targets.

ENERGY & GHG EMISSIONS

Acquired assets: A minimum 20% energy and GHG emissions reduction over the EPA Portfolio Manager baseline, with a goal of achieving a 30% reduction. We seek incremental YoY improvement and to achieve the performance target by the end of the hold period (typically 3 – 5 years).

New developments: A 30% energy and GHG emissions reduction over the 2010 ASHRAE 90.1 baseline for LEED. For all new development projects, we follow a holistic integrated design process, perform energy modeling to identify the most cost-effective energy efficiency strategies and perform commissioning to ensure optimal operation of all HVAC, lighting, and water systems.

WATER

Multifamily properties: A minimum 25% potable water use reduction over the EPA Portfolio Manager baseline, with a goal of achieving a 30% reduction.

Commercial properties: A minimum 40% potable water use reduction over the EPA Portfolio Manager baseline.

WASTE

Multifamily properties: A minimum waste diversion rate of 20%, with a goal of achieving a 40% reduction.

Commercial properties: A minimum waste diversion rate of 30%, with a goal of achieving a 40% reduction.

MATERIALS

Prioritization shall be given to construction and renovation materials that are environmentally responsible and non-toxic to human health. The following attributes are desired:

- Locally sourced raw materials
- Raw materials extracted in an environmentally responsible manner
- Locally manufactured
- Recycled content
- Rapidly renewable content
- No added urea-formaldehyde resins

- Zero or low-emitting VOCs
- Sourced from suppliers that pay living wages

Supply chain requirements for designers and contractors are enforced through project specifications that require these preferences. All substitutions must be routed through ownership, via the project architect, for approval.

Green Cities' Brand Material Standards are as follows:

- *Transparency.* Prioritize materials where we have information access (EPDs, HPDs, have known certifications, and are thirdparty verified)
- *Stewardship.* Partner with vendors, manufacturers, contractors, architects, ownership groups, and other companies to better advance industry commitment
- *Lifecycle.* Consider all aspects of the material lifecycle including raw materials, manufacturing, transportation, resilience, end of life waste, equity, and social justice
- *Detoxification.* Screen for products that do not contain these six chemical classes: PFAS, antimicrobials, flame retardants, bisphenols and phthalates, some solvents, and certain metals
- *Water.* Emphasize the conservation and optimization of water in all aspects of the built environment including material manufacturing, plumbing fixtures, landscaping and irrigation, potable water health, and storm water management
- *Efficiency.* Optimize energy use and use systems and materials (HVAC, appliances, lighting) that use less energy
- *Design.* Base all design decisions and selections on the premise that good design is sustainable and healthy for all people and the planet
- *GCI Integration.* Unite all aspects of the GCI in our materials selection for a holistic view of each element's environmental and social impact

INDUSTRY CERTIFICATIONS

Green Cities incorporates two green building certification standards into its policies and practices, LEED and Fitwel. A commitment to LEED Certification on all projects is at the cornerstone of our ESG platform. We require a minimum LEED Gold certification for all new developments and acquisitions.

Green Cities is a Fitwel Champion and has implemented a vast array of health and wellness strategies in design and operations. We pursue Fitwel certification at our commercial properties and where it aligns with the target demographic for our multifamily properties.

Green Cities is also a certified B Corp and has a gold level Global Impact Investing (GIIRS) rating. B Corporations are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. B corporations are purpose-driven organizations that wish to create benefits for all stakeholders, not just shareholders. The B Lab survey addresses all ESG aspects and includes detailed questions with respect to community, customers, environment, workers, and governance.

The other pillars of the Green Cities Index include Climate Change Mitigation, Resilience, Health and Wellbeing and Equitable Communities. Several impacts within these categories are also material from an environmental perspective and are addressed below.

CLIMATE CHANGE MITIGATION

- **Renewable Energy:** To reduce greenhouse gas emissions, we seek to integrate renewable energy systems in markets where it is economically viable and at properties with adequate solar exposure, after giving priority to reducing overall building loads through energy efficiency capital improvements.
- **Science-based Targets:** As a member of the ULI Greenprint community, we have committed to be Net Zero by 2050. In addition, we have set science-based interim reduction targets for significant decarbonization by 2030.
- **Climate Risk Assessments:** As of Q4 2020, we perform physical climate risk assessments on all new developments and acquisitions to inform our ESG strategies and resilience planning.

RESILIENCE

- **Biodiversity:** We promote biodiversity and habitat through the Resilience pillar of the Green Cities Index which includes green roofs, herb gardens and beehives (where feasible) at our properties. We also promote onsite stormwater treatment and retention as well as erosion control measures during construction.

HEALTH AND WELLBEING

- **Indoor Air Quality:** At new developments and acquisitions, to promote occupant health we implement smoke-free policies, ensure adequate ventilation, use MERV-rated air filters, implement a green cleaning program, and install walk-off mats for pollution control and indoor air quality monitoring.
- **Biophilic Design:** We have always believed in the connection of emotional, physical, and mental wellbeing and our proximity to nature. Our intentional design prizes opportunities for biophilia, while maintaining our commitments to inclusivity and lowering embodied carbon in material selection.

3. ENVIRONMENTAL AND CLIMATE RISK

Asset-level risk assessments are performed as part of the due diligence process for each acquisition. These are performed by collecting existing information from the seller as well as Property Condition Assessments, Energy Audits, Climate Risk Assessments, and other reports prepared by consultants we hire. The primary risks and how we intend to address them are summarized in the investment memorandum for each asset presented to Investment Committee for formal approval.

- Property Condition Assessments include data and commentary on the following:

- Building safety as summarized through careful examination of building construction, structural systems, and the overall condition of the property including existing HVAC equipment
- Compliance with regulatory requirements, both construction and operations
- Environmental contamination that may be present on or adjacent to the property and the potential implications for removal
- Natural hazards that may be present in proximity to the property and their potential impacts
- Energy Audits include data, commentary, and recommendations for the following:
 - Climate change considerations, including discussion on electrification, battery storage and the potential for renewable energy
 - Energy efficiency opportunities ranging from basic lighting upgrades to replacement of significant pieces of equipment which informs the capital improvement strategy plan and budget to be included in the property's overall business plan
 - Energy supply considerations including fuel mix for electricity suppliers, and associated impacts on GHG emissions
 - Water efficiency opportunities
- Climate Risk Assessments currently include the following:
 - Physical climate risk assessment based on analysis performed by Four-Twenty-Seven (a subsidiary of Moody's corporation) which deploys a leading climate risk analytics tool to assess exposure to heat stress, water stress, floods, hurricanes, typhoons and earthquakes. These risks are ranked relative to risk from exposure and are addressed within the acquisition memorandum to the Investment Committee.

4. SUSTAINABLE OPERATIONS PLATFORM

Green Cities' Sustainable Operations Platform includes operational policies, tenant programming and engagement, and building performance optimization and benchmarking. This information is consolidated in our Sustainable Operations Manual which outlines our approach to environmental responsibility, community engagement and sustainable building operations, and provides guidance to site management staff. Additional ESG training is provided to each management team at least once a year and in-person ESG-focused meetings are held throughout the year as travel allows. Virtual monthly ESG meetings are held with the ESG Analyst, the corporate asset manager, and the property site team.

POLICIES

We translate our overarching environmental objectives at the portfolio level into operational policies for each standing asset. Each asset has its own set of environmental policies which are tailored to its

unique circumstances but include a uniform baseline set of criteria. These policies include the following:

Green Cleaning Policy: Stipulates the use of non-toxic cleaners within the common areas and provides free green cleaning kits to multifamily tenants. This program limits exposure to chemicals and dirt that might be hazardous to human or environmental health.

Ongoing Purchasing and Waste Policy: Prioritizes using recycled content products in the management of the property and provides an expanded recycling program for tenants (electronics, lightbulbs, batteries, etc.) with the goal of reducing environmental impact from materials purchased, used, and disposed of during operations.

Site Management Policy: Prioritizes the use of non-toxic chemicals in the property's maintenance equipment and fertilizer, maintains an organic waste management practice for all landscape materials and maintains an irrigation management practice to reduce waste of water.

Integrated Pest Management: Prioritizes pest management using only non-toxic materials. The property utilizes a robust communication protocol with any pest chemical treatments to ensure tenants' health. This process minimizes the impact of site management practices on the local ecosystem and protects tenants' health.

Facility Maintenance and Renovation: Prioritizes recycled, locally sourced and non-toxic building materials to reduce negative environmental impacts associated with the materials purchased, installed, and disposed of during maintenance and renovation.

PROGRAMMING

We integrate ESG into the tenant experience at our commercial and multifamily properties and connect with each asset's local community through several standing programs. These include our green cleaning program, expanded recycling, green dry cleaning service, green power purchasing, alternative transportation options (bicycle facilities, EV charging stations), Earth Day and other sustainability-related activities such as the annual EcoChallenge, and volunteer/ charitable giving activities. Additional programming such as herb gardens, fresh produce delivery services, onsite fitness facilities and others are offered where possible and where sufficient tenant interest exists.

5. ENVIRONMENTAL MANAGEMENT SYSTEM

Green Cities has a robust environmental management system in place that consists of assessing, planning, executing, and monitoring outcomes of our energy efficiency and environmental initiatives. Specific data management tools, including the Green Cities Index, ensure efficient data collection to streamline our environmental management activities, ensure team members across the firm have access to relevant environmental information and performance data, and annual ESG reporting.

DATA MANAGEMENT

- **Green Cities Index**

The foundation of our environmental management system is our Green Cities Index which is the framework we use to report over 75 impact metrics for each asset on an annual basis in our Environmental and Community Impact Report. The Index is designed to evolve as materiality in ESG evolves over time; therefore, additional metrics will be added, and some may be removed.

- **Measurabl**

We use Measurabl, a paid data collection platform, to collect and organize ESG performance data and as the clearinghouse for our annual GRESB submittal. Our climate risk assessments are currently completed by Four Twenty-Seven through the Measurabl platform.

- **EPA Portfolio Manager**

Utility data for all operational properties is collected in this free online database which calculates building energy use intensities (EUIs) based on energy usage for Energy Star certification. Energy data housed in Portfolio Manager is designed to link to other data management platforms such as Measurabl. To ensure data integrity, real-time meter readings are compared to utility bill data collected in Portfolio Manager.

- **Real-time Utility Monitoring Systems**

Most Green Cities' properties feature web-based utility monitoring systems to capture electricity, gas and water consumption data in real time throughout the year. These services include the support of experienced metering specialists to assist with investigation anomalies and interpreting performance trends. To ensure data integrity, real-time meter readings are compared to utility bill data collected in Portfolio Manager.

BUILDING PERFORMANCE OPTIMIZATION

Green Cities implements a rigorous building performance data monitoring and verification process. Asset management, ESG, building engineers, property managers, and metering specialists meet quarterly to review trends, discuss any retro-commissioning or other building-related activities that affect energy and water performance, and look for opportunities to find efficiencies.

- **Benchmarking**

Each of the data collection platforms we use compares the properties' energy use against a unique baseline, providing deeper insights into operational performance. For example, Measurabl's baseline is derived from the performance of all properties that use their platform whereas ARC's baseline is a subset of market-specific, high-performance, LEED certified properties.

Each asset's performance is tracked, analyzed, and benchmarked against property-specific energy targets on a quarterly basis to ensure the asset is operating efficiently. For annual benchmarking, we hire an energy specialist to perform a full review of all utility bills (electricity, gas and water)

and real-time monitoring data. The CEMARS standard is followed for all energy and emission calculations. Results are captured in the Green Cities Index and include:

- EUI (kBtu/sf/yr)
- percent improvement over the EPA baseline for the reporting year
- percent improvement over prior year
- percent improvement over the performance target for the reporting year

These targets are set annually based on performance trends and the overall goal of achieving a 30% reduction in energy use over the hold period.

■ OPTIMIZATION

Data collection and benchmarking provides valuable insights into building performance while also uncovering opportunities to improve performance metrics and reduce operating costs. With thorough data collection, careful cross-comparison of data sets and benchmarking in multiple platforms, Green Cities maximizes asset performance to maximize investor value.

■ REPORTING

The firm's annual Environmental and Community Impact Report summarizes Green Cities' portfolio performance from a holistic ESG perspective, using the GCI. The Environmental Impact metrics outlined above are presented by property, by fund, and for the aggregate portfolio.

■ TRAINING

Green Cities is in the process of transitioning property management and site staff to proprietary ESG training through modules developed by the Firm. These modules not only summarize the Firm's commitment to sustainability, but lay out specific expectations for environmental goals, data tracking and reporting, and the integration of environmentalism throughout each person's specific job function.

- END -

B. SOCIAL POLICY

Green Cities is committed to bettering our communities, providing healthy and engaging spaces for our tenants, and supporting the health and wellbeing of our employees. We believe a strong social platform is an essential component for creating higher quality and better performing investments.

This policy summarizes our social goals and the approaches we take to improve the welfare of local communities, our tenants and our employees. We address our social goals in various places within the Green Cities Index including Resilience, Health and Wellbeing, Equitable Communities and ESG at Home, which is the application of the Index to our corporate operations. Additionally, the firm's B Corp certified demonstrates an ongoing and holistic commitment to beneficial outcomes for all stakeholders.

1. EMPLOYEE ENGAGEMENT

A detailed Employee Engagement Plan which outlines Green Cities' is maintained by the Director of Human Resources. As a living document, the Plan describes how employee needs are assessed; identifies specific employee engagement goals; outlines a plan for issuing new programs and offerings; and specifies how outcomes are monitored.

A copy of this plan is attached as an exhibit to this policy.

HUMAN RIGHTS AND CHILD LABOR

Green Cities formally condemns any usage of children for the work completed at our properties, by our associates, or in our company. We do not believe any child who has not reached the minimum legal age for work or who may be physically or mentally injured by such work should be forced or allowed to participate in such projects.

In addition, we are protectors of human rights across all our properties and our business relationships, as evidenced by our being a foundational signatory to the PRI Advance initiative. With our background in design and development, we seek to ensure the structural integrity of every one of our properties to guard against physical harm coming to our tenants and residents.

DIVERSITY, EQUITY, INCLUSION & ACCESS (DEI&A)

Green Cities supports diversity, equity, inclusion, and access and has formerly engaged with a strategic consultant to provide education and capacity building to the partners and staff. One result of this process was the formalizing of our DEI&A Policy, as well as the formation of our DEI&A Committee.

Green Cities tracks age, ethnicity, and gender of all employees, including the executive team. At hire, employees are given the opportunity to voluntarily provide specific information with respect to ethnicity, gender, veteran status, and if they are affected by a physical disability.

LABOR RELATIONS

As a U.S.-based company with a national footprint, Green Cities adheres to national laws in the United States that govern employment, and which expressly prohibit child labor and forced/compulsory labor. In no instance has Green Cities ever used or condoned the use of child labor or forced/compulsory labor.

HEALTH AND SAFETY

We believe in supporting the health, safety, and wellbeing of our employees by creating a safe and healthy work environment and providing benefits as part of overall compensation.

Green Cities' Employee Manual describes numerous employee benefits that support employee health and wellbeing, such as free fitness center access and employer-sponsored health/ dental/ vision insurance as well as alternative transportation subsidies and 401(k) retirement benefits.

Green Cities supports a safe working environment for corporate employees by adhering to all local and national laws, such as OSHA, and through discrete employee benefits such as sit to stand desks. Green Cities tracks worker's compensation claims and provides short and long-term disability insurance to all employees who work over 24 hrs./week.

TRAINING AND DEVELOPMENT

A new program to support employee training and professional development was released in conjunction with the updated Employee Manual in Jan. 2022.

ESG training is conducted by the ESG Team in several ways. A detailed review of the firm's annual Environmental and Community Impact Report is held Q2 each year. During the Q4/ end of year all-team meeting, specific ESG initiatives and the results of the ESG Working groups are shared with all employees. New corporate hires are provided an overview of the firm's ESG platform and ad-hoc "lunch and learn" type events are held periodically on topics such as biophilic design, green infrastructure, and certification standards.

In addition, we were proud to create The Exchange by Green Cities in 2022. The Exchange holds events throughout the year which bring together our employees and our network in the real estate sector for education and open dialogue around some of the most important and challenging issues facing multifamily properties today.

The ESG Team provides property management personnel with an overview of the Sustainable Operations Manual which governs all property operations. All site staff is also given detailed training about the specific sustainability features of their property.

2. SUPPLY CHAIN ENGAGEMENT

For new construction and renovation projects, Green Cities construction management and asset management staff as well as external design partners ensure material and finish specifications comply with environmental and social priorities in the Green Cities Index. Currently, supplier engagement

includes specific discussions with FF&E vendors with the goal of increasing transparency in supplier raw material disclosure and furthering market adoption of green product certifications.

A specific Supplier Engagement Policy is slated for development in 2022 which will prioritize initiatives to pursue within our supply chain as part of our stewardship platform.

3. TENANT ENGAGEMENT

Green Cities' tenant engagement program aims to build a strong sense of community at each asset through a values-based approach to lifestyle programs and tenant communication.

TENANT PROGRAMS

Green Cities properties feature curated lifestyle programs such as recycling, free green cleaning supplies for residents, move-in gifts, EV car charging stations, expanded bike rooms, herb gardens, fresh produce delivery service, on-site clothing donation drop-offs, resident herb gardens, and volunteer events.

We assess the overall success of these offerings through tenant surveys issued at least annually at all properties which measure overall tenant satisfaction with the building and sustainability features and programs. Feedback from these surveys informs how programs evolve or are replicated at future properties.

GREEN LEASE PROVISIONS

At multifamily properties, Green Cities encourages sustainable lifestyle practices through a combination of marketing collateral that highlights the sustainability features of the property and inside their unit, and ongoing communications through the resident portal and via social media which highlight the benefits these features provide. All properties are non-smoking; for acquired properties that allow smoking, we transition to non-smoking via a one-year phase out plan. All interior renovation work is performed by ownership and is governed by our sustainable materials policy. Retail tenants performing their own build-out are provided a detailed tenant manual with resources on sustainable and energy-efficient products.

At commercial properties, all work within our control is performed in accordance with our sustainability guidelines. For new construction office properties, we implement formal green lease provisions which address how capital expenses related to energy efficiency improvements are treated; require cooperation with Landlord's sustainable operations policies and sharing of utility data; and include specific build-out requirements aligned generally with LEED O&M guidelines in the work letter of the lease.

HEALTH AND SAFETY

The safety of our residents and staff at our properties is of utmost importance. Our buildings are designed, built, and operated in compliance with all local and national building codes. A combination

of site staff and Green Cities corporate staff perform a series of walk-throughs at weekly, monthly, and annual intervals to assess overall building condition, note any deficiencies, and put in place a plan to address them. Equipment maintenance is performed annually both by facility staff and outside vendors.

4. COMMUNITY ENGAGEMENT

Green Cities emphasizes the positive impacts the construction and management of our properties can have on local communities. Specific impacts we prioritize, track and report through the Green Cities Index include health and safety, along with ecological health; emergency preparedness; and economic opportunity such as affordable housing and diversity in hiring artists, contractors, and vendors.

Green Cities has adopted a Responsible Contractor Policy which requires union trades be hired for all construction and renovation work at all properties. This policy, incorporated as part of each Limited Partnership Agreement for each Green Cities fund, summarizes this relationship with the union trades.

A copy of Green Cities' Responsible Contractor Policy is provided as an Exhibit to this policy.

We also focus on proactive engagement with the local community through volunteerism and charitable giving. Our properties host donation drives and volunteer events that serve to connect residents with the broader community. We seek to establish meaningful partnerships with local non-profits through these activities. In 2022, Green Cities created our own "yellow pages," to establish a centralized source for connection to local-, BIPOC-, and women-owned businesses by each property. Quarterly property management bonuses are tied to specific goals around engagement with these vendors.

We monitor our impacts over time by tracking and reporting on the key performance indicators associated with these impacts through the Green Cities Index. Market data such as demographics, employment, market absorption, and leasing comps are closely monitored by our data analyst. Market trends, as well as performance trends for our properties, are shared internally at least monthly. Through this iterative process, we seek to continually improve our community engagement platform.

5. SOCIAL RISK MANAGEMENT

Integral to our investment management activities is a consistent reassessment of a variety of social risks which affect our employees, our tenants, and local communities.

We assess the needs of each of these groups through ongoing, informal risk assessment. For community and tenant-related risks, assessment is performed on an ongoing basis as a function of our hands-on approach to investment management, being highly present in each of our markets, and in conjunction with our various ESG stewardship activities. For employee-related risks, assessment is performed on an ongoing basis through the efforts of the Director of Human Resources working

with the partners on employee policies, and feedback from various employee-led working groups focused on improving company culture and work processes.

Additionally, we perform an annual materiality assessment update to our Green Cities Index to reflect changing perspectives from our stakeholders and industry trends with respect to the material impacts we track and report.

EXHIBITS:

1. Employee Engagement Plan
2. Responsible Contractor Policy

- END -

C. GOVERNANCE POLICY

Green Cities Investment Management (GCIM) is a SEC registered investment advisor and operates under the highest standards of corporate governance. Clearly articulated policies, procedures and decision-making processes are necessary for regulatory compliance, accountability within the firm and achievement of our performance outcomes.

GCIM's governance policy is a compilation of separate policies that outline:

- firm governance, including ESG
- firm and employee obligations in the performance of investment management services
- fiduciary obligations to investors
- management of governance risk
- expectations and benefits for employees.

1. ORGANIZATIONAL STRUCTURE

The firm is governed by an executive team consisting of four managing partners. Each partner leads a specific division of the firm: capital/ asset management; acquisitions; finance; and design/ construction management.

Investment management activities are governed by the Investment Committee which consists of the four managing partners. The acquisitions team, with participation from asset management, property management and the ESG Team, is responsible for sourcing deals and making investment recommendations to the Investment Committee. ESG strategies are included in the business plan for

each asset. Approval of and budget for these strategies is secured by the Investment Committee at acquisitions and formalized in the business plan.

A current version of the firm's organizational chart is attached as an Exhibit to this policy.

2. ESG GOVERNANCE

Corporate governance at Green Cities reinforces the importance of ESG considerations in all of our investment management activities. Green Cities is a certified B Corp and is committed to maintaining this status. B Corporations are for-profit companies that meet rigorous standards of social and environmental performance and aspire to use the power of business to solve social and environmental challenges.

ESG resides under capital/ asset management and reports to managing partner Molly Bordonaro. Corporate ESG functions including ESG reporting for the investment management funds are managed by the Director of ESG. Execution of ESG strategies at the properties is managed by the ESG Project Manager.

Weekly meetings between the ESG Team and Molly Bordonaro ensure consistent communication on ESG activities. These are tactical discussions such as reviewing progress toward achieving long-term strategic ESG objectives, at the corporate level and at our properties, and shorter-term goals which are tied to the employee bonus program. Specific sustainability initiatives in process or under consideration on an asset-level basis to improve performance and promote tenant engagement are also discussed.

Over the course of the year, ad-hoc ESG Working Groups are assembled by the ESG Team to execute specific ESG priorities from the annual ESG Strategic Plan reviewed and approved by the partners each year. ESG updates are shared with the broader team during quarterly all-team meetings and at least annually, the ESG Team reviews the firm's ESG Strategic Plan with the executive team.

As part of the firm's rebrand and the ESG platform featuring the Green Cities Index, a new quarterly ESG report is in development. This report will allow the ESG Team to share ESG progress with the entire firm in a concise manner, focusing on key building performance metrics and ESG initiatives and will support continued ESG integration across the firm, an ongoing priority.

3. CORPORATE COMPLIANCE DOCUMENTS

COMPLIANCE MANUAL

GCIM has a robust Compliance Manual, a set of formal policies which define in specific terms how the firm conducts business. These policies include:

- Communications Policy and Procedures

- Complaint Policy and Procedures
- Code of Ethics and Standard of Business Conduct
- Privacy Policy and Procedures
- Records Retention Policy
- Anti-Money Laundering Policy
- Business Continuity Plan

Each GCIM employee is required to sign an acknowledgment of receipt and understanding of these policies upon hire and annual training is provided by the Chief Compliance Officer (CCO) to all investment management personnel. These policies are reviewed and updated by the CCO annually as necessary.

CODE OF ETHICS

The Code of Ethics is an Appendix to the Compliance Manual, its own comprehensive document and central to our corporate governance. It includes key provisions that govern the following:

- Conflicts of Interest and Fiduciary Duties
- Insider Trading
- Bribery and Corruption and Zero Tolerance Approach to Bribery
- Charitable Donations
- Political Activities and Contributions
- Whistle-Blower Policy

Investment management employees are required to disclose their personal investments and any potential conflicts of interest as part of compliance with the above policies.

CYBER SECURITY POLICY

The firm's Cyber Security Policy outlines the steps GCIM has taken to prevent, protect and respond to any cybersecurity threats that may occur. It includes provisions for the electronic transfer of funds, IT permissions and passwords, and remote access for investors, among others.

4. EMPLOYEE MANUAL

GCIM values the contributions of its employees and strives to provide a work environment that allows everyone to achieve their greatest potential while providing valuable expertise to achieve the firm's investment management objectives.

The current version of the Employee Manual reflects the policies and procedures of the former company, Gerding Edlen. As of June 2021. The executive team is working with an outside consultant to

perform a full employee benefits review including professional development policies, health benefits and expanded 401(k) investment options. This process will continue through 2021. The firm's goal is to issue the new Employee Manual by Jan. 2022.

The current Employee Manual is applicable to all GCIM employees and includes provisions related to all aspects of employee relations including:

- Non-Discrimination Policy
- Harassment Policy
- Compensation
- Benefits
- Disciplinary Policy
- Equal Opportunity Employment Policy

A copy of the latest version of the Employee Manual is attached as an exhibit to this policy.

5. COMPLIANCE AUDITS AND ONGOING MONITORING

The CCO ensures all investment management activities follow all applicable regulations and performs internal governance risk assessments on an annual basis. Any risk associated a policy is identified, documented and specific provisions are then added to the policy to mitigate those risks. This assessment involves input from a variety of internal staff as well as external counsel. Additionally, mock SEC audits are conducted periodically by an external consultant to ensure all policies are best-in-class from a regulatory standpoint.

EXHIBITS:

1. Organizational Chart for The Green Cities Company
2. Employee Manual

- END -

