

# 2023 Global Resilience Report

 **AEW** Invested.  
In every square foot.



## About this Report

This annual resilience report describes elements of our approach and strategy for building resilience and the steps we have taken to integrate resilience throughout our investment management processes and practices.

Unless otherwise indicated, this report describes performance as of December 31, 2023 and describes practices and policies in place through the date of this report in 2024. Data and descriptions provided herein represent a snapshot of performance. Past performance is not indicative of future results.

AEW's Resilience program is aligned with INREV, GRESB, and UN PRI. This report is also intended to meet the requirements of the Monetary Authority of Singapore Environmental Risk Management. Unless otherwise indicated or apparent from context, AEW includes (i) AEW Capital Management, L.P. and its subsidiaries and (ii) affiliated company AEW Europe SA and its subsidiaries. AEW Europe SA and AEW Capital Management, L.P. are commonly owned by Natixis Investment Managers and operate independently from each other.

Resilience factors are considered for all investments pursuant to AEW's Socially Responsible Investment Policy. How or the extent to which these considerations are assessed or integrated depends on the asset class and the research and investment approach of each Fund. Other considerations or attributes of an investment may outweigh resiliency considerations when making investment decisions.

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## Table of Contents

<b>Overview</b>	<b>3</b>
About AEW	4
Our Commitment	5
Our Road to Resilience	6
<b>Performance</b>	<b>7</b>
Overview	8
Energy and Greenhouse Gas Emissions	8
Water and Waste	9
IAQ, Alternative Transportation, Biodiversity	10
Physical Risk Management	11
Regulatory Transition Risk Management	12
Resilience in Listed Securities	13
Key Memberships	14
<b>People</b>	<b>15</b>
Overview	16
Diversity & Equal Opportunity	16
Employee Engagement	17
Professional Growth & Development	17
Health & Wellness	18
<b>Communities</b>	<b>19</b>
Overview	20
Signature Community Investment Program	20
Corporate Community Investment	21
Employee Community Investment	22
DE&I in the Real Estate Industry	22
<b>Clients</b>	<b>23</b>
Overview	24
Ethical Culture & Business Practices	24
Leadership	25
Confidentiality, Data Privacy, & Cybersecurity	26
Resilience Risk Management	27
GRESB	28
UN Principles for Responsible Investing	29
TCFD Index	30

AEW GLOBAL RESILIENCE

# Overview



# AEW's Global Reach

For over 40 years, AEW has actively managed portfolios in both the listed and direct property markets across the risk/return spectrum. AEW's investment management platform spans four continents allowing our clients to take advantage of opportunities across the globe.

**\$84.4**  
**€78.7**  
BILLION

AEW is one of the largest real estate investment managers in the world.<sup>1</sup> Our goal is to combine investment management expertise, strong local market knowledge and quality research.

**NORTH AMERICA**  
295+ employees  
3 offices  
  
Boston  
Los Angeles  
Denver

**\$39.8bn**

€37.1BN  
AUM

**EUROPE**  
520+ employees  
11 offices

Paris  
London  
Amsterdam  
Düsseldorf  
Frankfurt  
Luxembourg  
Madrid  
Milan  
Munich  
Prague  
Warsaw

**\$5.2bn**

€4.9BN  
AUM

**ASIA PACIFIC**  
45+ employees  
5 offices

Hong Kong  
Seoul  
Singapore  
Sydney  
Tokyo

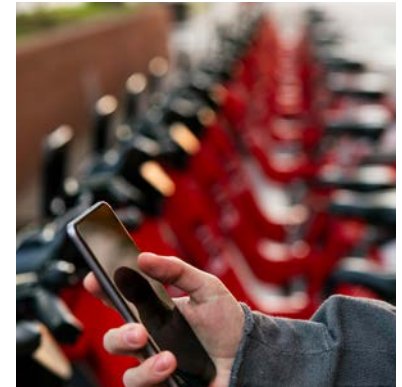
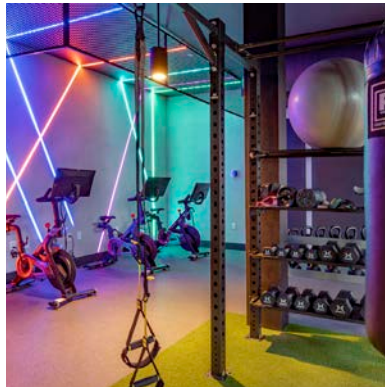
<sup>1</sup>One of the Largest Real Estate Investment Managers is sourced by Institutional Real Estate Inc., Global Investment Managers 2023 Special Report. As of June 30, 2024, AEW includes (i) AEW Capital Management, L.P. and its subsidiaries and (ii) affiliated company AEW Europe SA and its subsidiaries. AEW Europe SA and AEW Capital Management, L.P. are commonly owned by Natixis Investment Managers and operate independently from each other. Total AEW AUM of \$84.4 billion includes \$38.9 billion in assets managed by AEW Europe SA and its affiliates, \$4.9 billion in regulatory assets under management of AEW Capital Management, L.P., and \$40.6 billion in assets for which AEW Capital Management, L.P. and its affiliates provide (i) investment management services to a fund or other vehicle that is not primarily investing in securities (e.g., real estate), (ii) non-discretionary investment advisory services (e.g., model portfolios) or (iii) fund management services that do not include providing investment advice. Staff and offices include AEW Capital Management, L.P. and AEW Europe SA and their respective subsidiaries.

# Our Commitment

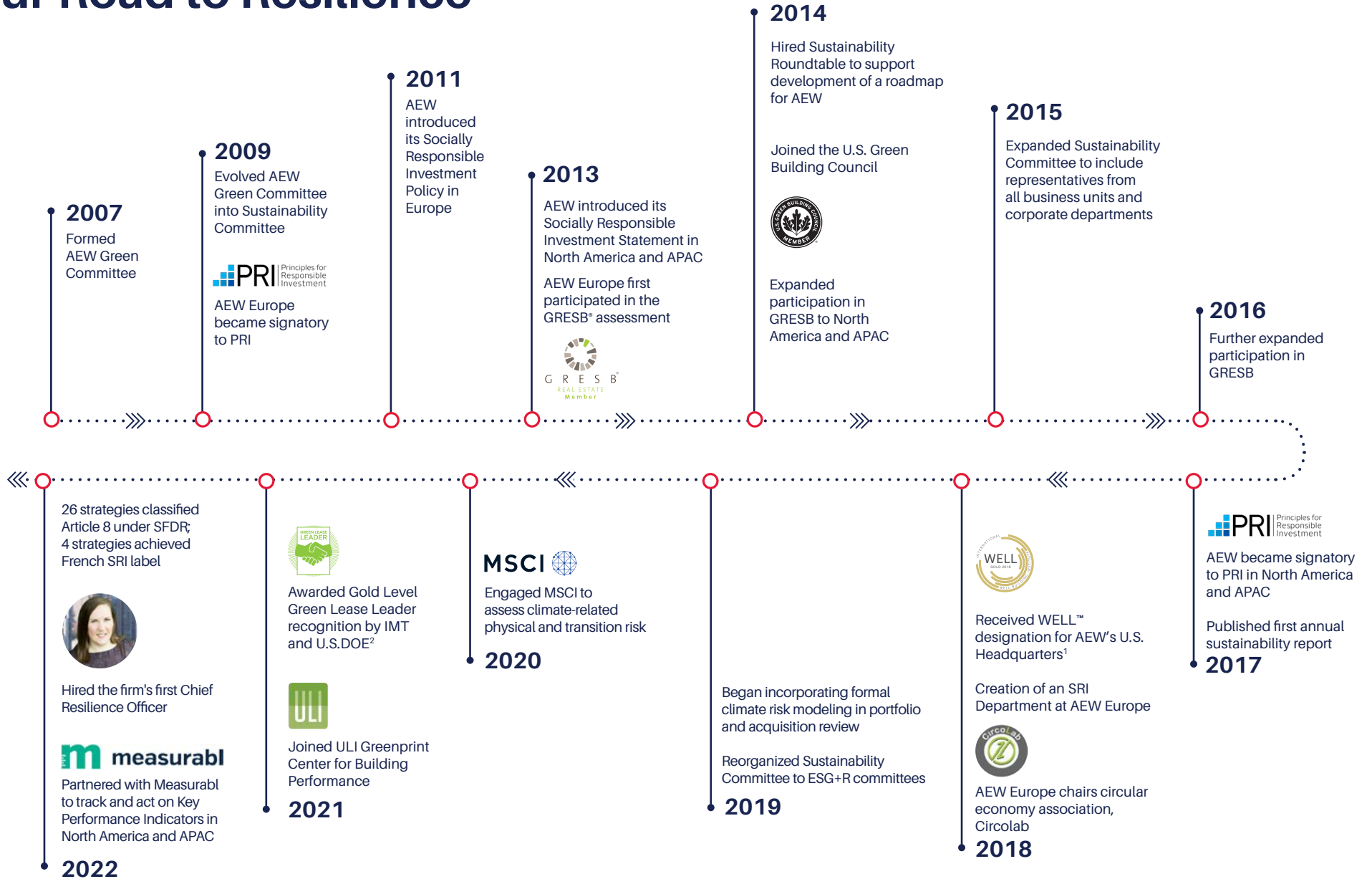
## AEW is Invested in Resilience.

We believe that resilience is a driving force, preparing us and our assets to thrive in dynamic circumstances, to adapt to societal trends, and to weather changes in our physical and operating environments.

We are invested in a culture of excellence as stewards of a responsible business, as trusted fiduciaries for our clients, as the employer of choice for our people, and as champions of vibrant and inclusive communities.



# Our Road to Resilience



For additional information on memberships and commitments, please refer to page 14.

<sup>1</sup>WELL: AEW's North American Headquarters (2 Seaport Lane) originally received its WELL Gold certification in September 2018. The building was re-certified in March 2022 for a term of three years. The certification is given by the International WELL Building Institute (IWBI). Enrollment and program fees were paid.

<sup>2</sup>Green Lease Leader: For more information on scoring criteria and methodology, visit [www.greenleaseleaders.com](http://www.greenleaseleaders.com) AEW was awarded this certification on May 17, 2021 and will maintain it for three years. Green Lease Leaders verifies their own certifications; they are supported by the US Department of Energy's Better Buildings Alliance. There is no fee to apply for this certification.

AEW IS INVESTED IN OUR

# Performance



28549386 WEATHER PRO

kWh  
16398

WATTHOUR-METER

CLASS 2.0  
1-P 2-W

220V, 50Hz

TYPE DD862, 400rev / kWh

15(45)A No.



# Overview

**AEW is Invested in Our Performance.** Our resilience strategy protects, preserves, and promotes value, supporting performance through a data-driven approach to efficiency, quality, and risk management. In North America, AEW's property managers at AEW assets track energy, water, waste, and recycling data through ENERGY STAR® Portfolio Manager®, an online tool that evaluates building efficiency. This data seamlessly interfaces with Measurabl, a comprehensive platform AEW uses in North America and Asia Pacific to measure, manage, disclose, and act on data at the property and portfolio levels. In our North America and Asia Pacific regions, we provide Sustainability Reference Guides and Tenant Sustainability Guides to support our property managers and tenants in developing resilience.

## Energy

AEW tracks energy usage at its properties in order to monitor consumption, identify opportunities for energy efficiency measures, and evaluate effectiveness of these measures once implemented. We also use energy data, audits, and reports to identify potential areas for additional energy conservation. In addition, our property teams are provided with an annual Sustainability Reference Guide, which outlines low- and no-cost ways to reduce energy use.

Renewable energy is an important element in our sustainability strategy. Some ways we increase renewable energy are through the use of on-site solar energy production, as well as the purchase of green power and renewable energy credits, which enable properties to reduce their electricity-related emissions and utilize other sources of energy such as solar and wind power.

## Greenhouse Gas Emissions

The management and reduction of GHG emissions throughout our portfolio is a central component of our sustainability efforts. Wherever practical, we monitor our properties' GHG emissions for both direct and indirect sources, and we seek to obtain visibility into whole-building data including indirect emissions under the control of our tenants.

Direct emissions come from fuel sources burned on-site (such as natural gas), and indirect emissions come from energy generated off-site (such as electricity).

We are actively developing and implementing a plan for certain strategies based on climate science to decarbonize and reduce our dependence on fossil fuels, with both interim and long-term objectives toward carbon neutrality. We have set out our initial policy for addressing Scope 1 and 2 emissions, but we intend to examine and evolve this plan over time based on industry best practices, the evolving regulatory environment, the efforts of local grids and tenants, and emerging information and technologies.

While our goal is to track the total energy consumption and GHG emissions across all of our properties, we do not always have access to the relevant data (due to tenants directly paying for energy consumption). Therefore, the total energy consumption and GHG emissions tracked may relate to the whole building for some properties, including both Landlord and Tenant consumption and emissions, and for others, it may only include the consumption and GHG emissions from common areas.





# Water

By implementing water saving measures at targeted properties, we can work to reduce our overall consumption. In our Sustainability Reference Guide and Tenant Sustainability Guide, property teams receive tips and resources on how best to conserve water and improve sustainability efforts.

Common water efficiency projects include installing low-flow plumbing fixtures and other water-sensing technology. Because much of our water use comes from irrigation, we also evaluate opportunities to implement smart irrigation strategies, including drought-tolerant landscaping and rainwater or graywater irrigation when possible.

# Waste

Reducing waste throughout our properties keeps waste out of our community landfills. Instilling recycling practices that include composting help to divert the waste generated and have a positive impact on our environment. We encourage our property teams to implement waste-diversion practices and to educate tenants on ways they can help reduce waste and implement recycling programs at their properties. Property teams receive tools and resources to guide them in creating and managing waste diversion programs, including recycling and compost collection.

Across the globe, we have examples of properties tracking and implementing practices for diverse waste streams including grease, batteries, plastic film, yard waste, and food waste in addition to typical glass, paper, aluminum, and plastics recycling. These conscientious practices further our responsible consumption and help promote healthy life on land.



# Indoor Air Quality

Monitoring indoor air quality is critical to the health and well-being of our residents, property employees, and other building occupants. There are a range of materials that can affect indoor air quality, such as construction materials, cleaning products, and pesticides, which are all important to sustainability efforts.

In our Sustainability Reference Guide, there are helpful tips on how to maintain healthy indoor air. Some of those tips include reducing and/or designating smoking areas and closely monitoring chemicals and cleaners used in buildings. Additional tips include developing a green cleaning policy for the common areas of property buildings, encouraging vendors to use low-volatile organic compound products, and employing Integrated Pest Management, which calls for the most-effective, least-risk, least-toxic chemical pesticides.

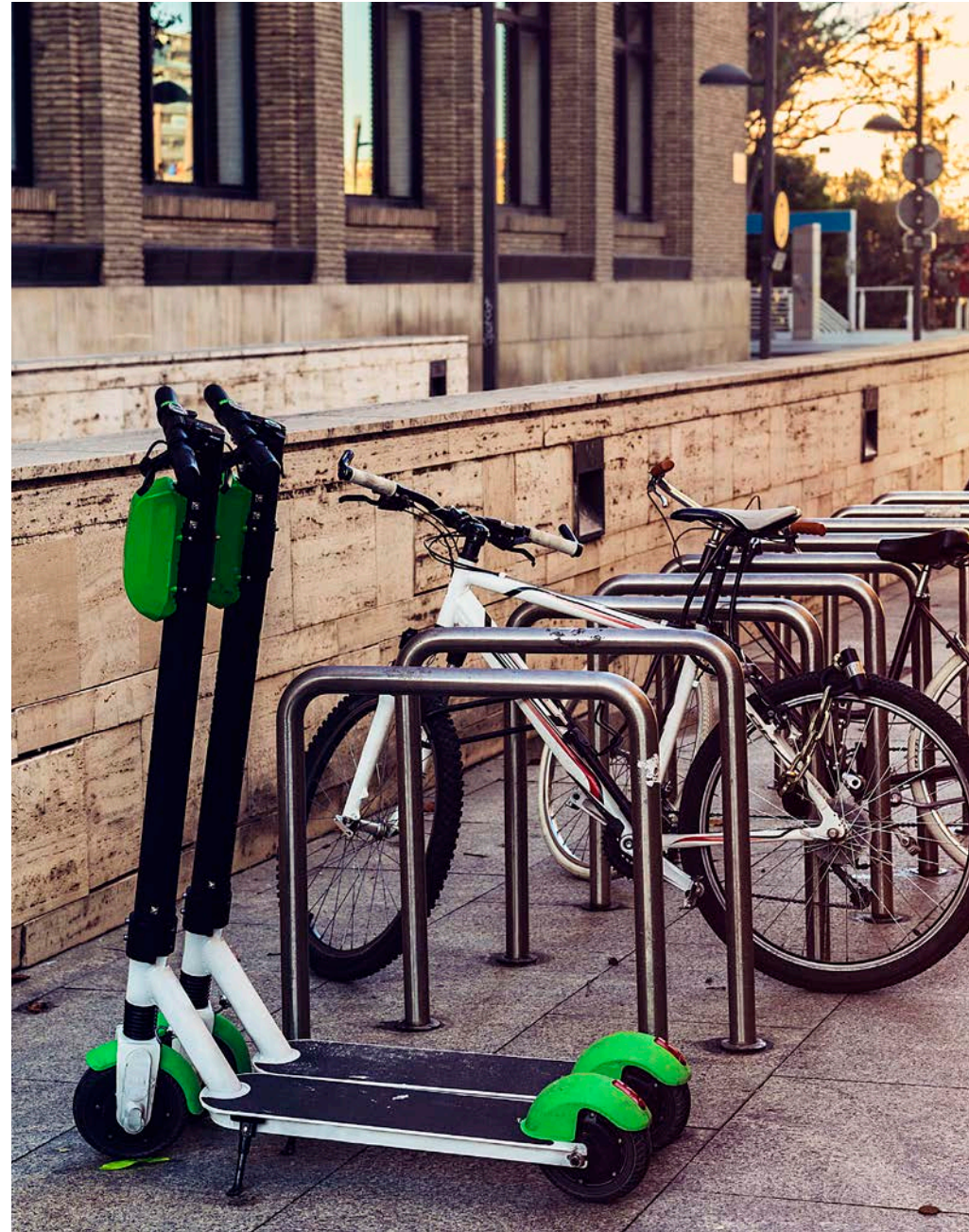
# Alternative Transportation

Employees and residents spend a lot of time commuting to and from their homes and offices, so finding ways to encourage alternative modes of transportation compared to driving a conventional vehicle can have a major impact on the level of pollution in our air, water, and land. That's why AEW encourages the use of alternative transportation at our properties.

We promote the use of on-site or nearby alternative transportation options, including car shares, bike shares, bus stops, and train/rail access. We have also installed EV charging stations at properties across our portfolios in the U.S., Asia Pacific, and Europe, which encourages EV use and makes our properties more attractive to occupants and guests.

# Biodiversity

The built environment makes a meaningful impact on global biodiversity loss, presenting an opportunity for the real estate sector to engage in mitigation or protection. During the reporting year, AEW developed a biodiversity strategy in Europe for some of its assets under management, with specific biodiversity audits and action plans included in their management. In the U.S., rooftop beekeeping and similar initiatives are an emerging way our spaces are enhancing their communities.





# Physical Risk Management

AEW believes that socially responsible investment - an approach that takes into consideration management of environmental and social impacts - can positively impact investment performance, when the factors considered are tailored to align with and amplify economic value drivers.

Our socially responsible investment policy integrates factors that are most relevant to real estate and that can be appropriately incorporated into the investment and asset management process. By doing so, we can expect to meet our stakeholders' expectations, whether they are clients, tenants, providers, employees, or any other individuals with whom we interact. As a trusted fiduciary, AEW makes and manages investments in accordance with our duty to clients.

As part of the due diligence process for all acquisitions, AEW undertakes a detailed review of the environmental and technical risks associated with the transaction. In particular, in Europe the asset management and development management teams are responsible for reviewing the structural quality and environmental impact of the underlying assets, while this role is carried out in collaboration with our Asset Resilience & Development (formerly Architecture & Engineering) team in North America. This assessment can include undertaking, among other studies, an energy audit, an environmental audit, a technical audit, and a resilience audit. The energy audit provides the teams with a detailed understanding of the efficiency of an asset prior to acquisition.

As part of this process, AEW may also engage with local communities, developers, local authorities, and external consultants to achieve a full understanding of the resilience-related risks and opportunities related to the asset.

Throughout the ownership of an asset, AEW will seek to implement a sustainability action plan in relation to any issues identified in respect of the building. We assess the ability to implement action plans for energy-saving policies, practices, and initiatives wherever possible and consistent with our duty as a fiduciary. We analyse the potential for improving lighting, equipment, operations, and sustainability technology, such as smart meter installation, efficient appliance upgrades, and achieving energy efficiency certificates. Educating building tenants, residents, and guests about the sustainability initiatives at a property is also a key part of the strategy.

In Europe, AEW's policies and strategies aim to be aligned with the science backed 1.5-degree pathway and international climate agreement signed in Paris in 2015 and ESG factors are embedded within our investment process, from asset purchase to ongoing asset management and final disposal.

# Regulatory Transition Risk Management

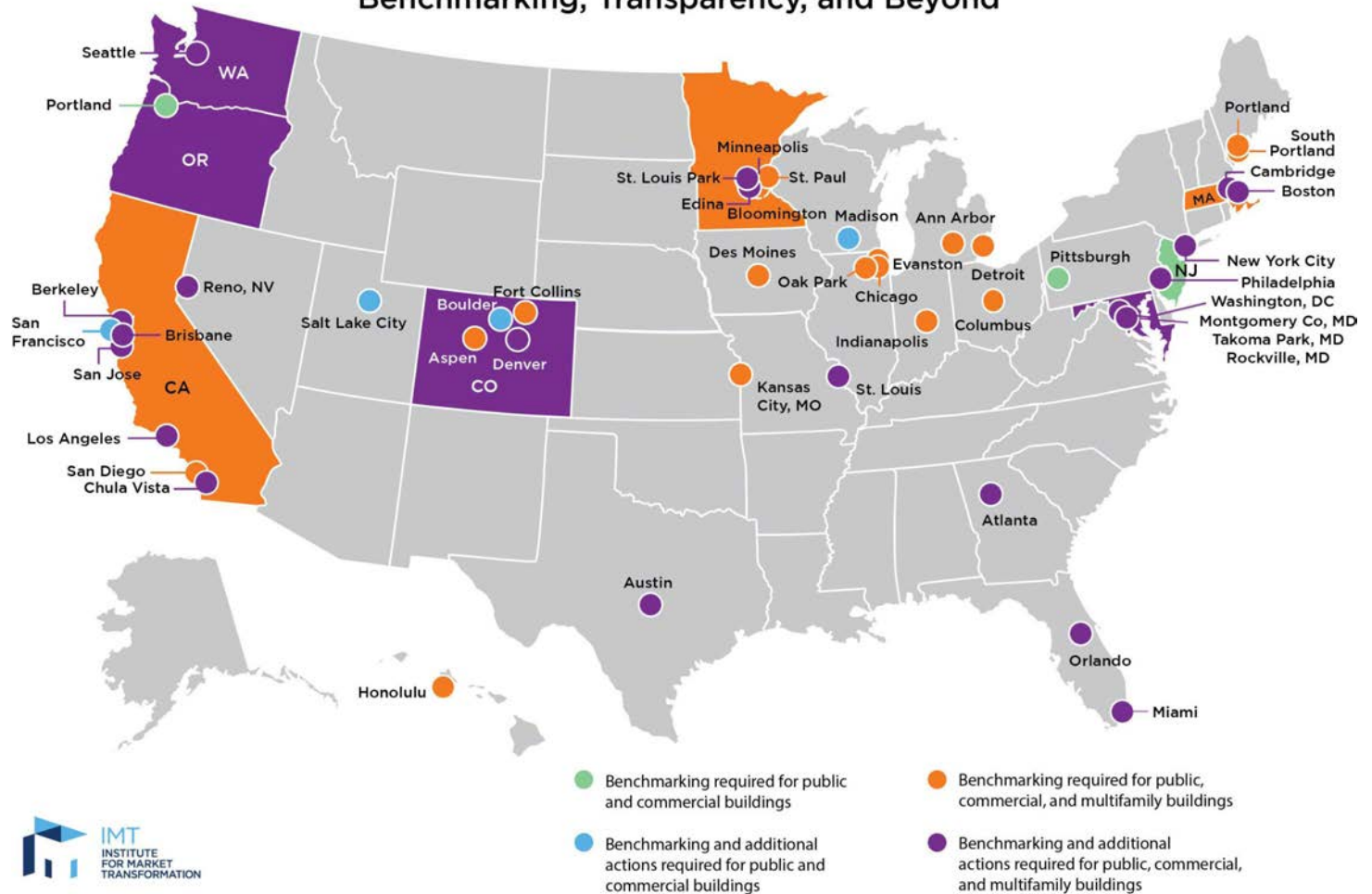
Benchmarking ordinance laws continue to be enacted in jurisdictions throughout the United States. These laws, aimed at efficient building operation, require building owners or managers to report energy, water, and waste performance data into ENERGY STAR Portfolio Manager for those properties meeting specific criteria, such as size and building type. Reported data is then made public, which incentivizes building managers to improve efficiency, thus helping accomplish the jurisdiction’s conservation goals.

Dozens of U.S. cities, counties, states, and localities have implemented active benchmarking and transparency laws for structures that are privately owned. Increasingly, jurisdictions are also requiring buildings to post their performance scores in public areas, indicating their performance relative to peers. Over time, these laws are beginning to impose performance thresholds and related incentives or consequences for meeting these thresholds.

In the U.S., AEW requires all properties located in benchmarking and audit ordinance jurisdictions to submit data as required. If properties do not have access to whole-building data, they are set up to receive aggregated whole-building data directly from utility providers.

As we seek to ensure full compliance, we also track audit requirements and exemptions. For example, if buildings do not meet minimum performance standards, some jurisdictions may require audits, commissioning, and/or efficiency improvements.

**U.S. City, County, and State Policies for Existing Buildings: Benchmarking, Transparency, and Beyond**



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# Resilience in Listed Securities

With respect to the firm's Real Estate Securities investment activities, when analyzing a company, AEW takes into consideration resilience issues that may potentially impact the absolute and risk-adjusted performance on a company's share price. An integral part of AEW's investment process is a careful review of a public company's management team, including the company's approach toward environmental, social, and governance policies.

## Active Ownership and Engagement

AEW believes active ownership encourages listed firms to behave responsibly and we have publicly shared our commitment to enhanced transparency through our Engagement Policy. Through actively engaging with listed companies, we believe we can be part of the investment community that positively influences decisions that will benefit the bottom line as well as the community.

## Resilience in Practice

AEW monitors a company's performance on energy, emissions, water, and waste through a proprietary scoring system, which integrates CRREM pathways to align our Environmental score with the Paris Climate goals. We often discuss with management their progress on renewable energy integration, energy efficiency improvements, and carbon emission targets. In addition to monitoring environmental factors, AEW expects and encourages Boards to have appropriate female representation and seeks to confirm there is a Diversity, Equity, and Inclusion policy in place. AEW also encourages corporate transparency and community engagement.

## Proxy Voting

Through proxy voting, AEW can influence governance structures, company priorities, senior team compensation and strategic goals, both financial and non-financial. AEW will generally support well-crafted issuer proposals regarding environmental and social issues and vote for resolutions aimed at increasing the transparency of information on the main risks and uncertainties linked to climate change. AEW seeks to ensure that a company's board of directors has the right balance of skills and talents, breadth of experience as well as diversity. Although we will examine board member elections on a case-by-case basis, AEW may consider voting against the election of the chair of the nomination committee if there is insufficient board refreshment or independent directors. AEW has public Proxy Voting Guidelines that lay out our voting intentions.

# Key Memberships



**Principles for Responsible Investment (PRI):** Signing the internationally recognized PRI allows our organization to publicly demonstrate our commitment to responsible investment and positions AEW at the heart of a global community.



**Green Rating Alliance (GRA) — Founding Member:** The GRA is a not-for-profit group of global real estate leaders who work together to shape emerging ESG+R factors to assure materiality for the sector while setting the global standards for integrating reliable data methodologies that are streamlined and economically viable.



**CREW Boston (formerly known as NEWiRE):** CREW Boston is the region’s leading professional organization promoting the advancement of women within the commercial real estate industry.



**GRESB (formerly known as Global Real Estate Sustainability Benchmark):** As an Investor Member and Real Estate Manager Member of GRESB Real Estate, AEW has access to the necessary data and analytical tools to evaluate the sustainability performance of our investment portfolios and to engage with investment managers.



**Institutional Investors Group on Climate Change (IIGCC):** The IIGCC is the European forum for investor collaboration on climate action and the voice of investors taking action for a prosperous, low-carbon future.



**National Association of Industrial and Office Parks (NAIOP):** Leading organization for developers, owners, and investors of office, industrial, retail, and mixed-use real estate. NAIOP comprises 19,000+ members and provides strong advocacy, education, and business opportunities through a powerful North American network.



**International WELL Building Institute (IWBI):** IWBI is a public benefit corporation whose mission is to improve human health and well-being in buildings and communities across the world through its WELL Building Standard.



**Observatoire de l’immobilier Durable (OID):** Created in 2012, OID aims to promote the environmental, social, and societal performance of French real estate and to value all the steps that contribute to it.



**PREA SEO:** The PREA Foundation has formalized a partnership with SEO to establish its first-ever Real Estate Track, dedicated to increasing diverse employment in the commercial real estate industry.



**ENERGY STAR:** ENERGY STAR is a U.S. EPA voluntary program that helps businesses and individuals protect our climate through superior energy efficiency.



**Diversity Talks Real Estate:** Diversity Talks Real Estate is a non-profit organization dedicated to increasing the visibility of diverse individuals in the European real estate industry.



**National Association of Real Estate Investment Managers (NAREIM):** NAREIM provides the organizational platform, programs, information, and tools to help real estate investment managers establish important relationships with fellow industry leaders, benchmark their companies relative to their peers, maximize understanding of industry knowledge, and enhance the skills and knowledge of their operations teams.



**Green Lease Leader (Department of Energy):** Green Lease Leaders recognizes forward-thinking companies and real estate practitioners who break down barriers to high-performance buildings by revolutionizing leases to incorporate energy efficiency and sustainability.



**Urban Land Institute (ULI):** ULI’s mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.



**Real Estate Balance:** Real Estate Balance is an industry organisation working to improve diversity and inclusion in the real estate industry.



**CFA Institute:** CFA Institute is a global association of investment professionals. The organization offers the Chartered Financial Analyst (CFA) designation, the Certificate in Investment Performance Measurement (CPIM) designation, and the Investment Foundations Certificate.



**CIRCOLAB — Founding Member:** CIRCOLAB aims to develop the circular economy in the field of real estate and construction.

A modern office interior with large windows, exposed ceiling pipes, and orange pendant lights. A man in a blue suit sits on a blue leather sofa. A woman in a white top and long brown skirt stands on a green golf course mat, preparing to hit a golf ball. A man in a blue vest works at a computer in the background.

AEW IS INVESTED IN OUR

**People**

# Overview

**AEW is Invested in Our People.** Our resilience strategy supports the attraction, development, well-being, and retention of talented professionals.

As a full-service real estate investment firm, AEW offers employees a robust work environment that fosters innovation and rewards individual and team effort. AEW strives to be a fulfilling work environment where each employee is valued, teamwork is encouraged, and fiduciary duty and work/life balance are supported. Based on our range of activities, both in the public and private markets, AEW employees are afforded opportunities to broaden their scope of responsibilities and to be promoted based upon demonstrated performance and commitment to client interests. Further, our decision-making processes provide employees with clearly defined authority and accountability commensurate with their responsibilities.

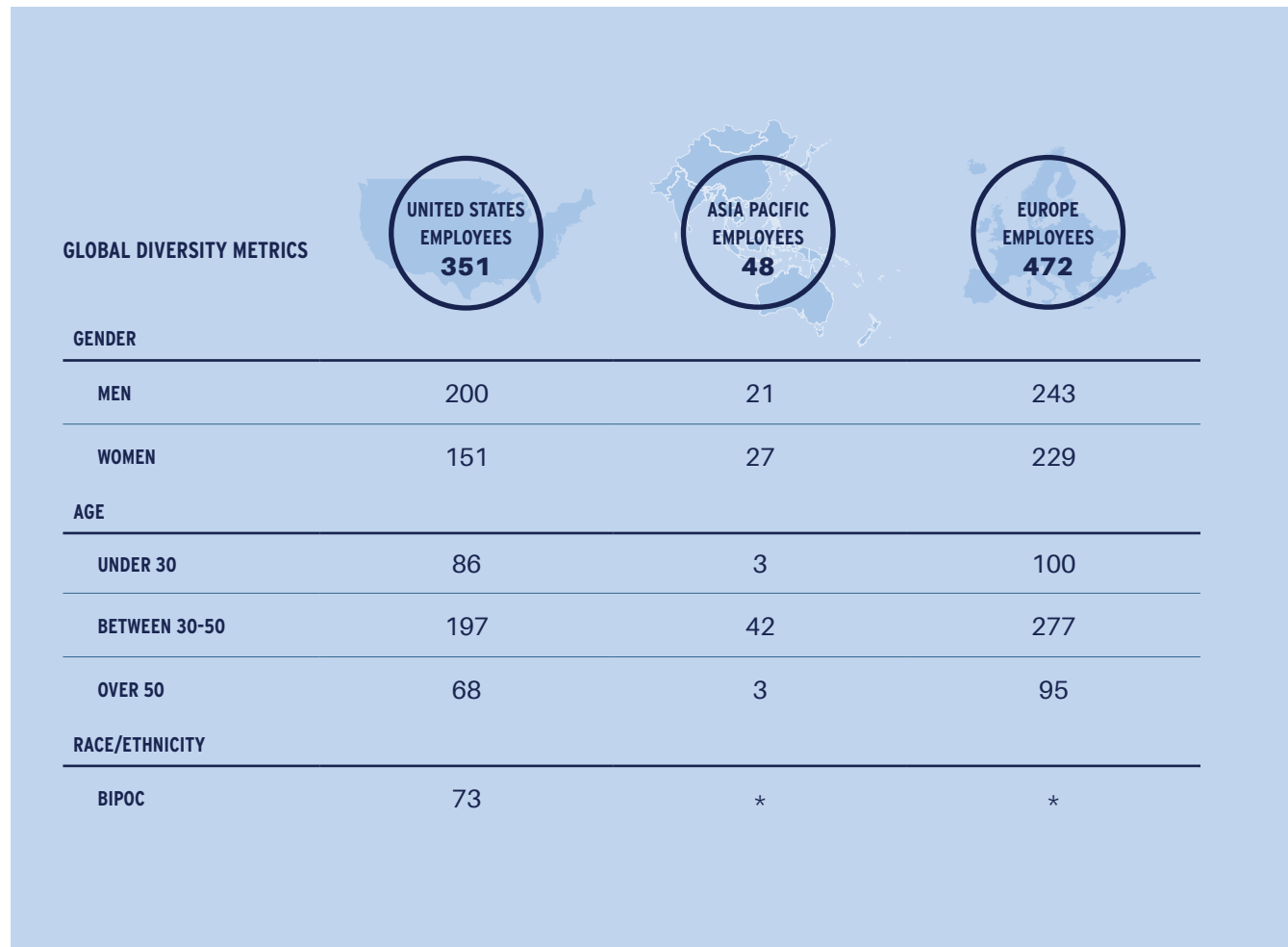
## Diversity & Equal Opportunity

AEW is committed to an equal and inclusive workplace that welcomes all individuals so that our organization is as diverse and vibrant as the cities in which we invest. Cultivating an inclusive workforce, comprised of individuals with different backgrounds, experiences, and voices will serve as a catalyst toward our collective success.

At AEW we offer an environment that respects, values, and thrives on every person's uniqueness; promotes dignity, equality, and diversity; and creates opportunities for all individuals to develop and maximize their true potential.

AEW's Diversity, Equity & Inclusion (DE&I) Steering Committee drives our efforts on firmwide best practices through cross functional working groups focused on all aspects of the employee lifecycle. We seek to attract and hire, educate and develop, engage and retain best in class talent representative of the diverse community around us.

Additionally, AEW's three affinity groups are employee-led, company-sponsored groups intended to foster an inclusive culture and enhance the employee experience by nurturing community and personal/professional development among groups with shared identities or life experiences, and their allies.



\* Demographic information related to race and ethnicity is not captured for employees outside of the United States.



# Employee Engagement

Attracting and retaining talented employees who are fully engaged in the Firm is a key component of life at AEW.

The Firm routinely awards outstanding employees with special recognition.

- The Eastman Award is given to individuals who emulate the qualities of excellence and teamwork embodied by one of the Firm's founders, Tom Eastman.
- The Distinguished Service Award is given to individuals whose work and behaviors reflect AEW's core values.
- In memory of an AEW colleague, the Christopher A. Kazantis Real Estate Challenge is awarded to a diverse team who, through collaboration and competition, delivers the best solutions on a real estate case study.

These awards help create a culture of excellence, collaboration, and commitment that draws talent to AEW and entices employees to remain at the Firm. We believe we have been successful in attracting and retaining a high-quality, professional staff. Among our senior-level investment professionals, the average tenure with the Firm is over 15 years.

## We provide a thoughtful suite of offerings such as the following:

- Competitive compensation
- Incentive bonuses
- Excellent benefits
- Recognition of employee achievement

## Benefits include the following:

- Life insurance
- Health insurance
- Disability coverage
- Parental leave
- Bereavement leave
- Retirement provision, including a matching 401(k) plan
- Flexible time off policy
- Student loan repayment program
- Access to Employee Assistance Program
- Matching gifts and volunteer rewards program



# Professional Growth & Development

The Firm encourages and financially supports the personal and professional growth of its employees through various educational endeavors, including management and leadership development, training, tools, resources, and programs throughout the year:

- Our bespoke internal training programs, "AEW Academies," cover topics such as negotiating a purchase and sale agreement, construction design best practices, resilience and sustainability matters, and new real estate technologies.
- Through a third-party platform, we provide our employees on-line training content, deploy customized professional development pathways, and offer learning opportunities in areas of interest.
- We promote external education and certification through tuition reimbursement (up to an annual cap) and financial awards upon receipt of certification, including Master's in Business Administration (MBA) attainment and chartered financial analyst (CFA) designation.

The programs described on this page apply only to eligible employees of AEW Capital Management L.P.

# Health & Wellness

The health and well-being of AEW employees is a top priority. Without it, the Firm cannot operate optimally. Therefore, AEW is cognizant of employee health and well-being, which is evidenced in many ways. For example, the Firm's North American headquarters in Boston has met the rigorous standards of the International WELL Building Institute™ and has earned its prestigious WELL 2.0 certification.<sup>1</sup> The WELL Building Standard is a performance-based certification that marries best practices in design and construction with evidence-based scientific research, offering building performance that meets a high level of quality in air, water, light, nourishment, fitness, comfort, and mind. We have an on-site fitness center with shower facilities as well as our own café, which provides all employees with proper, healthy nutrition options.

AEW also provides other items, including discount bike share programs, sit-stand desk options, added filters on all water sources, and open stairways between floors.

In addition to WELL certification, the Firm's North American headquarters is LEED® Gold certified.<sup>2</sup> This recognition solidifies the building's focus on high-efficiency operation with occupant health and well-being in mind.

Employee feedback is a critical component to our organizational success. Therefore, we regularly solicit employee input on health and well-being via our routine employee survey. Responses are used to create goals addressing mental, physical, and social health and well-being.



<sup>1</sup>WELL: AEW's North American Headquarters (2 Seaport Lane) originally received its WELL Gold Certification in September 2018. The building was re-certified in March 2022 for a term of three years. The certification is given by International WELL Building Institute (IWBI). Enrollment and program fees were paid.

<sup>2</sup>LEED: AEW's North American Headquarters (2 Seaport Lane) originally received its LEED Gold Certification on June 22, 2015. The building was re-certified in October 2020 for a term of three years. LEED is a US Green Building Council program and verifies their own certifications. Registration and certification fees were paid.



## HEALTH AND WELL-BEING FEATURES

AEW offers its employees the following health and well-being features.

### ACOUSTIC COMFORT

- Quiet areas designated for employees
- Strategies to reduce noise pollution

### PRESENCE OF NATURE

- Access to nature, plants, and outdoor spaces

### PHYSICAL ACTIVITY

- Standing desks
- Inter-office fitness challenge
- On-site gym
- Encouraging use of stairs

### HEALTHY EATING

- Access to healthier food choices

### INCLUSIVE DESIGN

- Handicap-accessible common spaces
- Lactation rooms available

### INDOOR AIR QUALITY

- Smoke-free policy
- Air filtration/purification strategies
- Green cleaning policy

### PHYSICAL AND/OR MENTAL HEALTH CARE

- Health insurance offered to employees
- A list of nearby wellness centers and hospitals provided to employees
- Employee Assistance Program

### SOCIAL INTERACTION AND CONNECTIONS

- Company sports leagues/events

### WATER QUALITY

- Filtered water provided

### LIGHTING CONTROLS

- Lighting sensors installed

### EMPLOYEE LEAVE REQUESTS

- Flexible working hours
- Maternity leave more than legally required minimum
- Paternity leave more than legally required minimum

\* Certain of the features described on this page apply only to North American offices of AEW Capital Management L.P.

A child wearing a grey sweater, plaid shorts, and colorful boots is watering plants in a garden. The child is holding a silver watering can, and water is spraying out of the spout. The background is a lush green garden with various plants and flowers.

AEW IS INVESTED IN OUR

# Communities

# Overview

**AEW is Invested in Our Communities.** Our resilience strategy promotes quality of life, stability, and connection among people in the places we live, work, and invest. As a firm built upon the excellence of our people, we invest financial support as well as the time and talent of our people in partnerships, organizations, and initiatives that strengthen our communities.

## Signature Community Investment Program

In 2023, we launched a signature community investment platform – Places for People. Through Places for People, we seek to enhance access to places and spaces that promote stability, well-being, and connection for people in our communities, especially those from historically marginalized populations and underinvested neighborhoods. To deliver on this mission, we partner with leading nonprofit organizations doing impactful work in our key communities – markets with large employee populations and significant investments. While each community’s needs vary, AEW’s place-based approach to enhancing people’s quality of life allows us to bring an array of resources and expertise to bear to support initiatives in our local communities.



# Corporate Community Investment

During 2023, we launched AEW's first national partnership, with Trust for Public Land (TPL), in support of TPL's efforts to increase greenspace access and improve quality of life for underserved residents in Boston, Los Angeles, and Denver. We also built upon AEW's legacy of engagement with Heading Home, a leading provider of emergency shelter, transitional, and permanent housing for extremely low-income families and individuals experiencing homelessness in Boston.

Our offices also engaged in local volunteer days where employees got their hands dirty to support local 'places for people,' for instance developing a new garden for a childcare center in Singapore and maintaining trails at the Boston Nature Center. Employees also broke a sweat competing and fundraising for a local YMCA in Los Angeles and a patient-family housing fund at Boston Children's Hospital. In June, over 125 employees from across our US and APAC offices volunteered to build twin beds for kids in need with the Massachusetts Coalition for the Homeless.

In Europe, AEW employees supported KidsOut for Christmas 2022 with employees donating presents to children living in temporary accommodation over the festive period. AEW's Italian team spent a meaningful day alongside SOS Villaggi dei Bambini - Italia in their SOS village in Saronno, which has been welcoming and supporting children, young people and families for 30 years, offering them a path for growth and support, so that they can build an independent future for themselves. Our team carried out various maintenance activities on site and shared moments with the staff and guests of the village. The event marked five years of collaboration with SOS Children's Villages International.

## Places for People x Parks for People

As a lead partner of Trust for Public Land's Boston Parks for People program, AEW is supporting the creation and revitalization of five urban parks that will serve more than 32,000 Bostonians. Once completed, the parks will close Boston's largest park access gap, in line with TPL's goal to ensure all city residents have access to a quality park within a 10-minute walk of their home.



# Employee Community Investment

Our employees have a long legacy of volunteering and rallying support for causes they are personally passionate about. To harness this energy and expand participation, we offer Matching Gifts and Volunteer Rewards benefits for all employees.\*

Through these programs, AEW will amplify employees' support for causes they care about through dollar-for-dollar matching donations and rewards for time spent volunteering. This flexible, blended program allows employees to give back however is most meaningful to them – whether through gifts of time, money, or both – while earning matching support from AEW.

Engagement and impact during 2023 were considerably increased compared with 2022, with more employees participating across giving and volunteerism opportunities.

<b>Employee Engagement</b>	<b>225</b> employees engaged in giving, up from <b>40</b> in 2022	<b>332</b> Firm-sponsored volunteer experiences
<b>Community Impact</b>	<b>252</b> organizations supported by employee gifts, up from <b>37</b> in 2022	<b>1,516</b> hours of service invested with <b>40</b> organizations

## DE&I in the Real Estate Industry

To continue to be a leader in our field well into the future, AEW will need talent that reflects the communities we invest in. In an effort to build our diverse talent pipeline and support inclusion across our industry, AEW maintains partnerships with the Pension Real Estate Association ("PREA"), Sponsors for Educational Opportunity ("SEO"), and the Commercial Real Estate Success Training ("CREST") Program, among others, for recruiting students with diverse backgrounds. We also work with colleges to support candidates for internships and entry-level opportunities.

- A notable example of this engagement in the U.S. is the firm's funding of a scholarship at the University of Massachusetts Boston, the third most diverse university in the U.S. This scholarship and a related internship support students seeking careers in economics, investment management, and commercial real estate, while demonstrating a commitment to advancing DE&I.
- Similarly, in Europe, the firm has funded a scholarship to the Worshipful Company of Chartered Surveyors (WCCS) student bursary scheme. The bursary supports a student from an economically disadvantaged background with no family connections within the property industry to study a real estate degree course for three years.
- AEW's Attract & Hire DEI Working Group has attended a number of career fairs in the Boston area, as well as hosted college students for Coffee Chats in the office, giving students a chance to network and learn about opportunities in the real estate industry and at a firm like AEW.

We also partner with Project Destined, a nonprofit working to introduce a diverse population of students and future leaders to careers in real estate through training, internships, networking, and jobs. Through this multifaceted partnership, we host interns from Project Destined, sponsor teams of Project Destined students, and share AEW professionals' time and expertise to help Project Destined students build their knowledge and networks within real estate, while introducing AEW to top talent looking for a pathway into the industry.



TO DATE, AEW HAS HOSTED

## 24 interns

through CREST, PREA-SEO, Project Destined and the UMass scholarship and provided a meaningful work experience for them.

OF THESE INTERNS

## 11 were offered full-time positions

\* These programs and the related data apply only to employees of AEW Capital Management L.P.



AEW IS INVESTED IN OUR

# Clients

# Overview

**AEW is Invested in Our Clients.** Our resilience strategy fosters transparency and integrity as we serve our clients as their trusted fiduciaries.

We seek to be transparent in our dealings with clients, including our communication about the investments we make on their behalf. We follow our client guidelines and requirements and ensure our fiduciary duty to clients comes first.

We disclose our resilience practices and performance with transparency in a number of ways. For example, AEW participates in the annual GRESB and PRI assessments, lending third-party verification to our disclosures. In addition, we report on our practices and performance to investors on a quarterly and annual basis, and incorporate updates into our annual investor conferences. AEW also continues to develop its internal IT capabilities and partner with third-party platforms to improve the collection and consolidation of relevant data and to allow the Firm to produce more regular and comprehensive reporting to clients.



## Ethical Culture & Business Practices

Our reputation is reflected in the way we conduct ourselves. We place a high value on ethical behavior and compliance, and we rely on the integrity of our employees to maintain our high standards.

In North America and Asia Pacific, AEW's Code of Ethics and our Employee Handbook set out guidelines and expectations for professional behavior, especially in regard to potential conflicts of interest and trading restrictions.

- **Oversight & Training:** AEW has appointed a Chief Compliance Officer to provide compliance program oversight. Employees are provided with ongoing Code of Ethics training, which is conducted across various media to enhance accessibility and retention. This may include e-mails, online sessions, and in-person training. Additionally, mandatory formal training on ethics and compliance matters is conducted annually, either online or in person, for all employees - whether full-time or part-time.
- **Political Contributions:** AEW strives to maintain the highest level of ethical business practices, which our clients expect and deserve. AEW, as a firm, will not make or solicit any contributions for any federal, state, or local elective office. Any employee who wishes to contribute to any incumbent or candidate for any federal, state, or local elective office is subject to strict dollar limits and must pre-clear and report all such contributions.
- **Conflicts of Interest:** As a fiduciary, AEW's responsibility is to act in our clients' interest. Employees are prohibited from engaging in or helping others engage in insider trading. We take seriously our obligation to to avoid actual conflicts of interest, and strive additionally to avoid perceived conflicts of interest. No AEW employee should ever appear to personally profit from being in a position to control the investment of client funds. AEW's Gift and Entertainment Policy establishes guidelines and dollar limits on acceptable business-related gifts and entertainment. The Gift and Entertainment Policy also outlines specific policies related to gifts and entertainment of foreign government officials and political figures.

In Europe, all employees are required to adhere to the rules set out in AEW's Compliance Manual, Code of Ethics, and Employee Handbook, which cover topics including anti-money laundering, bribery & corruption, fraud, market abuse and customer due diligence. All employees must attest their acknowledgement of, and compliance with, the manual upon starting employment. Employees must also complete regular mandatory training on compliance topics.



# Leadership

Founded in 2007 as the "Green Committee," a decentralized ESG+R Steering Committee and related subcommittee structure long played a central role in assessing and managing environmental, social, corporate governance, and climate-related resilience risks and opportunities for AEW in North America and Asia Pacific, both at the enterprise level and within investment activities. In 2022, the Firm hired its first Chief Resilience Officer and dedicated team to lead governance and strategy as we seek to mature our approach to management of resilience-related risk, deepen integration of resilient considerations within our investment processes, and enhance our performance in ways that amplify our stewardship objectives.

- The Chief Resilience Officer, Jess Bissey, is a Managing Director, member of the Senior Leadership Team, and reports directly to the Chief Executive Officer - North America.
- Our dedicated Resilience department is made up of Asset Resilience & Development (formerly "Architecture & Engineering") and Corporate Responsibility professionals. The Asset Resilience & Development team is responsible for oversight of development, new construction, and major improvement projects, as well as physical condition, environmental, energy, resilience, seismic, radon, and climate assessments. The Corporate Responsibility team is divided between social impact and community investment responsibilities, on the one hand, and governance and reporting responsibilities, on the other hand.
- The Resilience strategy is presented at least annually to the Senior Leadership team and relevant risks are presented to the Risk Management Committee or Risk, Compliance, and Operations Committee, as appropriate.
- AEW has a Diversity, Equity and Inclusion Steering Committee, which is comprised of senior members from across AEW's business units and departments. This Committee is responsible for promoting the goals of diversity, equity, and inclusion among all members of the AEW community, facilitating training, events and conversation to bring awareness to DE&I in the workplace and reviewing and developing policies and procedures that will promote workplace DE&I.

In Europe, AEW's ESG governance is structured so that the Portfolio Manager is responsible for the agreed ESG strategy and for the management of ESG risks for each mandate. In addition, the following individuals and teams are responsible for monitoring ESG issues at the asset, vehicle, and organisation level:

- The European Chief Executive Officer is ultimately responsible for defining and ensuring the co-ordination of the ESG policy across the firm.
- A dedicated SRI department based in Paris is tasked with the operational aspect of implementing sustainability initiatives, such as reducing consumption, arranging certifications, undertaking energy audits and the installation of meters. Overseeing the day-to-day implementation of AEW's ESG policies and activities across the business is AEW's Head of SRI, Thierry Laquitaine.
- The SRI Committee, comprising a number of representatives from across the business including senior management, ensures the coordination of AEW's SRI policy and its implementation across the European business.
- AEW launched two country level Socially Responsible Investment committees for Germany and the UK. These committees feed in to the firm level SRI committee and ensure that AEW's approach to SRI is aligned across Europe. This has allowed greater levels of collaboration and sharing of best practices between countries. It also allows data to be shared and aggregated at a group level to provide improved oversight of AEW's ESG activities.
- AEW Europe also has an active Diversity & Inclusion Committee, responsible for fostering a more diverse and inclusive corporate culture.
- Finally, the Compliance Officer is responsible for defining and managing the governance policies of the firm; and the European Risk Committee reviews all risks including ESG.



# Confidentiality, Cybersecurity & Data Privacy

Maintaining the confidentiality, integrity, and security of personal data in our control is of utmost importance to AEW. Our employees are required to protect personal data and other confidential or proprietary information to which they may have access. AEW requires personnel to comply with applicable securities laws at all times, including privacy and security of client non-public information. We maintain physical, electronic, and procedural safeguards, as appropriate, to protect personal data and other confidential or proprietary information.

- Our technology platform is maintained by a team of information technology professionals, including a security and compliance staff that oversee the Firm's cybersecurity program. This program provides guidance for securing the Firm's data and resources while still allowing our employees to work effectively to meet the needs of the Firm and our clients. AEW's cybersecurity program aligns with the National Institute of Standards and Technology (NIST) Cybersecurity Framework.
- In Europe, AEW is fully compliant with GDPR regulations and maintains a dedicated Personal Data Protection Policy with which all employees must comply. Employees must complete mandatory training and e-learning modules related to data protection and cyber security as well as being subject to regular phishing tests. AEW's IT framework is consistent with ISO certifications and is continuously reviewed by our parent companies Natixis and BPCE Group. In addition, our processes are regularly audited by external third-parties.



# Resilience Risk Management

AEW brings a disciplined, robust approach to risk monitoring and control. Risk assessment is a vital aspect of AEW's investment strategy, and it takes place on a continuous basis. Our Investment and Risk Management Committees evaluate resilience-related issues when making investment decisions and consider the impact they could make on our portfolio, our tenants, and our investors. Our most-senior investment professionals are selected to serve on these Committees, lending their insights and expertise to these important decisions.



## Track

We track key property-specific KPIs as well as regulatory ordinances as foundational support for risk management through compliance and exposure monitoring and use such tracking for continuous comparison against historic performance to understand asset and portfolio level trends.



## Assess

Resilience-related risk management assessments are conducted during the due diligence period and regularly on existing investments leveraging technology support, desktop research, and team expertise to help embed risk management into investment and monitoring of fund vehicles.



## Evaluate and Communicate

AEW's Risk Management Committee reviews annual portfolio-level business plans and risk management assessments. The Risk, Compliance, and Operations Committee monitors operational risk for the firm and considers resilience matters in each of its periodic meetings. These senior bodies consider and advise on the management of risk (including, but not limited to, resilience-related risk).



## Address

The Resilience team works with senior leaders and support functions at the fund- and enterprise-level to address material resilience-related risks. It is the responsibility of the portfolio manager to execute the investment strategy, consistent with client expectations.

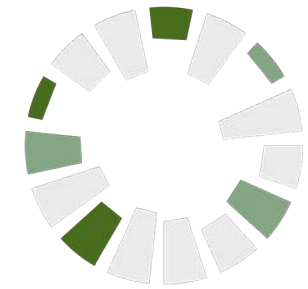
# GRESB®

GRESB® is an international assessment used to measure the sustainability performance of direct real estate portfolios globally. AEW has participated in the annual GRESB Assessment for certain funds and accounts since 2013. GRESB seeks to foster transparency in the sustainability performance of property companies and funds.

The information reported in the annual assessment is a disclosure of material performance at the portfolio level, such as energy and water consumption, green building and energy certifications, and sustainability risk assessments, as well as indicators related to governance and stakeholder engagement.

For AEW Capital Management L.P. strategies participating with GRESB, annual energy, GHG emissions, energy, water, and waste data was independently verified by Lucideon CICS, a private limited company and world leader in verification and certification services. The relevant accreditation reports and assurance statements are aligned with International Organization for Standardization (“ISO”) 14064-3:2019 standard.

GRESB is industry driven and is used by more than 170 institutional and financial investors to monitor investments across portfolios and navigate the strategic choices needed for the industry to transition to a more sustainable future. Learn more at [GRESB.com](https://www.gresb.com).



**G R E S B**  
REAL ESTATE  
member

## ASIA PACIFIC HIGHLIGHTS

AEW submitted three strategies for assessment by GRESB in 2023. All three strategies achieved a score representing 100% on the Management component. One strategy achieved 5 out of 5 stars, performing in the top quintile of participants globally.

## NORTH AMERICA HIGHLIGHTS

AEW submitted four U.S. strategies for assessment by GRESB in 2023, all of which achieved green star ratings. All strategies achieved a score representing 100% on the Management component and across the Social impact pillar, as well as 95% across the Governance pillar. Environmental scores ranged between 65% and 77%, in each case exceeding the applicable peer group average.

## EUROPE HIGHLIGHTS

AEW Europe submitted seven strategies for assessment by GRESB in 2023, all of which achieved green star ratings. One strategy was named European Sector Leader in its category and another was awarded 4 stars (out of 5) in its first reporting year.

GRESB: For more information regarding scoring criteria and methodology, visit [www.gresb.com](https://www.gresb.com). The GRESB score for participating AEW strategies was received in October 2023 based on the evaluation of 2022 ESG performance data. The score is effective for one year until the release of the 2024 GRESB assessment scoring in October 2024. GRESB is the third party conducting the scoring. Participating strategies pay a membership and assessment fee for participation and several AEW strategies paid an additional fee for a response check provided by GRESB prior to its submission.

# United Nations' Principles for Responsible Investing

The Principles for Responsible Investment (An Investor Initiative in Partnership with UN Environment Programme Finance Initiative and the UN Global Compact) (PRI) is a set of investment principles that helps investors incorporate responsible investment values into their investment and ownership decisions. Created by the United Nations in 2006, these guidelines are voluntary and aspirational. Many of the world's leading investment firms have signed on to the principles. In Europe, AEW became a signatory to the PRI initiative in 2009, and North America and Asia Pacific became signatories in 2017.



The PRI carries out the annual assessment based on how a signatory has progressed year-over-year and relative to peers. Signatories report on their responsible investment activities by responding to asset-specific modules in the Reporting Framework. Each module houses a variety of indicators that address specific topics of responsible investment. Signatories' answers are then assessed, and results are compiled into an Assessment Report.

## 2023 PRI ASSESSMENT SCORES

MODULE	AEW CAPITAL MANAGEMENT	AEW EUROPE	MEDIAN SCORE
Investment & Stewardship Policy	75% ★★☆☆☆	95% ★★★★★	60%
Direct Listed Equity - Active Fundamental (Incorporation)	76% ★★☆☆☆	N/A	71%
Direct Listed Equity - Active Fundamental (Voting)	77% ★★☆☆☆	N/A	54%
Direct Real Estate	88% ★★☆☆☆	84% ★★★★★	69%

Results from data compiled from AEW in 2022

PRI: For more information regarding scoring criteria and methodology, visit [www.unpri.org](http://www.unpri.org). AEW received 2023 PRI scores in December 2023. PRI verifies their own scores. PRI requires an annual membership fee.

# 2023 Task Force on Climate-Related Financial Disclosures Index

This Report seeks to align with the disclosure and implementation guidance of the Task Force on Climate-Related Financial Disclosures (TCFD) with respect to the AEW Capital Management L.P. business, inclusive of our investment activities in the United States and Asia Pacific regions. The following index provides information and sources intended to show our progress on the recommended disclosures of the TCFD.

CORE ELEMENT	DESCRIPTION	DISCLOSURES	ADDITIONAL SOURCES
<b>GOVERNANCE</b>			
TCFD 1(a) Board's role	Describe the board's oversight of climate related risks and opportunities	AEW Capital Management L.P.'s (AEW's) approach to Resilience, which includes business-specific climate-related risks and opportunities, is integrated into our broader governance practices at both the investment and enterprise levels and is an important component in creating long-term value for our clients. AEW's governance relies on a committee structure where responsibility for oversight of the firm's operations has been delegated by our Board to senior management teams that meet on a regular basis, including: our Senior Leadership Team; Investment Committee; Risk Management Committee; Risk, Compliance and Operations Committee; Compliance, Risk, and Internal Control Committee; and other committees as necessary based on geographic region. Progress on Resilience matters, including, but not limited to, climate-related risks and opportunities, is reported annually to AEW's Senior Leadership Team (as described below).	2023 PRI Transparency Report
TCFD 1(b) Management's role	Describe management's role in addressing and managing climate-related risks and opportunities	Management plays a central role in governance of climate-related risks and opportunities. On a day-to-day basis, this governance is conducted by the dedicated Resilience team in coordination with relevant functions across the firm. The Resilience team is overseen by the Chief Resilience Officer, reporting directly to our Chief Executive Officer. Resilience issues at the asset and portfolio levels are reported to the Investment Committee if related to acquisitions and the Risk Management Committee, as appropriate. At the enterprise level, the Chief Resilience Officer and Resilience team present strategic and high-level tactical information to the Senior Leadership Team. This structure allows AEW's management to provide oversight to assess, manage, and mitigate climate-related risk while leveraging climate-related opportunities across the strategies of the firm with a focus on long-term value preservation and creation.	AEW Socially Responsible Investment Policy Statement
<b>STRATEGY</b>			
TCFD 2(a) Climate-related risks and opportunities identified	Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term	<p>AEW's Socially Responsible Investment Policy addresses the integration of resilience factors that are most relevant to real estate and that may appropriately be incorporated into the investment and asset management process by AEW as a fiduciary. In both the North America and Asia Pacific regions, we evaluate our assets and portfolios for short, medium, and long-term physical and transition risks using data-driven platforms powered by MSCI and S&amp;P Global. This analysis presents tailored risks and opportunities across our diverse portfolio.</p> <p>For physical risk, AEW considers both acute and chronic hazards that may be present based on geography, including potential vulnerabilities to coastal or fluvial flooding, extreme temperatures, tropical cyclones, or wildfire. We also assess the potential financial impact of such hazards and mitigating factors that may exist based on site or building characteristics.</p> <p>For transition risk, the current primary consideration is the evolving regulatory landscape. AEW closely monitors and manages its compliance obligations under applicable benchmarking ordinances as well as emerging energy, emissions, and other climate-related disclosure or performance requirements.</p>	AEW Socially Responsible Investment Policy Statement
TCFD 2(b) Impacts of climate related risks and opportunities	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	AEW actively and continuously measures our portfolio assets' emerging and long term vulnerabilities to climate change from both a physical risk standpoint and transition risk standpoint as we transition to a lower carbon future. AEW's Chief Resilience Officer and dedicated Resilience team are further developing strategy on resiliency in consultation with leaders of the diverse business units in all geographies of the firm. AEW is focused on managing risk through appropriate, targeted decarbonization efforts across our North America and Asia Pacific operations.	
TCFD 2(c) Resilience of the organization's strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	<p>AEW leverages MSCI's data-driven, forward-looking Climate Value-at-Risk indicators to estimate scenario-specific valuation impact or risk for transition and physical impacts aligned to specific warming scenarios, including 1.5 degrees, 2 degrees and 3 degrees of warming. This scenario analysis is conducted at an asset and portfolio level, which supports impact modeling, risk management, and reporting efforts.</p> <p>AEW considers a variety of outcomes as a result of transition risks, from capital costs associated with retrofits to make buildings more efficient, to insurability, financeability and potentially "stranded" assets as a result of market demand fluctuations.</p>	
<b>RISK MANAGEMENT</b>			
TCFD 3(a) Climate risk identification process	Describe the organization's processes for identifying and assessing climate-related risks	<p>AEW seeks to apply a systematic approach to responsible investment that focuses on reducing risk and improving the operating metrics of investments by incorporating into our asset analyses certain environmental, social, and governance elements, to the extent they are consistent with our clients' objectives and our commitment as their fiduciary. In particular, AEW's approach includes integrating investment processes designed to help mitigate financial risks associated with climate change, embrace opportunities for efficiency, promote sound governance, support the well-being and security of our people, tenants, and communities.</p> <p>AEW incorporates responsible investment practices into our direct real estate investment decision-making process in an effort to reduce risk and enhance the value of investments we undertake on behalf of clients. Each investment is evaluated individually for risks and opportunities, both during the pre-acquisition phase and throughout the investment's life cycle. Examples of these risks include environmental or climate-related hazards that may give rise to potential financial loss, while examples of these opportunities include reduced operating costs through deployment of efficient systems or additional revenue derived from leasing roof space to produce solar energy. We track key performance indicators for energy, water, waste, and greenhouse gas emissions in an effort to identify cost-effective efficiency opportunities, and we are committed to continued enhancement of our access to complete, quality data for that purpose.</p> <p>With respect to our listed securities business, AEW believes active ownership encourages listed firms to behave responsibly and have publicly shared our commitment to enhanced transparency through our Public Real Estate Securities Engagement and Stewardship Policy (available on our website). For our Real Estate Securities investment activities, AEW monitors a company's performance on energy, emissions, water, and waste through a proprietary scoring system, which integrates CRREM pathways to align environmental scores given to portfolio companies and other companies in AEW's investable universe with the Paris Climate goals.</p>	<p>AEW Socially Responsible Investment Policy Statement</p> <p>AEW Public Real Estates Securities Engagement and Stewardship Policy</p> <p>AEW Active Ownership Policy</p>

# Task Force on Climate-Related Financial Disclosures Index (continued)

CORE ELEMENT	DESCRIPTION	DISCLOSURES	ADDITIONAL SOURCES
<b>RISK MANAGEMENT (continued)</b>			
TCFD 3(b) Climate risk management process	Describe the organization's processes for managing climate-related risks	<p>Climate-related risks are managed at individual investment properties by asset managers and (at their direction) third-party property managers, with support from our Resilience team, including architecture and engineering experts.</p> <p>AEW's investment process involves identifying both physical and transition risk for each asset during acquisition due diligence. Aggregate physical risk is reviewed across each strategy on a quarterly basis to monitor potential overexposure to a single hazard in a geographic location and support identification of mitigation strategies where practical.</p> <p>Assets where a potentially significant physical risk is identified in preliminary review will generally undergo an on-site resilience assessment to better estimate the exposure and understand the cost effectiveness of mitigation and adaptation opportunities before investment is made. An energy audit is generally completed during acquisition due diligence for each asset to understand its energy and water performance and decarbonization trajectory. Cost effective energy upgrade opportunities are included in the business plans for each acquired asset.</p>	
TCFD 3(c) Integration with other risk management processes	Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management	<p>Risk assessment and management is a vital aspect of AEW's investment and operations strategy, and takes place on a continuous basis.</p> <p>Fund and account managers monitor portfolio-level exposure to climate-related risks. Each of our investment personnel is engaged in consideration of resilience risks and opportunities (including, but not limited to, climate-related risks) alongside other financial value drivers.</p> <p>Every year, the firm's Risk Management Committee is presented with portfolio-level assessments of Resilience matters for review, including climate-related risks. This review is integrated fully into our enterprise risk management processes.</p>	AEW Socially Responsible Investment Policy Statement
<b>METRICS AND TARGETS</b>			
TCFD 4(a) Risk assessment metrics	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>In 2023, AEW tracked certain Scope 1 and Scope 2 GHG emissions data across our portfolio, working with a third-party consultant to support accuracy. AEW has reported on this data to certain investors and as part of the GRESB assessment. AEW intends to survey its GHG emissions and report emissions aligned with the GHG Protocol methodology and with the TCFD recommendations.</p> <p>Further, to evaluate physical risk, AEW's Resilience team considers the likelihood and estimated severity of climate-related losses, calculated as average annual erosion of gross asset value.</p>	
TCFD 4(b) GHG emissions and risks	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>AEW collects and reports landlord controlled Scope 1 and Scope 2 operating emissions. AEW also collects aggregate whole building utility data from utilities where possible, which includes and is sometimes limited to Scope 3 depending on the portfolio asset. AEW uses this tracking in overall analysis and planning for climate-related risks and opportunities. Higher emissions compared to peers may be indicative of increased transition risk.</p> <p>For 2023, AEW has recorded 196,402 mtCO<sub>2</sub> of Scope 1 emissions and 85,941 mtCO<sub>2</sub> of Scope 2 emissions. Emissions relating to the United States were calculated by the U.S. Environmental Protection Agency (EPA) using the ENERGY STAR Portfolio Manager system and are based on historically accurate 2023 location-based factors. In the U.S., indirect emissions are regional factors according to the eGRID subregions. The methodology for calculating the GHG emissions in ENERGY STAR Portfolio Manager is based on the Greenhouse Gas Protocol Accounting and Reporting Standard developed by the World Resources Institute and World Business Council for Sustainable Development. For properties in Asia Pacific, direct and indirect emissions were calculated using the IEA Emissions Factors which were last updated September 16, 2022.</p> <p>The recorded emissions are absolute and include properties that were owned and operational throughout 2023 and are limited to those properties for which data was available and tracked during 2023. The data is subject to change as the GHG emissions factors are updated and as more data becomes available. While our goal is to track the total energy and GHG emissions across all our properties, we do not always have access to the total energy consumption for each property and, in some cases, have access only to data related to common areas. Additionally, in some cases Scope 3 emissions may be included within the Scope 2 calculation due to consolidated "Whole Building" data.</p>	
TCFD 4(c) Climate related targets and performance	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<p>AEW's Resilience team monitors progress toward meeting set targets for LEED and other certifications such as CALGreen and IREM Certified Sustainable Property Program as well as utilization and reporting to Energy Star's Portfolio Manager. AEW monitors climate-related performance indicators related to GHG emissions, water, energy, and waste, among others, and targets reductions of each of the foregoing on an intensity basis.</p> <p>For AEW's public real estate securities activities, the firm's propriety Resilience-related scoring system provides additional valuation for public REIT companies that set carbon reduction targets and make net zero commitments aligned with the Paris Agreement.</p> <p>AEW's current decarbonization strategy targets net zero emissions for open-ended diversified, commingled direct private real estate funds (excluding ground leased properties and tenant-controlled space (regardless of metering)) in 2050. AEW's Resilience team is consistently evaluating the scope and appropriateness of this commitment related to its business activities, operating context, and fiduciary duty to its clients. AEW pursues decarbonization where appropriate for its portfolio assets to mitigate climate-related risk and protect long-term investment value for its clients.</p> <p>For 2023, AEW has recorded 196,402 mtCO<sub>2</sub> of Scope 1 emissions and 85,941 mtCO<sub>2</sub> of Scope 2 emissions. Emissions relating to the United States were calculated by the U.S. Environmental Protection Agency (EPA) using the ENERGY STAR Portfolio Manager system and are based on historically accurate 2023 location-based factors. In the U.S., indirect emissions are regional factors according to the eGRID subregions. The methodology for calculating the GHG emissions in ENERGY STAR Portfolio Manager is based on the Greenhouse Gas Protocol Accounting and Reporting Standard developed by the World Resources Institute and World Business Council for Sustainable Development. For properties in Asia Pacific, direct and indirect emissions were calculated using the IEA Emissions Factors which were last updated September 16, 2022.</p> <p>The recorded emissions are absolute and include properties that were owned and operational throughout 2023 and are limited to those properties for which data was available and tracked during 2023. The data is subject to change as the GHG emissions factors are updated and as more data becomes available. While our goal is to track the total energy and GHG emissions across all our properties, we do not always have access to the total energy consumption for each property and, in some cases, have access only to data related to common areas. Additionally, in some cases Scope 3 emissions may be included within the Scope 2 calculation due to consolidated "Whole Building" data.</p>	2023 PRI Transparency Report

# Resilience Report Glossary

**Boston Children’s Hospital:** Boston Children’s Hospital is dedicated to improving and advancing the health and well-being of children around the world through its life-changing work in clinical care, biomedical research, medical education and community engagement. For more information, see <https://www.childrenshospital.org/>.

**Boston Nature Center:** Boston Nature Center is a community nature center and wildlife sanctuary with trails that traverse meadows, woods, and wetlands; home to over 150 species of birds, 40 species of butterflies, and more than 350 species of plants supported by Mass Audubon. For more information, see <https://www.massaudubon.org/places-to-explore/wildlife-sanctuaries/boston-nature-center>.

**CREST Program:** The Commercial Real Estate Success Training (CREST) is a paid internship program designed to introduce people of color and women, both of whom are typically underrepresented, to the commercial real estate industry. Through CREST, firms in the commercial real estate industry in Boston had the opportunity to expand their base of potential long-term employees from a diverse pool of highly qualified college students studying in the Boston area. For more information on the CREST program, see <https://crestinternship.com/about>.

**CRREM:** By setting science-based carbon reduction pathways, CRREM faces the challenge to estimate risk and uncertainty associated to commercial real estate de-carbonization, building a methodological commercial real estate de-carbonization, building a methodological on the investor portfolios. For more information, see <https://www.crrem.org/about-crrem-phase-ii/>.

**Energy Star/Energy Star Portfolio Manager:** Energy Star Portfolio Manager is an interactive resource management tool offered by the US Environmental Protection Agency that enables companies to benchmark the energy use of any type of building, all in an online environment. Energy Star scores buildings on a scale of 1-100, based on their benchmarking methodology, and buildings with a score of 75 or above have the opportunity to be Energy Star certified. For more information, see <https://www.energystar.gov/buildings/benchmark>.

**GDPR:** The General Data Protection Regulation (GDPR) is the toughest privacy and security law in the world. Though it was drafted and passed by the European Union (EU), it imposes obligations onto organizations anywhere, so long as they target or collect data related to people in the EU. The regulation was put into effect on May 25, 2018. For more information, see <https://gdpr.eu/>.

**Green Lease Leader:** The Green Lease Leaders Organization provides guidance in leasing practices to advance mutually beneficial landlord-tenant relationships that lead to higher-performing buildings and healthier, more sustainable communities. Their certification program recognizes companies who are taking the lead on providing tenants with green leases and setting an example for the sustainable buildings industry. For more information, see <https://www.greenleaseleaders.com/>.

**GRESB:** The GRESB Real Estate Assessments capture information regarding ESG performance and sustainability best practices for real estate funds and companies worldwide. The Assessment is shaped by what investors and the industry consider to be material issues in the sustainability performance of real estate investments. The methodology is consistent across regions, investment vehicles and property types, and it aligns with international reporting frameworks. Participants are given a score of 1 to 5 stars. For more information, see <https://www.gresb.com/nl-en/>.

**Heading Home:** Heading Home is one of Boston's leading providers of emergency shelter, transitional, and permanent housing for extremely low-income families and individuals currently or formerly experiencing homelessness. For more information, see [www.headinghomeinc.org/](http://www.headinghomeinc.org/).

**INREV:** INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. They are Europe’s leading platform for sharing knowledge on the non-listed real estate industry. INREV’s goal is to improve transparency, professionalism, and best practices across the sector, making the asset class more accessible and attractive to investors. For more information, see <https://www.inrev.org/>.

**Institute for Market Transformation:** The Institute for Market Transformation (IMT) bridges the intersection of business, government, and community priorities to spotlight business practices and advance public policy to improve U.S. buildings. For more information, see <https://www.imt.org/>.

**International WELL Building Institute (“IWBI”):** IWBI is a public benefit corporation whose mission is to improve human health and well-being in buildings and communities across the world through its WELL Building Standard. For more information, see <https://www.wellcertified.com/>.

**ISO certifications:** ISO is an independent, non-governmental international organization with a membership of 167 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges. For more information, see <https://www.iso.org/certification.html>.

**KidsOut:** KidsOut gives disadvantaged children positive experiences to support them becoming future members of our society and workforce. For more information, see <https://www.kidsout.org.uk>.

**LEED:** Leadership in Energy and Environmental Design certification is one of the most widely used and recognized green building certification programs worldwide. To achieve LEED certification, a project earns points by adhering to prerequisites and credits that address carbon, energy, water, waste, transportation, materials, health, and indoor environmental quality. Projects go through a verification and review process by Green Building Certification Inc. and are awarded points that correspond to a level of LEED certification: Certified (40-49 points), Silver (50-59 points), Gold (60-79 points) and Platinum (80+ points). For more information, see <https://www.usgbc.org/leed>.

**Massachusetts Coalition for the Homeless:** The Coalition embraces a collaborative approach to unify people and mobilize resources to support its mission. The Coalition has been committed to tackling difficult problems that impact families and individuals who are experiencing homelessness or at-risk of losing their homes. For more information, see <https://mahomeless.org/>.

**Measurabl:** Measurabl is a sustainability data platform for corporate disclosure and transparency related to the Real Estate industry. The Measurabl platform includes the S&P Global tools for measuring climate risk. For more information on Measurabl and the S&P Global integration, see <https://www.measurabl.com/>.



# Resilience Report Glossary

**MSCI Climate VaR:** MSCI's Climate Value-At-Risk tool is designed to provide a forward-looking and return-based valuation assessment to measure climate related risks and opportunities in an investment portfolio. The fully quantitative model offers deep insights into how climate change could affect company valuations. For more information on MSCI VaR, see <https://www.msci.com/documents/1296102/16985724/MSCI-ClimateVaR-Introduction-Feb2020.pdf>.

**National Institute of Standards and Technology Cybersecurity Framework:** Created through collaboration between industry and government, the voluntary NIST Cybersecurity Framework consists of standards, guidelines, and practices to promote the protection of critical infrastructure. The prioritized, flexible, repeatable, and cost-effective approach of the Framework helps owners and operators of critical infrastructure to manage cybersecurity-related risk. For more information, see <https://www.nist.gov/>.

**PREA SEO:** The Pension Real Estate Association partnered with the Sponsors for Educational Opportunity to create a first-of-its-kind real estate training program for qualified Black, Hispanic, and Native American undergraduates. The partnership aims to increase diverse employment in the commercial real estate industry by developing a pipeline of talented students of color. <https://www.seo-usa.org/news/prea-foundation-and-seo-partner-to-advance-diversity-and-inclusion-in-real-estate/>.

**Project Destined:** Project Destined is a leading education program that offers a variety of educational opportunities for students from diverse backgrounds. They partner with universities and real estate companies to offer students internships and classes to develop their professional skills and kickstart their real estate careers. For more information, see <https://projectdestined.com/>.

**SOS Children's Village International:** the world's largest nonprofit dedicated to the care of vulnerable children. They take a comprehensive approach to preventing child abandonment, offering long-term care for children in need and empowering young people with the resources to reach their full potential. SOS Children's Villages now works in 136 countries, operates more than 540 villages, and has impacted an estimated 13 million people. For more information, see <https://www.sos-childrensvillages.org/about-us>.

**Trust for Public Land:** Trust for Public Land creates parks and protect land for people, ensuring healthy, livable communities for generations to come. The organization works alongside communities across the country to create, protect, and steward the nature-rich places that are vital to human well-being. For more information, see <https://www.tpl.org/our-mission>.

**ULI GreenPrint:** The ULI GreenPrint Center for Building Performance is a worldwide alliance of leading real estate owners, investors, and strategic partners committed to improving the environmental performance of the global real estate industry. For more information on ULI GreenPrint, see <https://americas.uli.org/research/centers-initiatives/greenprint-center/>.

**UN PRI:** Principles for Responsible Investing reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors. Signatories are required to report on their responsible investment activities annually. For more information, see <https://www.unpri.org/>.

**US Department of Energy:** The United States Department of Energy (DOE) is an executive department of the U.S. federal government that oversees U.S. national energy policy and energy production, as well as manages the research and development of nuclear power, the military's nuclear weapons program, nuclear reactor production for the United States Navy, energy-related research, and energy conservation. For more information, see <https://www.energy.gov/>.

**US Green Building Council:** The USGBC is a nonprofit organization committed to sustainable development through cost-efficient and energy-saving green buildings. USGBC developed the LEED green building certification program to support its mission of market transformation. They offer a robust selection of educational programs for their nationwide network of chapters and affiliates. For more information on USGBC, see <https://www.usgbc.org/>.

**WELL Certification:** The WELL Building Standard™ version 2 (WELL v2™) is a vehicle for buildings and organizations to deliver more thoughtful and intentional spaces that enhance human health and well-being. WELL v2 includes a set of strategies—backed by the latest scientific research—that aim to advance human health through design interventions and operational protocols and policies and foster a culture of health and well-being. WELL Certifications are awarded at the Bronze, Silver, Gold, or Platinum level. For more information, see <https://www.wellcertified.com/>.

**Worshipful Company of Chartered Surveyors:** The purpose of the Chartered Surveyors' Company is to contribute to British national life by supporting the property profession and, through its wider charitable activities, to be a force for good in advancing education and helping young people achieve their potential. For more information, see <https://surveyorslivery.org.uk/the-company/>.

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