

# ESG Newsletter

December 2020

As 2020 ends, we reflect on the ESG initiatives that were implemented during the year and the value they have provided to our stakeholders true to ASB's tenant-centric culture. In this edition of ASB's ESG Newsletter, we highlight initiatives that are leading to healthier spaces for our tenants as well as greener and more cost-effective energy usage at a marquee investment in Boston. We are also proud to announce the launch of ASB's newest committee on diversity, equity and inclusion (DEI) that seeks to ensure equal access to growth and advancement within the firm and business partners.

Finally, as our ESG platform has evolved and the opportunities to develop more impactful sustainability programs have expanded, we are excited to announce a new environmental management system (EMS) partnership that will help us continue to elevate the ESG practices. Please enjoy reading about how we are mobilizing to anticipate and integrate the best ideas in ESG for the benefit of our investors, tenants and partners.

We, at ASB, wish you a joyful and healthy Holiday Season and a very Happy New Year!

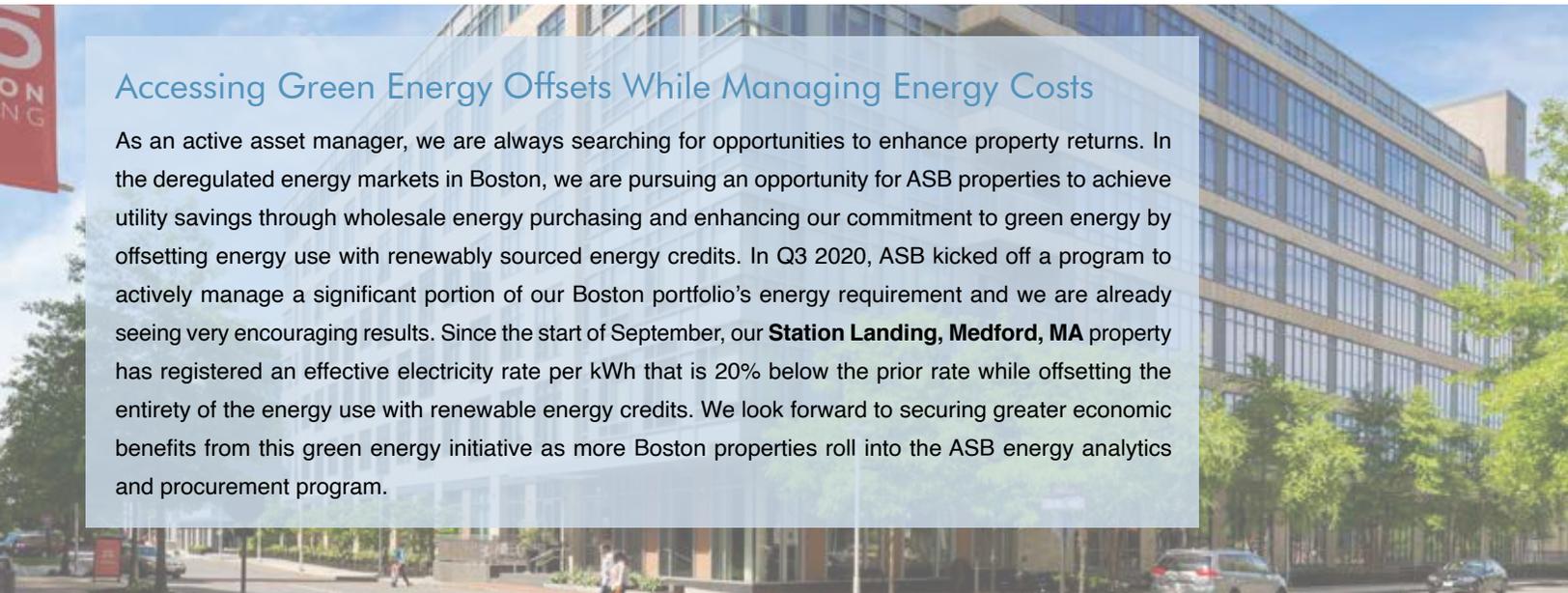
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## Ensuring Healthy Spaces for Our Tenants: Internal Air Quality Audits

Consistent with ASB's commitment to a tenant-centric approach to real estate investment and ownership, we have launched an Indoor Air Quality (IAQ) program which is intended to foster tenant satisfaction and employee productivity by improving overall occupant health and well-being. The ESG committee began development of the IAQ program in early 2020 and launched it in early September. The initiative focuses on office and mid-to-high-rise multifamily assets, extending to more than 75% of properties in these asset types. The program measures airborne volatile organic compounds, assesses HVAC systems, and tests water and exterior air quality in accordance with industry standards to provide a holistic picture of a building's overall healthfulness. The COVID-19 pandemic has highlighted many concerns of tenants and residents regarding building environments, and air quality has been identified as a particular area of focus. A report by the U.S. Environmental Protection Agency

has shown that people spend about 90% of their time indoors amplifying the importance of wellness initiatives within occupied spaces. We are excited about the positive reception of the initiative from our tenants, partners and third-party property management firms. As part of this program, we are also exploring ways to improve indoor air quality metrics.





## Accessing Green Energy Offsets While Managing Energy Costs

As an active asset manager, we are always searching for opportunities to enhance property returns. In the deregulated energy markets in Boston, we are pursuing an opportunity for ASB properties to achieve utility savings through wholesale energy purchasing and enhancing our commitment to green energy by offsetting energy use with renewably sourced energy credits. In Q3 2020, ASB kicked off a program to actively manage a significant portion of our Boston portfolio's energy requirement and we are already seeing very encouraging results. Since the start of September, our **Station Landing, Medford, MA** property has registered an effective electricity rate per kWh that is 20% below the prior rate while offsetting the entirety of the energy use with renewable energy credits. We look forward to securing greater economic benefits from this green energy initiative as more Boston properties roll into the ASB energy analytics and procurement program.

## Giving Greater Voice to our Diverse Teams

As a leader in the real estate marketplace, we recognize the importance of promoting diversity and equality within all facets of our organization. Reflecting on that commitment, ASB has launched its Diversity, Equity and Inclusion Committee (DEI). THE ASB DEI Committee is a diverse group of nine ASB employees representing a variety of departments and levels within the organization. The committee's primary purpose is to foster an environment that recognizes employees' unique skillsets and ensures they have an equal opportunity to grow and advance within an ever-changing workplace. Other focus areas include evaluation of recruitment and hiring practices, business partnering, as well as sponsorship and volunteering opportunities. The Committee has already engaged with Higher Achievement, a Washington, DC, based academic program targeting middle school students from underserved communities with educational and mentoring support, as a part of their Going Places 2020 virtual event. DEI is also in discussions with other non-profits organizations that focus on education and awareness as a means of closing the opportunity gap both at the college level through internship and/or externship programs. Finally, the Committee has reached out to ASB's joint venture partners and property managers to initiate discussions on joint DEI initiatives.

## ESG Consultant Partnership

With just over a decade since its formalization, ESG remains a nascent practice marked by rapid change within the investment community. Global institutional asset owners and money managers, including ASB, have increasingly adopted robust ESG initiatives, realizing unquestioned benefits. ASB's own adoption of an ESG framework with clear goals is the product of team member sponsorship, and mindful leadership, that recognizes the risk mitigation and performance enhancing benefits of an impactful program. As the expectations of investors, tenants and partners increase for ESG reporting, transparency and verification, ASB has aligned with **LORD Green Strategies**, a third-party Environmental Management System partner to enhance objective performance. LORD Green, which has successfully served many of our peers in the same capacity for more than 10 years, will provide expert comprehensive guidance for sustainability initiatives and projects as well as support property level sustainability implementation of best practices and reporting.

## ESG 2020 Year in Review

Over the past year, ASB has been active in strengthening and expanding its ESG platform to ensure consistent application across the portfolio. Here are some highlighted program initiatives:



### Environmental Sustainability

- Implemented environmental data management systems to track utility consumption, report utility data, and identify opportunities to increase the operational efficiency. Implemented whole building data management at office and multifamily assets.
- Conducted property efficiency assessments for investments as part of a multi-year cycle, including new acquisitions and existing properties.
- Pursued ENERGY STAR® Certification for eligible property types, and evaluate feasibility of achieving green building certifications, such as LEED® (office buildings), BOMA 360 Performance (industrial assets), IREM certification (multifamily/retail properties).
- Implemented energy procurement strategies in select deregulated U.S. markets to optimize energy costs with the first phase focused on Boston.
- Evaluated renewable energy opportunities including onsite solar generation, green power purchases and renewable energy credits (RECs). Green energy allocation embedded in procurement initiative trialed in Boston.



### Social Engagement

- Conducted indoor air quality analyses for office and multifamily assets to recommend targeted improvements as tenant demands evolve following the COVID pandemic.
- Engaged asset and property teams on ESG initiatives and foster a culture of awareness and proactivity around ESG considerations. Completed sustainability training with asset and property teams in November 2020.
- Hosted tenant and resident engagement events including community building events and tenant surveys. Launched annual Kingsley tenant satisfaction survey in November 2020.
- Provided fitness spaces to tenants to encourage active lifestyles and community connections.
- Fostered a corporate culture of giving with ASB fundraising through the ASB in Action volunteer committee:
  - Over \$8,000 donated to local charities supporting COVID-19 response initiatives
  - Over \$5000 raised for local Boys and Girls Club through a Trivia Fundraiser
- Fostered an internal culture of 'community'. Launched the ASB employee mentorship program enhancing internal connections, knowledge transfer, and development of resilience during the pandemic.
  - Won a Best Places to Work in Money Management award from P&I, a global news source of money management.



## Governance & Transparency

- Annual participation in GRESB striving for targeted Y/Y improvements.
- Disclosed ASB ESG program goals and updates to all stakeholders.
- Provided employee training on policies and procedures including ESG training and industry update and annual Code of Ethics certification.
- Ensured compliance with municipal regulations involving energy, emissions, water, and waste/recycling disclosure and efficiency.
- Through the ASB ESG Committee, regularly supervised and updated the ESG program.

Our ESG program is aligned with INREV, GRESB, GRI, and UNPRI. Data provided herein has been reviewed by LORD Green Strategies and represents a snapshot of current performance.

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For more information regarding ASB's commitment to sustainability and ESG, please visit [ESG at ASB](#).

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