RESILIENCE STRATEGIES

Physical Risks

Physical Risks include the damage from natural disaster events such as flooding, hurricanes, wildfires, or earthquakes to the asset value, as well as long-term effects of changing climate conditions such as temperature change, extreme drought, season creep and rising sea levels. The goal of this policy is to understand and mitigate the risk of physical damages, avoid or justify the increased operating expenses, and determine long-term investment strategies.

- Assess climate-related risks including the effects of natural disaster events such as flooding, hurricanes, wildfires or earthquakes, as well as long-term effects of changing climate conditions such as temperature change, extreme drought, season creep and rising sea levels
- Integrate climate resilience into our investment strategies
- Assess physical risks and develop strategies for resilience as part of the standard acquisition due diligence process
- Evaluate our portfolio regularly to identify climate risks and its impacts on asset value based on likelihood
- Measure potential financial impacts of climate-related risks such as increased operating expenses, insurance and capital improvement needs

Transition (Policy) Risks

Transition Risks refer to those posed by market, policy, legal, reputational, technological, and other risk factors that arise from the ongoing shift to a low-carbon economy necessary to achieve the goals of the United Nations Paris Agreement. The goal of this policy is to quantify policy-related threats and makecarbon reduction across the portfolio a priority.

- Analyze portfolio transitional risks related to the ongoing shift to a low-carbon economy necessary to achieve the goals of the United Nations and Paris Agreement
- Assess future carbon reduction prices based on various policy scenarios for new acquisitions and existing assets
- Create long-term strategies for transition risks mitigation, including energy efficiency opportunities and value-added improvements
- Seek opportunities to promote renewable energy sources (on/off-site) to decrease or offset our carbon footprint
- Develop a zero-carbon pathway and cost model to reduce the overall level of vulnerability

RESILIENCE STRATEGIES
cont.

Social Risks

Social Risk factors include shocks and stressors such as labor market disruption, building inaccessibility, inequity and loss of life during catastrophic events, among others. The goal of this policy is to ensure the markets we operate are stable and less vulnerable to social risks.

- Evaluate the economic and political environment as part of the standard acquisition due diligence process, especially when Time Equities, Inc. enters a new market.
- Assess our real estate portfolio regularly to identify social risks and impacts on the asset value and real estate market as a whole.
- Reduce the vulnerability to social risks by making an allowance for alternative property types and executing innovative solutions.