



PASARROYO ACHIEVES CARBON NEUTRALITY

PASARROYO



THE CHALLENGE

Earth's changing climate has big implications for individuals, businesses, and policy makers.

The built environment is responsible for **approximately 40% of the world's operational GHG emissions**, and an even greater amount when accounting for embodied carbon of building materials and operational supply chain.

This is our opportunity to be the solution to the climate crisis while providing the healthiest assets on the market.

1.5-5.0

Expected increase in degrees Celsius, in global average temperatures by 2050

2/3

Share of survey respondents who say economic-recovery efforts should prioritize climate change

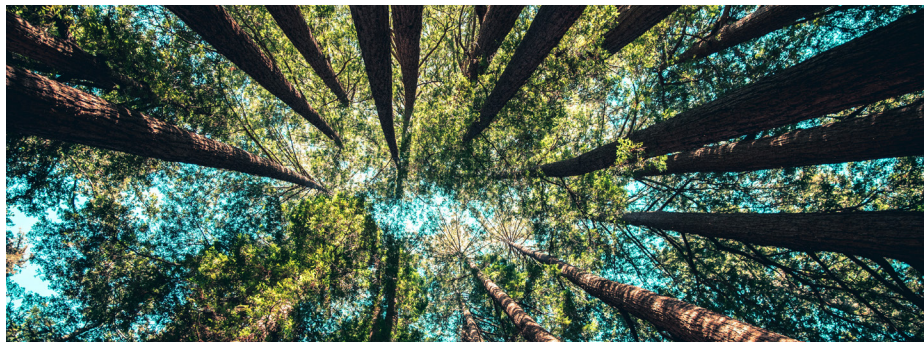
40%

Expected drop in energy intensity of global GDP by 2050 because of gains in energy efficiency

Sources:
• [McKinsey on Climate Change, September 2020](#)
• [McKinsey](#)

THE MISSION

Since inception, Coretrust has recognized that investing in ESG, carbon neutrality, and health and wellness to reposition its properties is not only responsible for the environment and occupants, but also yields substantial return on investment in the form of reduced operating costs, risk mitigation, greater tenant attraction and retention, and higher investor confidence.



THE APPROACH

Environmental and healthy building performance is embedded into every stage of the asset, from screening and due-diligence to transition and long term management. See Coretrust's ESG Policy to learn more. This comprehensive approach ensures the success of company wide performance targets:



Janitorial Practices

Target of **90% use** of green cleaning products by 2023



Water

Target of **25% decrease** in water consumption across portfolio from 2019 to 2025



Energy

Each asset is expected to achieve a targeted **20% energy reduction** through its repositioning within the first 3-7 years of ownership.

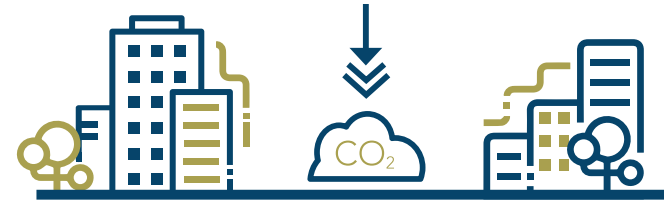


Waste

Target of **55% landfill diversion** for ongoing and durable goods waste by 2025; **100% diversion** for e-waste and hazardous waste by 2022

THE ACTION

Over the past four years, Coretrust has dramatically reduced its carbon footprint through major capital investments in infrastructure at all its properties including topline upgrades of HVAC, lighting retrofits, elevator modernizations, comprehensive operational updates, and state-of-the-art air quality and filtration technologies. **Coretrust's Risk and Sustainability committee is responsible for developing, implementing and monitoring ESG specific initiatives.**



^[1] Scope 1 emissions are direct onsite emissions from gas and scope 2 emissions are indirect, generated at the utilities that provide a property energy.

THE IMPACT

In alignment with its company values, Coretrust is holding itself financially accountable for our environmental footprint by benchmarking, reducing, disclosing, and closing the carbon gap to achieve carbon neutrality.

By assigning a dollar value to the indirect environmental and social impacts associated with building operations, we are financially supporting renewable energy markets and the development of carbon sequestration technology. Achieving carbon neutrality represents a major step forward in mitigating and adapting to climate risk.

While the decarbonization market continues to mature with advanced solutions and in anticipation of a 100% renewable grid, Coretrust has opted to close the remaining carbon gap, voluntarily offsetting scope 1 and 2 emissions^[1] through Renewable Energy Credits and Carbon Offsets.

Implementing up-to-date energy efficient infrastructure and rigorous operational practices significantly reduced the cost of acquiring carbon offsets and achieving carbon neutrality.



WELL Health-Safety Rated



GBAC



Carbon Neutral



LEED Gold



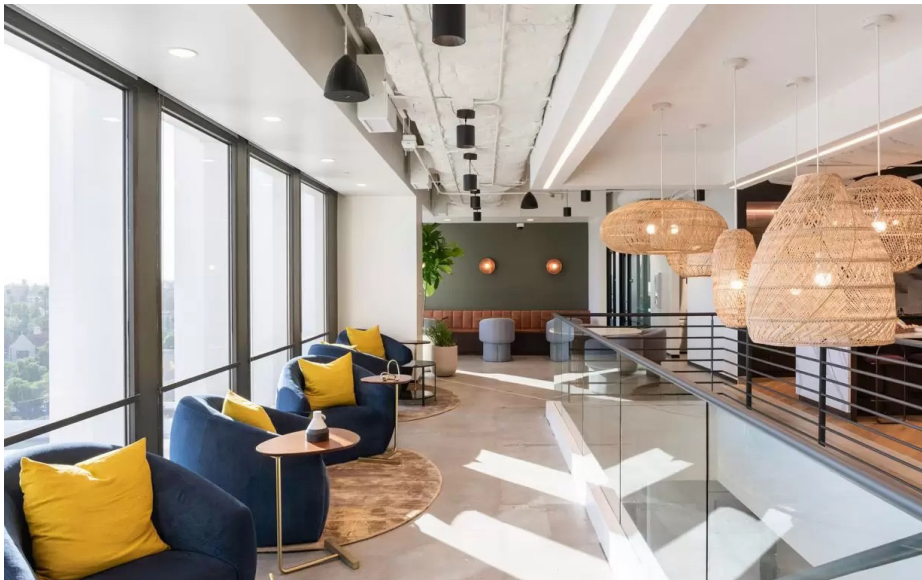
Energy Star Certified



Tier 3 UL Verified

WHAT'S NEXT

In 2021, Coretrust became a UNPRI Signatory and is committing to participating in GRESB for the reporting year 2022. As such, we pledge to formally disclose environmental, social and governance (ESG) issues, in our investment processes and decision-making. We also pledge to continue to encourage high standards of ESG performance in our supply chain and 3rd party management. thus supporting the stability and resilience of the financial system.



WE'VE OFFSET 15,317 METRIC TONS OF CARBON DIOXIDE WHICH IS EQUIVALENT TO:



Energy produced by **4.2** wind turbines running for a year



The sequestration of **18,127** acres of U.S. forests in one year



Energy consumed by **1,929** homes for one year