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BKM Capital Partners

2024-2025 SUSTAINABILITY AND CORPORATE RESPONSIBILITY REPORT

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bkmcp.com

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Letter from the CEO

I'm pleased to share BKM's third annual Sustainability and Corporate Responsibility Report. As we reflect on our company's decade-long journey, it's clear that embedding responsible and sustainable business practices into the core of our operations is not only the right thing to do—it's a strategic imperative that drives long-term value for our investors, employees, tenants, and the communities we serve.

This past year, our teams demonstrated their consistent ability to drive meaningful change. From completing solar installations and launching new EV charging projects, to expanding our policy framework and deepening our data and benchmarking efforts, 2024 was a year defined by action. We conducted resilience assessments across new acquisitions, onboarded properties into EPA's Energy Star Portfolio Manager for data tracking, and reached new milestones in diversity representation across our workforce. These initiatives are not standalone—they are interconnected steps along a roadmap we continue to build year after year.

At the heart of our efforts lies a simple principle: progress hinges on consistent evaluation. That's why we prioritized our first GRESB assessment and completed a thorough gap analysis to chart our path forward. We also placed increased emphasis on how we support our people—delivering hundreds of hours of leadership coaching, volunteer service, and company-wide training that reinforces our values and strengthens our culture.

As the commercial real estate industry continues to evolve, so too does our commitment to sustainability and corporate responsibility. We remain focused on reducing our environmental footprint, fostering an inclusive environment for all, and maintaining regulatory controls on all aspects of our operations. In the months ahead, we'll continue to refine our practices, and challenge ourselves to think bigger.

Thank you for being a part of our journey. Your trust fuels our mission and motivates us to keep pushing forward—responsibly, strategically, and with purpose.

Sincerely,

Brian Malliet

Founder, Chief Executive Officer, and Chief Investment Officer

BKM Capital Partners

Who We Are

Headquartered in Newport Beach, California, BKM Capital Partners is the leading institutional fund manager and operator of small and mid-bay light industrial properties in the United States. BKM's singular focus, market knowledge, decade-long track record, and institutional approach provide a platform for investors to access a traditionally fragmented asset class with an experienced partner with the ability to execute. BKM's platform drives significant ROI in this niche asset class through active hands-on management with an experienced investment and operations team. Since its inception in 2013, BKM has successfully acquired more than 25 million square feet of industrial projects valued at nearly $5 billion. The firm continues to grow its investment management business through strategic joint ventures, institutional investor funds, and separate account equity capital.

Portfolio Overview

BKM's current portfolio totals nearly 11 million square feet located in major Western U.S. markets. BKM has 14 regional offices across the markets we serve, including Southern and Northern California, Seattle, Portland, Las Vegas, Phoenix, Denver, and Houston.

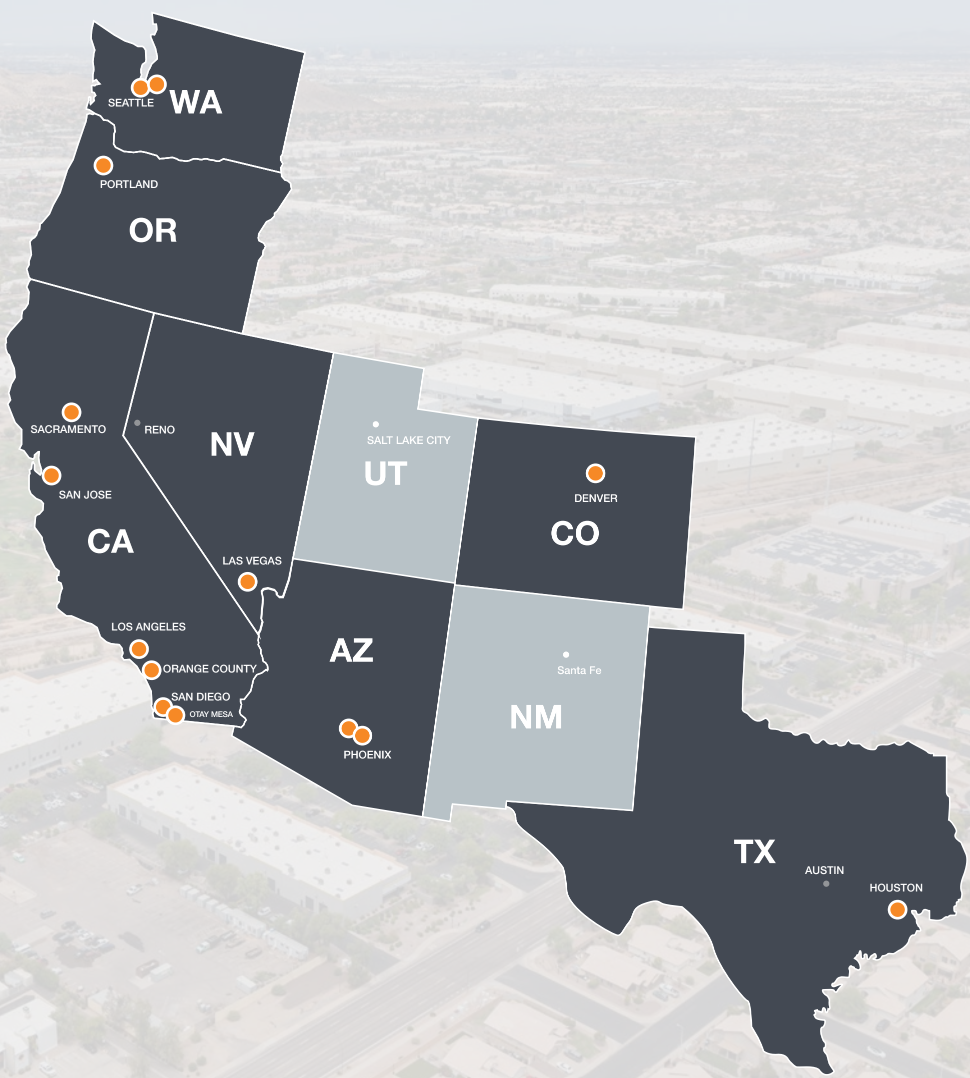
60
Active Properties

2,100+
Tenants

10.6M
Active Sq. Feet

$2.3B
Current AUM

110+
Employees



Data as of March 31, 2025.

Our Commitment

SUSTAINABLE VALUE CREATION

At BKM, we weave sustainability and corporate responsibility into the fabric of our operations and investment strategy—creating long-term value by enhancing our service offerings, attracting and retaining top-tier talent, and deepening the trust we share with our stakeholders. This approach reinforces our role as a thoughtful and responsible steward within the communities in which we operate.

CONSISTENT EXECUTION

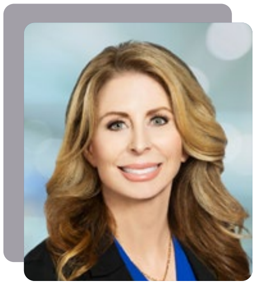
We believe companies that embed environmental stewardship, social responsibility, and sound governance into their day-to-day operations and investment decisions are best positioned to thrive over the long term. We carefully assess every opportunity through this lens—recognizing that responsible management not only enhances asset performance but also drives lasting value.

ENDURING PERFORMANCE

We recognize our commitment to sustainability and corporate responsibility in supporting the foundation of a resilient, future-ready organization. By embedding equitable, sustainable practices across every facet of our business, we aim to create lasting value for our investors, tenants, communities, and team members alike.

Q&A

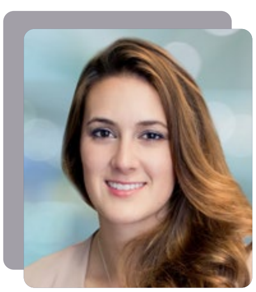
Gain valuable insights from BKM's leading sustainability and corporate responsibility (SCR) experts as they explore current market dynamics, emerging trends, and the key factors that set BKM apart in sustainable and ethical real estate investment practices.



What role does SCR play in how BKM approaches tenant relationships and employee engagement

"As the head of the Sustainability and Corporate Responsibility Committee, I've seen firsthand how embedding SCR into our day-to-day practices transforms our relationships with key stakeholders. By championing energy efficiency, responsible resource use, and community-focused initiatives across our properties, we not only reduce environmental impact—we also foster deeper trust, collaboration, and pride among the people we serve and the teams who carry out our mission. Holding ourselves accountable for creating the best path forward can only be accomplished through a highly developed organizational plan, alongside an effective team capable of executing it."

Susan Rounds
Senior Managing Director, Operations & Administration

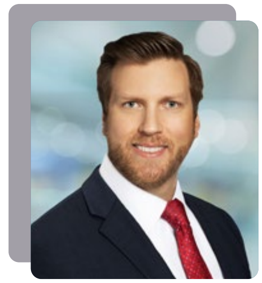


What excites you about the journey ahead for SCR at BKM and in CRE? Where do you predict we will be 5 years from now?

"What excites me most is the shift from viewing ESG as a compliance exercise to embracing it as a performance driver. At BKM, we're just getting started—whether it's using AI / BI to identify sustainability opportunities, or piloting new green lease structures, we're innovating in ways that are scalable and measurable.

In five years, I believe sustainability will be fully integrated into underwriting, property operations, and investor mandates across the CRE industry. Tenants will expect it, investors will demand it, and operators like BKM who have built it into their DNA will have a clear competitive edge. I'm excited to help lead that evolution, not just within BKM, but as a voice pushing the industry forward."

Emily Pollard
Senior Director, Marketing & Communications



How does BKM balance environmental upgrades with operational and financial performance expectations?

"BKM takes a practical, integrated approach to environmental upgrades by aligning them with our broader capital improvement plans. When we're investing in areas like roofing, exterior paint, or landscaping, we select materials and finishes that provide both functional and environmental value. This includes cool roof systems and paint with balanced reflectivity to avoid extremes—highly reflective surfaces can intensify solar heat in hot markets, while overly absorbent paint can cause unwanted heat gain inside the building. We also implement drought-tolerant landscaping with efficient irrigation systems to significantly reduce water usage.

The same mindset applies to interior work. When we're building out spaces, we choose efficient systems and durable materials, like high-efficiency HVAC units, LED lighting, occupancy sensors, and long-lasting finishes that help reduce both energy use and construction waste.

At BKM, we believe the most impactful sustainability measures are those that deliver value on multiple fronts. That's why we look for opportunities to integrate long-term sustainability into our capital investments—enhancing operational efficiency, supporting our tenants, and creating enduring value for our investors. By aligning environmental responsibility with smart business decisions, we're able to drive progress that's both meaningful and measurable."

C.E. Kaiser
Director, Construction Management
& Business Process

BKM Core Values

RESPECT
Champion diversity and foster respect

TEAMWORK
Unite and elevate—we are one team

ACCOUNTABILITY
Own our actions, learn from every outcome

ATTITUDE + PERFORMANCE = EMPLOYABILITY
Both are expected

OWNERSHIP & INTEGRITY
Act like an owner. Act with integrity

ADAPT & EVOLVE
Embrace change, lead with innovation

EMPOWERMENT
Cultivate strength within and around

Program Overview

At BKM Capital Partners, our commitment to sustainability and corporate responsibility practices underscores our dedication to responsible and sustainable real estate operations, fostering long-term value for stakeholders and enhancing communities where we operate. We recognize that ESG priorities are dynamic within the industry, and we adapt to these shifts over time.

We firmly believe that integrating sustainability and corporate responsibility factors into our investment lifecycle and management processes positions our assets to leverage numerous competitive advantages, leading to robust tenant demand and contributing to sustained performance and risk mitigation. Our focus remains on enhancing environmental sustainability, promoting social engagement, and maintaining transparent governance initiatives, maximizing impact and delivering enduring value to all stakeholders.

Environmental Sustainability

Environmental impact mitigation. Ensuring the continued improvement of building efficiencies at existing assets while considering improvement opportunities for new investments.

***AREAS OF FOCUS:* Carbon emissions, waste reduction, energy and water efficiency, sustainable construction practices, and data collection and monitoring.**

Social Engagement

Foster an environment with a focus on respectful engagement, diversity, and well-being at the corporate level to provide better work environments for employees and tenants, drive more effective management of our assets, and deliver better returns to investors.

***AREAS OF FOCUS:* Safety and wellness, employee and tenant engagement, charitable contributions, community relations, and diversity, equity & inclusion.**

Governance

Promote a culture of corporate responsibility, accountability, equality, and transparency among employees, clients, and investments.

***AREAS OF FOCUS:* Robust internal controls for risk mitigation, incorporation of sustainability and corporate responsibility factors in our investment management process, equitable compensation, and business integrity.**

Ongoing Sustainability Goals

SUPPORT OUR PEOPLE

Create a diverse workplace that fosters a healthy, safe, and supportive environment for our employees.

MEASURE OUR PROGRESS

Monitor and understand key performance indicators that will help us improve our environmental, social, governance efforts.

REDUCE OUR FOOTPRINT

Decrease operating expenses and environmental impacts.

INVEST IN OUR COMMUNITIES

Support education, healthcare, and economic development opportunities as catalysts of positive change in our communities.

GENERATE SUSTAINABLE VALUE

Invest in efficiency, superior service, and operational excellence to deliver attractive long-term returns.

2024 Accomplishments

Sustainability and Corporate Responsibility Program

- Completed a solar installation at Lionshead Landing in San Diego, CA
- Established and implemented four new policies for safe and sustainable operations
- Enrolled four Portland assets in the Clean River Rewards Program
- Established EMS framework
- Conducted property resilience assessments on all new acquisitions
- Continued partnership with ESG consultant to advise on progress of three-year road map
- Completed two EV charger projects in California and Arizona

Data & Benchmarking

- Completed first GRESB assessment
- Onboarded all properties onto EPA Energy Star Portfolio Manager for data tracking
- Maintained or increased diversity in employee demographics
  - 54% women in 2024 vs 52% in 2022
  - 38% BIPOC in 2024 vs 35% in 2022
  - 70% diverse overall
- Completed GRESB gap assessment
- Conducted independent 3rd party compensation review and analysis

Engagement & Education

- Earth Day events at properties across the portfolio
- BKM Volunteer Committee completed 210 hours of volunteering and service
- 27 employees completed leadership development and coaching programs
- 7 tenant appreciation events completed across the portfolio
- Gifts hand delivered to nearly 75% of our tenants
- Conducted satisfaction surveys at the employee and tenant level
- Company-wide sustainability and corporate responsibility trainings

2025-2026 Initiatives

To ensure continuous improvement around our sustainability and corporate responsibility plan, we have outlined the following initiatives for the next two years. To stay at the forefront of best practices, we will continue to evaluate and evolve our program as the industry landscape changes over time, through both internal controls and external resources.

Sustainability and Corporate Responsibility Program

- Extend solar program across our California portfolio where appropriate
- Broaden EV charging program to further contribute to emission reduction
- Expand waste and recycling programs in all regions
- Scale E-Waste program in all regions

Data & Benchmarking

- Utilize prior GRESB suggestions to inform tracking and reporting initiatives
- Increase data coverage across our entire portfolio for more accurate reporting
- Further refine BKM's proprietary BI tools for property-level data tracking
- Establish geographic risk profiles for each active investment region in BKM's portfolio
- Increase women in leadership by 10%
- Benchmark baseline property-level data where appropriate

Engagement & Education

- Conduct building engineer trainings to establish best practices and increase safety
- Widen philanthropic reach by partnering with new local organizations
- Increase engagement in satisfaction surveys at the employee and tenant level
- Expand company-wide sustainability and corporate responsibility-related trainings
- Further refine and standardize tenant engagement initiatives for all regions, including program buildout for new regions

Sustainability and Corporate Responsibility Committee

BKM established the Sustainability and Corporate Responsibility Committee in 2018, tasked with formulating and implementing the firm's approved strategic plan under the oversight of the Executive Committee. With the goal of communicating the organization's sustainability and corporate responsibility initiatives, this committee provides guidance and leadership across the BKM operational platform, seeking to ingrain these principles into every aspect of the firm's culture.

Heading the Sustainability and Corporate Responsibility Committee is Susan Rounds, Senior Managing Director of Operations, with support from various teams across both BKM Capital Partners and BKM Management Company. One of the committee's primary objectives involves addressing climate change impacts and developing leading practices in energy efficiency, greenhouse gas reduction, water conservation, and waste management within the small-bay light industrial asset class. Furthermore, the committee members are committed to making a social impact through philanthropic endeavors, volunteering efforts, and advancing diversity and inclusion within our workplace. Finally, the committee ensures proper implementation of governance initiatives as it relates to risk mitigation and business integrity.

Industry Engagement

Building Owners and Managers Association

For more than a century, BOMA has led the charge in commercial real estate advocacy, innovation, and professional development—uniting industry leaders to drive meaningful, sustainable progress across all sectors of the built environment. With a strong commitment to diversity, equity, inclusion, and continuous improvement, the organization is helping to shape the future of commercial real estate.

Commercial Real Estate Women's (CREW) Network

Established in 1989, CREW Network is the premier global business network dedicated to advancing all women in CRE through business networking, industry research, leadership development, and career outreach. Committed to transforming the commercial real estate landscape, CREW Network emphasizes diversity, equity, and inclusion (DEI) as core values, striving to remove barriers and create equitable opportunities for women globally.

Urban Land Institute

The Urban Land Institute (ULI), established in 1936, is the world's oldest and largest network of real estate and land use professionals. ULI is dedicated to shaping the future of the built environment for transformative impact in communities worldwide. Through its commitment to research and education, ULI plays a pivotal role in promoting responsible land use and sustainable urban development practices across the globe.

National Association for Industrial & Office Parks

Founded in 1967, NAIOP serves as a leading advocate for developers, owners, and investors in office, industrial, retail, and mixed-use real estate. Through its strategic initiatives, NAIOP is committed to advancing responsible, sustainable development practices that positively impact communities. The organization's focus on inclusivity, transparency, and collaboration positions it as a pivotal force in shaping the future of CRE.

ENVIRONMENTAL

Environmental

BKM is committed to the conservation of natural resources at both the corporate and investment level through resource management programs and environmentally conscious practices.

CARBON REDUCTION

We partner with our tenants and our communities to invest in energy efficiency, smart technologies, and operational best practices to ensure we make advancements to reduce carbon emissions and lower operating costs.

ELECTRIC VEHICLE CHARGERS

BKM Capital Partners is proud to partner with Eva Green Power and Blink Charging to install electric vehicle (EV) chargers at select properties across our portfolio. As part of our broader commitment to sustainability and tenant-focused amenities, these installations provide convenient on-site charging for tenants, employees, and visitors—while also contributing to meaningful carbon reduction.

- 7 total chargers
- 2 properties
- 2 states
- 2,200 kWh sold in 2024

EVA GREEN POWER

blink

Environmental

ENERGY CONSERVATION

We prioritize energy conservation measures across our entire portfolio including high efficiency lighting and HVAC systems, cool roofs, smart building technologies, and additional upgrades and sustainable replacements, all of which significantly reduce operating costs and BKM's carbon footprint.

LED LIGHTING

BKM's spec units use high-efficiency lighting, LED lights, and motion sensor technology to save energy. BKM also engages and encourages our current tenants to convert to LED or high-efficiency lighting when plausible.

RENEWABLE ENERGY

We partner with our tenants to achieve sustainable goals, including ongoing evaluation of solar power and storage and adding renewable energy to the grid.

COOL ROOFS

We upgrade building roofs with cool roof coatings that provide higher solar reflectance and thermal emittance, providing energy efficiency and cost savings while lowering indoor temperatures.

ENERGY EFFICIENCY

100%
LED lighting
utilized in spec projects and tenant improvements

HVAC

85
HVAC units
Replaced in 2024

COOL ROOFS

820K SF
of cool roofing installed across seven projects

Case Study: Solar Installation | Multi-City, CA

» Opportunity

A fundamental part of BKM's value-add business plan includes asset-level capital improvements that support renewable energy generation. BKM actively identifies opportunities to incorporate solar technology throughout our portfolio, prioritizing high-yield rooftops and environmentally forward installations to enhance energy performance and long-term value.

Central to BKM's solar strategy is the deployment of rooftop systems that generate clean, renewable power directly on site. These solar installations reduce utility costs, lower carbon emissions, and contribute to energy resilience across our assets. Since launching this initiative, BKM has completed two major solar projects, with a third installation finalized in 2024.

In 2024 alone, our Cherry property generated 681,010 kWh of clean electricity, while our Shoreline project produced 279,075 kWh—together offsetting significant grid energy use and supporting regional sustainability goals. Our newest installation at Lionshead Landing continues this momentum, reinforcing BKM's commitment to reducing greenhouse gas emissions while delivering long-term operational savings.

» Spotlight: Lionshead Landing

Lionshead Landing has been selected as BKM's third solar installation project. Lionshead meets the key solar criteria of 1) being located in one of the highest-cost utility districts in the country, 2) having ample usable roof space, and 3) having a tenant base with high power needs.

With no out-of-pocket costs to the property, through a roof license arrangement, 70% of select tenants' current power needs will be produced through installation of a solar array. Tenants may purchase solar power at a discounted rate with set annual increases, providing tenants significant savings over time while avoiding the pricey escalations used by typical utility providers.

In addition to the positive environmental impacts and cost reduction to tenants, the Lionshead solar project will produce **$51,500 in additional annual income** (increased at 2% annually) and create approximately **$858,333 in additional value** at a conservative 6% cap rate upon exit.

117 TONS
carbon reduced annually

3,903
equivalent trees planted

6,482,765
equivalent car miles removed from road

All estimated amounts are representative of a 20-year period unless stated otherwise.

Environmental

WATER EFFICIENCY AND CONSERVATION

We actively identify ways to improve water efficiency across our portfolio through initiatives such as:

- Planting drought-tolerant and native plants
- Utilizing drip irrigation and reclaimed water
- Installing low-flow faucets and toilets
- Educating tenants on best practices to conserve water
- Proactive stormwater management

SUSTAINABLE CONSTRUCTION

We continue to develop and implement sustainable building standards in exterior capital improvements and interior speculative build-outs.

In 2024 BKM implemented the following:

- Biodiversity Policy
- Responsible Construction Policy
- Environmental Sustainability & Resilience Policy
- Property resilience assessments on all new acquisitions

WASTE REDUCTION PRACTICES

We remain committed to reducing waste, reusing materials, and implementing recycling programs at our buildings. BKM has made it a priority to educate our team members and tenants on best practices to reduce waste and properly recycle. Some waste reduction initiatives include:

- Provide reusable water bottles for team members and tenants
- Installation of a Bevi water station to eliminate plastic use
- E-Waste recycling events

LANDSCAPING

80%
of our portfolio utilizes drought tolerant landscaping

TURF REMOVAL

382K SF
turf removed and replaced with xeriscape

STORMWATER MANAGEMENT

$15,716
portfolio savings
from the Clean River Rewards Program in Portland, OR

SPRINKLER SYSTEMS

80%
average reduction
in water usage at properties with drip sprinkler systems

WASTE REMOVAL

50,000+
bottles & cans
saved through BKM's plastic removal project

Environmental

CONSERVATION DATA AND BENCHMARKING (ENERGY, WATER, WASTE, AND EMISSIONS METRICS)

BKM continues to educate team members and engage with tenants to better increase data coverage and benchmark our properties against industry standards, where data is available. **To date, 836 green lease clauses have been implemented across the BKM portfolio, with all new leases going forward including the full verbiage.**

We are committed to reducing our carbon footprint and tracking our energy, water, waste, and greenhouse gas emissions data. We are already taking these actions for select assets in our portfolio with plans to expand to additional properties in the near future. The baseline data will help us identify areas for improvement and develop new strategies to reduce our environmental impact.

BKM completed the following initiatives in 2024 related to data benchmarking and reporting:

- **Identified baseline targets** at the property level to inform reduction and mitigation strategies.
- **Onboarded all properties into Energy Star Portfolio Manager** for more granular data tracking.
- **Completed the firm's first GRESB assessment** to analyze areas of improvement and enhance best practices across the organization, ranking in-line with peer groups in nearly every category.

CUSTOMER PARTNERSHIPS

We are dedicated to offering sustainability resources that align with client business goals, reduce operational expenses, improve comfort, and boost overall satisfaction. BKM actively shares educational materials and vendor contacts with our tenants, covering areas such as health and wellness, energy and water conservation initiatives, recycling programs, electric vehicle charging infrastructure, and sustainable technology solutions.

TCFD FRAMEWORK: CLIMATE OVERSIGHT AND MANAGEMENT

BKM is governed by its Executive Committee, which oversees the strategic direction and operations of the Firm. The Committee is responsible for establishing investment programs aligned with the Firm's strategic plan and for designing and implementing the material policies and procedures that guide BKM's operations and investment management processes. This includes the oversight of climate-related risks and opportunities as an integral part of the Firm's enterprise risk management and sustainability strategy.

1 Governance: Oversight and Management of Climate-Related Risks and Opportunities

The Executive Committee plays a central role in overseeing both physical and transition climate-related risks and opportunities. As part of its governance duties, it reviews climate impact assessments, approves ESG-related policies, and ensures alignment with corporate sustainability and decarbonization goals. A sustainability subcommittee reports quarterly to the Executive Committee, covering trends in physical climate hazards (e.g., flooding, heat events), regulatory developments (e.g., emissions mandates), and overall exposure of the investment portfolio to climate risks.

Management plays a key role in integrating climate risk into day-to-day operations and long-term planning. A cross-functional ESG task force, led by senior leadership, monitors regional climate trends—such as flood or heat exposure—and evolving regulatory frameworks. Department heads assess and manage operational exposure to risks like energy cost volatility, compliance with emissions standards, and tenant demand for green buildings. The legal and asset management teams also address litigation and compliance-related risks, while property and construction teams implement physical risk mitigation (e.g., energy retrofits, flood protection).

2 Strategy: Addressing Climate-Related Risks and Opportunities Across Time Horizons

The organization identifies both physical and transition climate risks and opportunities across short-, medium-, and long-term horizons:

- Short Term (0–3 years): Rising energy costs, stricter energy efficiency regulations, extreme weather events, and tenant expectations for sustainable practices.
- Medium Term (3–7 years): Growing competition for green-certified buildings, and reputational risks if climate targets are unmet.
- Long Term (7+ years): Sea-level rise and shifting weather patterns affecting asset resilience, and market positioning risk in a low-carbon economy.

These risks inform business strategy and financial planning. The company prioritizes acquisitions in low-risk geographies, invests in adaptive infrastructure and clean technology, and adjusts operating models to meet evolving climate policies. Financial models incorporate both physical upgrade costs (e.g., storm-proofing, HVAC improvements) and transition expenses (e.g., decarbonization retrofits).

The company's strategic resilience is evaluated under various climate scenarios. Under aggressive decarbonization pathways, the company accelerates clean tech adoption and targets green-conscious markets. In more extreme physical scenarios, adaptive infrastructure and enhanced insurance coverage are prioritized. The approach remains flexible, phasing capital expenditures as needed to maintain compliance, competitiveness, and financial stability.

3 Risk Management: Identifying, Assessing, and Managing Physical and Transition Risks

Climate-related risks are fully integrated into BKM's enterprise risk management (ERM) framework and assessed across both physical and transition categories:

- **Physical Risk Assessments** include geographic climate risk mapping, annual portfolio audits, and collaboration with third-party experts to identify vulnerabilities to floods, droughts, wildfires, and other regional hazards.
- **Transition Risk Assessments** include a formal framework to evaluate exposure to regulatory shifts, carbon pricing, legal liability, and reputational risk. Scenario modeling projects financial impacts under varying carbon tax regimes.

Risk mitigation spans operational, regulatory, and reputational fronts. Physical mitigation includes renewable energy installations, water efficiency upgrades, and HVAC improvements. Business continuity plans ensure tenant safety and disaster response readiness. Transition mitigation includes early compliance with building performance standards, scalable green retrofits, and active engagement with policymakers. Stakeholder feedback—through surveys and tenant outreach—guides decision-making and reputation management.

All climate-related risks are reviewed regularly within the broader ERM process, ensuring strategic alignment between sustainability actions, operational resilience, and financial goals.

4 Metrics and Targets: Monitoring Climate Risk Performance and Progress

BKM employs a comprehensive set of metrics to monitor progress on physical and transition climate-related goals including but not limited to the following:

Key Metrics:

- Carbon emissions and carbon intensity
- Energy usage and intensity per property; share of renewable energy use
- Physical risk exposure scores (e.g., flood, fire, heat stress)
- Compliance with energy/emissions regulations
- Tenant engagement in sustainability initiatives

Targets:

- Cut total emissions by 5% by 2030 (baseline 2022)
- Launch 100% tenant-facing sustainability initiatives by 2027, including green leasing and energy partnerships
- Meet or exceed all performance standard compliance requirements by 2027

BKM reports annually on these targets using tools such as GRESB and Energy Star Portfolio Manager, maintaining transparency and demonstrating leadership in climate risk management and ESG performance.

SOCIAL

Social

BKM is committed to cultivating a positive culture and community for our investors, tenants, and employees by investing time and resources into developing our talent, fostering a diverse, equitable, inclusive work environment, and encouraging volunteerism and charity across our workforce.

SAFETY AND WELLNESS

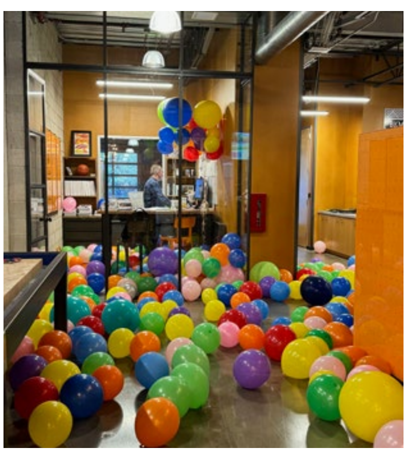
We prioritize the safety and wellness of our employees, tenants, and communities. We recognize that a healthy and secure environment is essential to our success. We have implemented rigorous safety protocols and wellness initiatives to ensure the well-being of our employees and tenants alike, and we continually strive to improve our practices to provide a best-in-class environment for our workforce and clients.

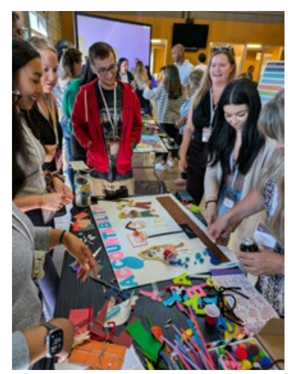
We take careful precaution to ensure our employee's safety with the following initiatives:

- Adhering to all local and federal safety laws
- Ongoing training for safety
- Responsible contractor policy
- 24/7 locked facilities with key fob required for entry

WELLNESS INITIATIVES

- **WELLNESS DAYS -** all employees receive two days of paid time-off annually to utilize as wellness days
- **EMPLOYEE ASSISTANCE PROGRAM (EAP)** for counseling and support
- **ON-SITE FITNESS FACILITY** at our corporate office for company sports tournaments and after-hours use
- **EMPLOYEE LUNCH PROGRAM** providing two company-sponsored meals per week
- **EMPLOYEE RESOURCE GROUPS (ERG'S)** for more personalized employee guidance





Social

EMPLOYEE ENGAGEMENT

We are committed to cultivating a workplace culture rooted in engagement, empowerment, and continuous growth. We recognize that our long-term success is directly tied to the satisfaction, well-being, and professional development of our employees. That's why we prioritize meaningful opportunities for growth, encourage open communication, and foster a collaborative environment where every team member is supported and valued.

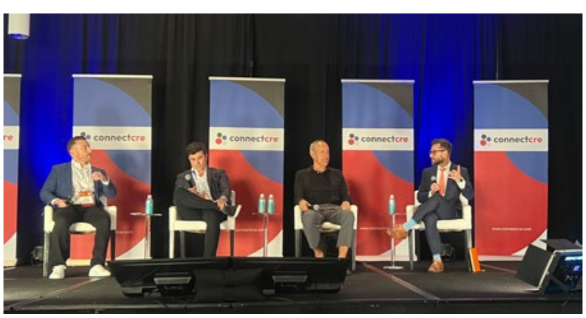
To support these goals, we have implemented a suite of initiatives designed to enhance employee success and strengthen cross-functional collaboration. These programs empower our workforce to expand their skills, advance their careers, and thrive—both individually and as part of the broader BKM community.

These initiatives include:

- Onsite bi-annual company-wide training events with informative learning sessions and team bonding activities.
- Sustainability and corporate responsibility trainings covering topics from cybersecurity to cultural sensitivity.
- Lunch & Learn peer trainings, **with seven employee-led trainings conducted in 2024.**
- Executive Coaching, Middle Management Coaching & Development Program, and Emerging Leaders Program, together with a **total combined 27 participants.**
- Mental & Emotional Wellbeing Programs.

- BKM employees completed 390 **PROFESSIONAL DEVELOPMENT HOURS** in 2024

- BKM was honored with **18 INDUSTRY AWARDS** in 2024



- Hosted 12 **ALL-HANDS MEETINGS** in 2024

Employee Benefits

BKM provides a comprehensive and competitive benefits package designed to attract, retain, and support top talent. Our offerings deliver meaningful health, wellness, and financial resources that meet the diverse needs of our employees. As the company grows and the workforce landscape evolves, so too will our benefits—ensuring they remain aligned with market trends and responsive to the expectations of today's professionals.

- Medical, Dental, Vision, Life, LTD, & Pet Insurance
- Professional Development Resources
- Employee Assistance Program
- Competitive Compensation
- Paid Time Off & Holiday Pay
- 401k Plan + Company Match
- FSA / HSA Programs
- Fun & Relaxed Office Environment
- Education Reimbursement

Social

TENANT ENGAGEMENT

We recognize that tenant engagement is a cornerstone of responsible, sustainable real estate management. That's why we focus on building strong, collaborative relationships by providing high-quality facilities, responsive service, and transparent communication.

We actively seek tenant feedback and incorporate their perspectives into decisions that impact their leasing experience. Beyond that, we invite our tenants to be partners in our sustainability initiatives—encouraging participation in energy efficiency efforts, waste reduction programs, and other environmental strategies aimed at minimizing our collective footprint.

To further strengthen community ties, we also host events and activities that connect tenants across our properties, helping foster a sense of belonging and shared purpose within each BKM park.

Our tenant engagement strategy includes:

- Satisfaction surveys
- Move-Out surveys
- Awareness campaigns and Earth Day initiatives
- Frequent face-to-face interactions

- **7 TENANT EVENTS** held in 2024

- Hand delivered gifts to **43 PROPERTIES** across the portfolio

- **BI-ANNUAL NEWSLETTERS** sent to all tenants with the latest news and reminders

- **TENANT APPRECIATION** Program & Events

Social

COMMUNITY OUTREACH/CHARITABLE GIVING

We are committed to giving back to the communities in which we operate. We believe that responsible investment management involves supporting local charities and nonprofit organizations that positively impact people's lives. We have established a volunteer and charitable giving program that focuses on supporting local organizations that promote positive social impact.

Our community initiatives include:

- Providing **16 paid volunteer hours per employee per year** for the cause of their choice.
- Supporting **3 local high school sports programs** and athletes from the community by offering use of BKM's onsite gym facilities and basketball court.

BKM volunteers completed 210 hours of service in 2024, working with 18 different local organizations.

BKM Charitable Partnerships

- Meals on Wheels America — Together, we can deliver.
- The Jacobs & Cushman San Diego Food Bank
- BOMA International
- girls who invest
- Project Hope Alliance
- Orange County Rescue Mission
- beyond blindness — Building Bright Futures for Children
- Impact100 OC
- Food Lifeline — Hunger doesn't have to happen
- O4U Out For Undergrad
- inclusively
- The Salvation Army
- three square — together, we can feed everyone — Member of Feeding America
- DDR Downtown Dog Rescue
- SEO Seizing Every Opportunity
- MLT
- Feed My Starving Children
- Barnyard Buddies
- Familia de Sangre
- LifeStream Blood Bank
- Newport Bay Conservancy
- Bonita Street

Social

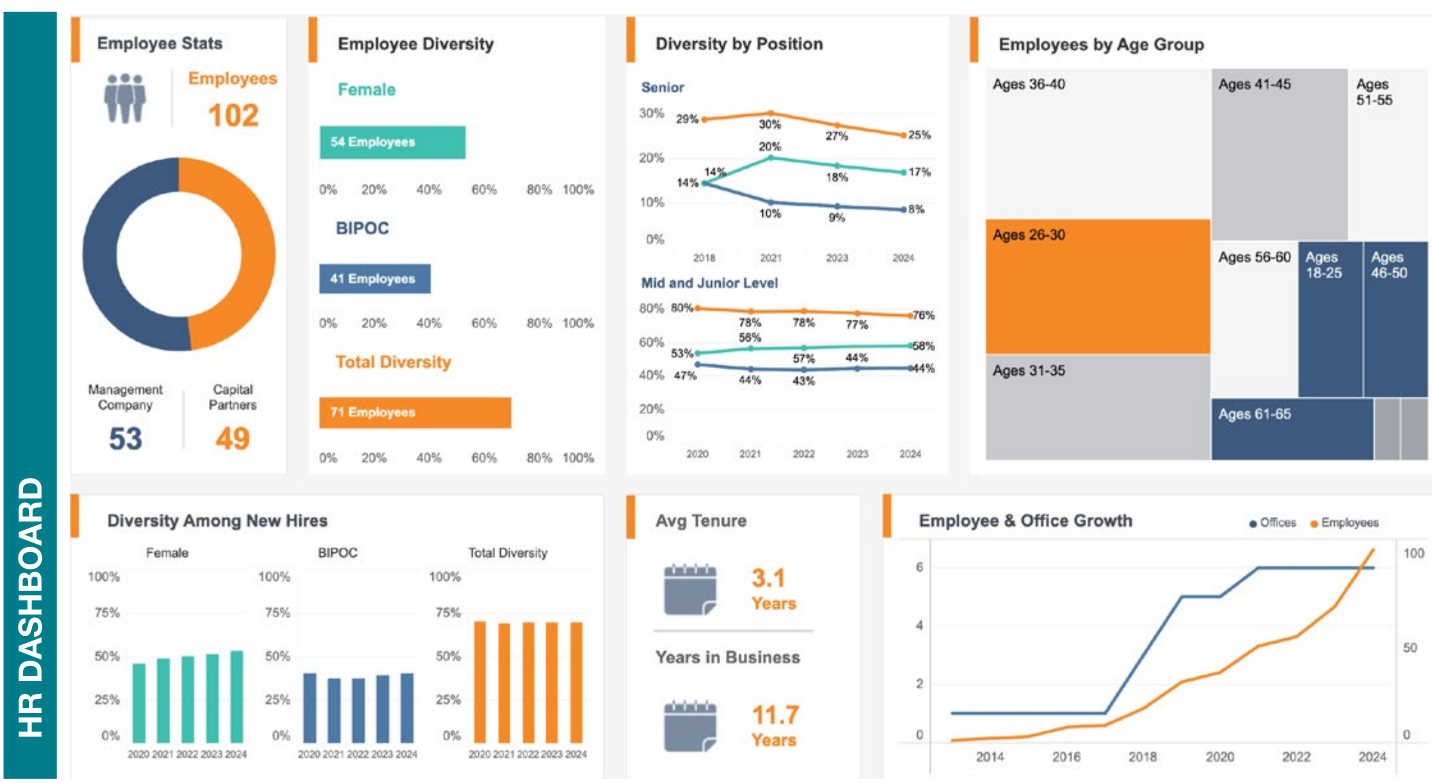
DIVERSITY, EQUITY, AND INCLUSION

BKM is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion.

We deeply value the unique qualities each individual brings and are firmly committed to fostering an environment grounded in equality, fairness, and mutual respect. By embracing the diverse backgrounds, cultures, and experiences of our team, we enrich both our business and the services we provide. This commitment drives us to cultivate an inclusive culture—one where employees feel genuinely valued, empowered to share their ideas and experiences, and inspired to pursue excellence, innovation, and respect.

Our people are our greatest asset, and diversity, equity, and inclusion (DEI) lie at the heart of our human-centered philosophy. The collective strength of our team's varied perspectives, lived experiences, creativity, and innovation not only shapes our workplace culture but also enhances our reputation and drives our success. We recognize that our employees thrive when they can be their authentic selves, contribute openly, and feel heard.

We proudly embrace and celebrate diversity in all its forms—across age, race, ethnicity, disability, gender identity and expression, sexual orientation, socio-economic status, religion, veteran status, family structure, political beliefs, and beyond. This inclusive mindset empowers us to perform at our best and deliver outstanding results for both our tenants and investors.



Social

HUMAN CAPITAL INITIATIVES

EXPANDED PARENTAL LEAVE: BKM's generous 10-week paid Parental Leave program also includes up to 24 months of a hybrid work schedule to support the needs of new parents.

COMPENSATION: BKM is committed to ensuring fair and equitable pay. Our Compensation Committee conducts twice-annual compensation reviews of all team members across the Company and at all levels of seniority.

POLICIES: All employees are expected to comply with the requirements outlined in our Employee Handbook, BKM's Code of Conduct, and Anti-Harassment and Discrimination Policy.

EDUCATION: In-person and online education is provided to address topics such as unconscious bias and harassment prevention to encourage behavior that supports an inclusive work environment free from discrimination. Trainings specific to sustainability and corporate responsibility principles have also been implemented and are required for all employees.

EMPLOYEE RESOURCE GROUPS

bkm WORKING PARENTS

BKM Working Parents Group

Founded in 2024, the BKM Working Parents Group is dedicated to providing support and guidance to employees at all stages of parenthood who are navigating the trials of maintaining a work-life balance. Members of the group have access to a range of benefits, including intimate workshops and events tailored to working parents, as well as opportunities to connect with other like-minded individuals in the organization.

bkm WOMEN'S NETWORK

BKM Women's Network

Founded in 2022, the BKM Women's Network provides a platform for women to connect and grow through various organized events, workshops, and networking opportunities. The group's mission is to provide the women in the organization the tools and resources to grow both personally and professionally, breaking traditional industry norms and promoting gender equity across the workplace.

BKM CAPITAL PARTNERS RECOGNIZED AS A 2024 INCLUSIVE WORKPLACE BY BEST COMPANIES GROUP

Showcasing Excellence in Diversity, Equity and Inclusion

The Inclusive Workplace Program by Best Companies Group, in partnership with COLOR Magazine, recognizes organizations that cultivate environments where employees feel heard, valued, and a true sense of belonging. Participation involves surveying all employees to assess perceptions of inclusivity and belonging. If the organization's results meet or exceed a predefined benchmark, it earns the Inclusive Workplace designation for one year.

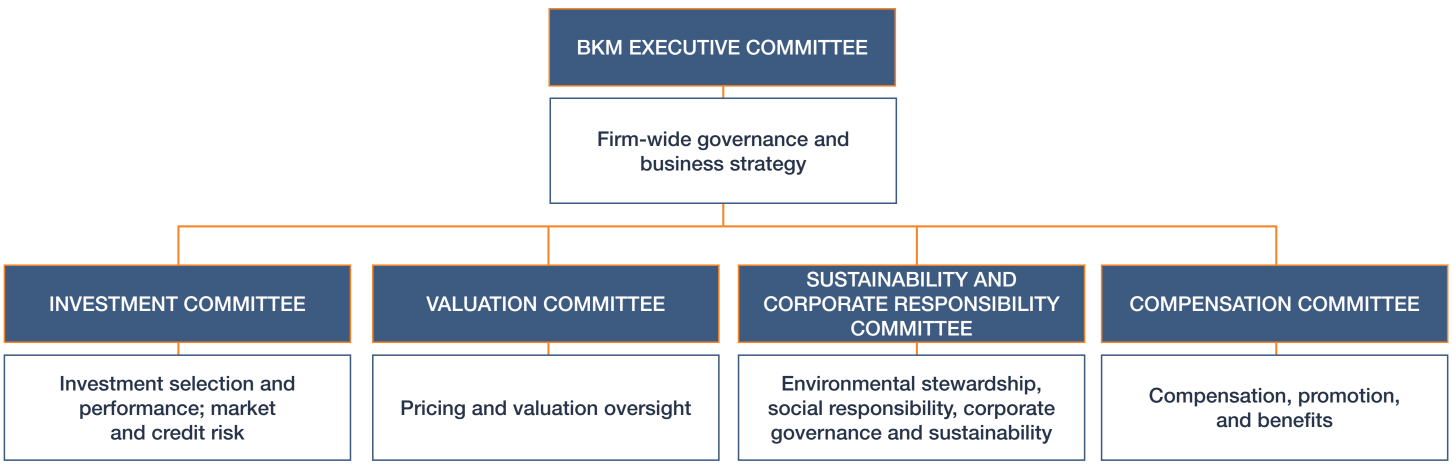
Being recognized as an Inclusive Workplace signifies that our organization has successfully created a work environment where employees feel genuinely heard, valued, and respected. Meeting or exceeding the program's benchmark affirms our commitment to diversity, equity, and inclusion—not through rankings or competition, but by achieving a meaningful standard of excellence as defined by our own workforce. It reflects our dedication to creating a culture where authenticity, engagement, and mutual respect thrive.

GOVERNANCE

Governance

BKM is committed to effective governance practices that include corporate governance, ethics, and professional responsibility. These policies, procedures, and practices are in place to ensure that all team members and stakeholders operate in a responsible and transparent manner. We prioritize the importance of examining and maintaining effective governance practices.

BKM GOVERNANCE STRUCTURE



BKM EXECUTIVE COMMITTEE

- Comprised of the company's Managing Directors and Executive Officers.
- Team-based approach shares decision making authority across a team of highly experienced professionals.

Member	Title	Years of Experience
Brian Malliet	Founder, Chief Executive Officer, & Chief Investment Officer	37
Bill Galipeau	Chief Financial Officer and Chief Operating Officer	30
Brett Turner	Senior Managing Director, Acquisitions & Dispositions	20
Susan Rounds	Senior Managing Director, Operations & Administration	26
Dave Jensen	Managing Director, Strategic Partnerships	15
Mason Waite	Managing Director, Asset & Portfolio Management	14
Mike Valdes	Managing Director, Finance & Accounting	14

BKM LEADERSHIP TEAM

- Comprised of the company's Senior Directors and Directors.
- Diverse breadth of experience and tenure, ensuring expert coverage across all departments.

Member	Title	Years of Experience
Chris Evans	Senior Director, Portfolio Management	18
Craig Morrow	Senior Director, Property Management	15
Emily Pollard	Senior Director, Marketing and Communications	10
Adam Candler	Director, Debt Capital Markets	10
Charlie Farmer	Director, Acquisitions and Dispositions	11
Michael Grossner	Director, Acquisitions and Dispositions	12
C.E. Kaiser	Director, Construction Management and Business Process	10
Ted Tobiasz	Director, Asset Management	16

Governance

BKM upholds robust oversight, transparency, and risk management across all business levels, ensuring operational durability and sustained value for our clients, employees, and investors alike. Our commitment to operational excellence and sound governance is fundamental to serving stakeholders and is crucial for our ongoing success and commitment to ethical conduct.

To maintain these standards, we have established the following committees for strong corporate governance practices and proactive risk management.

- **Executive Leadership Committee** sets the Company's overall business strategy, inclusive of governance, risk and compliance objectives. It also ensures that decision making and governance is a shared responsibility and that the Company is not reliant on, nor subject to, any one Executive.
- **Advisory Board –** an independent body, made up of diverse and seasoned experts to advise management on matters of strategic importance and to provide external context and perspective.
- **Audit Committee** sets accounting and tax policies on behalf of the Company and the investment vehicles the Company advises and/or sponsors. This committee also oversees the integrity of financial statements, the system over disclosure controls and procedures, as well as Company's compliance with ethical standards.
- **Compliance Committee** maintains high ethical standards with an appointed Compliance Manager, and an Executive Leadership team that promotes a culture of integrity.
- **Sustainability and Corporate Responsibility Committee** supports the activities of the Sustainability and Corporate Responsibility Sub-Committee and the Company's ongoing commitment to environmental stewardship, social responsibility, governance, and sustainability.
- **Investment Committee** oversees the Company's investment transactions, management, policies and guidelines, including investment thesis and benchmarks.
- **Valuation Committee** sets the Company's valuation program and standards and ensures that the valuation of all assets and liabilities held in investment vehicles are marked to market using approved methodologies, and that fair valuations are free of conflicts of interest.
- **Compensation Committee** ensures that the Company's compensation programs and standards are fair, equitable, and align with the long-term interest of management, ownership, and investors.

Governance

RISK MITIGATION

BKM engages with consultants and strategic partners to mitigate risk across its ESG efforts—informing policy development, identifying and assessing potential financial and operational exposures, enhancing data and EMS systems, and refining performance goals and long-term strategy through an evolving ESG roadmap.

We maintain strong corporate governance practices and proactive risk management through the following activities:

- Regular executive team review of portfolio risks
- Insurance policies: GL, E&O, Cyber, Crime, D&O & EPLI
- Commitment to implementation of BKM's Responsible Investment Policy with Investment Committee oversight
- Comprehensive compliance manual
- Disaster recovery manual and procedures
- Compliant whistleblower hotline
- Annual audits performed by independent third-party firms

1
Risk Assessment - Investment Due Diligence

Property-level assessments evaluate physical vulnerabilities, carbon footprints, and regulatory exposure, with added focus on potential insurance challenges as climate risks intensify.

2
Adaptation and Mitigation Measures

Site-specific strategies are developed to address physical threats (e.g., floods, wildfires, heat), while building retrofits, efficiency upgrades, and water management initiatives help reduce emissions and comply with evolving regulations.

3
Financial Impact

BKM assesses climate-related risks in financial terms by modeling capital expenditures, revenue fluctuations, and future operational costs under various climate scenarios.

4
Data and Metrics

A centralized data system is used to track and manage energy, water, waste, and emissions data at the property level, supporting informed decision-making during acquisitions and ongoing operations.

5
Stakeholder Engagement

Tenants, investors, and local communities are engaged in sustainability efforts, reinforcing climate resilience through transparent communication and collaborative planning.

6
Reporting

Climate-related risks and mitigation progress are disclosed in alignment with TCFD, ensuring ESG reports and investor updates reflect current efforts and outcomes.

7
Scenario Analysis

BKM runs scenario analyses using 1.5°C and 2.0°C pathways to assess transition and physical risks for assets held up to eight years, with optional 3.0°C modeling for stress testing high-risk markets.

8
Review and Continuous Improvement

The checklist is regularly reviewed to reflect evolving climate data and industry best practices, while performance benchmarking and staff training support long-term resilience.

Governance

DUE DILIGENCE

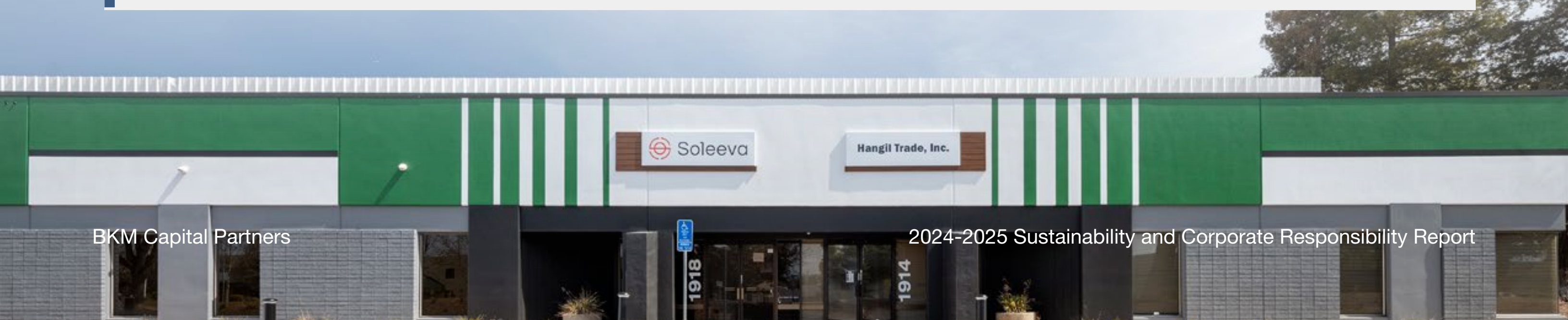
We conduct rigorous due diligence on all potential real estate investments to ensure compliance with environmental, social, and governance standards. Our screenings include:

- An independent third-party property resilience assessment that is performed on all potential acquisitions. This assessment identifies regional climate hazards and evaluates the property for risk and resilience to these hazards.
  - If risks are identified, BKM will work with the third-party to explore adaptive mitigations that may allow the property to be resilient to these hazards, and to highlight mitigation strategies that already exist at the site.
- A Phase 1 ESA report is also performed on all potential acquisitions by an independent third-party to view and investigate the property regarding current or former use to determine if there is a potential for environmental contamination.
- Upon acquisition, any risks and concerns identified during the due diligence process are addressed and transitioned to the operations team for execution if necessary.

ETHICS

We uphold the highest ethical standards in our real estate endeavors. Transparency, accountability, and integrity are paramount in our operations, guided by rigorous codes of conduct promoting responsible and sustainable practices. We staunchly oppose bribery, corruption, and any unethical conduct, aiming to cultivate trust with all stakeholders. Our commitment to business ethics is central to our Environmental, Social, and Governance strategy, underscoring our dedication to generating lasting value and upholding ethical excellence.

- **Anti-Bribery & Corruption** – background checks on all hires
- **Anonymous Business Integrity hotline**
- **BKM's Code of Conduct** – employee commitments to safeguarding assets, and doing the right thing by our investors and company
- **Comprehensive compliance manual**
- **Conflicts of interest** – employees must disclose any conflicts of interest that may arise between their personal interests and the interest of BKM
- **Anti-discrimination** – BKM is committed to providing equal opportunities to all employees and applicants for employment
- **AllVoices Anonymous Reporting Platform** – employees can report harmful or unwanted conduct



Governance

CYBERSECURITY

We place a strong emphasis on cybersecurity, recognizing the vital importance of protecting our clients' sensitive information. Through robust protocols and industry-leading practices, we safeguard the confidentiality, integrity, and availability of data across our real estate portfolio. Our approach includes routine vulnerability assessments, comprehensive employee training, and strict access controls to prevent unauthorized access and breaches. By partnering with clients and tenants to promote data protection awareness, we strengthen collective resilience. Protecting client data is central to building trust, fostering lasting stakeholder relationships, and maintaining our position as a leader in the real estate industry.

Standard cybersecurity practices at BKM include:

- Fully redundant 3-2-1 system backup utilizing both cloud and off-site backups.
- Best-in-class email security system including full archiving, email encryption and active threat detection.
- Bi-Annual company-wide cyber security awareness training.
- Cloud-controlled SD-WAN network with state-of-the-art firewall and advanced security suite.
- Centrally managed Endpoint Detection and Response suite for all PC's and servers including AI threat detection and anti-ransomware protection.
- Live cloud backup protection of all PC's and servers in the organization.
- Annual internal and external penetration testing and remediation from an independent cyber security firm.
- Mandatory multi-factor authentication for access to all critical systems for all employees.
- Active Cyber insurance policy.

The following critical initiatives were instituted in 2024:

- **Engaged Independent Experts for Cybersecurity Assessment:** Conducted a comprehensive third-party penetration and vulnerability assessment to proactively identify and mitigate potential security risks.
- **Enhanced Identity and Access Protection:** Upgraded to Microsoft Azure P2 security licensing, enabling advanced features such as conditional access to strengthen user authentication and safeguard sensitive systems.
- **Established a Robust Patch Management Framework:** Deployed a structured patch management system to ensure timely updates and minimize exposure to known vulnerabilities.
- **Deployed Immutable Cloud Backup Infrastructure:** Implemented secure, cloud-based backup systems with full data immutability to ensure resilient and tamper-proof data protection in the event of cyber incidents.

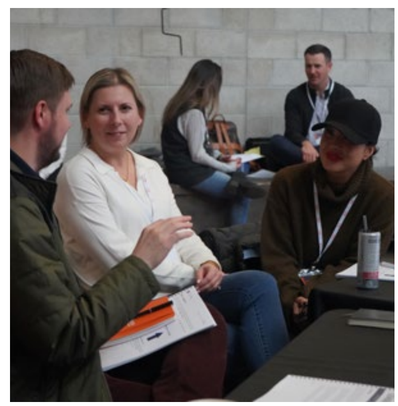
Governance

ONGOING EMPLOYEE EDUCATION

To ensure compliance and adherence to BKM's Compliance Manual, Code of Conduct, as well as industry and government regulations, all employees are required to participate in annual trainings that include:

- Cybersecurity, data protection, and privacy
- Code of Conduct
- Compliance, ethics, gifts and entertainment policies
- Anti-money laundering
- Insider trading
- External communications
- Political contributions





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BKM Capital Partners

2024-2025 SUSTAINABILITY AND CORPORATE RESPONSIBILITY REPORT

BKM Capital Partners was founded in 2013. Headquartered in Newport Beach, California, BKM Capital Partners is a leading real estate operator and fund manager specializing in the acquisition and improvement of value-add small-bay light industrial properties in major markets across the Western U.S. The firm has 14 offices and over 110 employees and continues to produce top quartile performance for its investors.

Please visit our website below for more information.

bkmcp.com

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