



# CORPORATE SUSTAINABILITY POLICY

Last Updated December 31, 2023

## I. OBJECTIVE:

This Corporate Sustainability Policy (this “Policy”) outlines American Assets Trust, Inc.’s (the “Company” or “us” or “we” or “our”) Environmental Sustainability, Social Responsibility and Corporate Governance (or “ESG”) policies and objectives. With the assistance of our Environmental Sustainability, Social Responsibility and Corporate Governance Committee (the “ESG Committee”), we are continuously working toward our ESG goals, which are for our natural environment to be preserved, for the communities in which our properties reside to thrive, for our team members to have a diverse and inclusive work culture, physical and mental well-being, and ample opportunity to develop professionally within our organization, to comply with ESG-related governance policies and Laws (as defined below), and to be transparent with respect to our ESG actions (collectively, the “ESG Objectives”).

## II. ESG COMMITTEE:

The ESG Committee consists of three subcommittees, each tasked with a specific ESG role: the ESG Advisory Committee (the “Advisory Committee”), the ESG Core Responsibility Committee (the “Core Committee”), and the ESG Executive Steering Committee (the “Executive Committee”). Each such subcommittee has a designated chairperson that leads its respective subcommittee. The Board of Directors has ultimate oversight of the ESG Committee as a whole.

A. The Advisory Committee is an ESG-focused discussion and advisory group composed of team members from each department of our Company. It reports its findings and recommendations with respect to our ESG Objectives to the Core Committee.

B. The Core Committee is composed of select team members responsible for creating a road-map to our annual ESG Objectives, identifying and reviewing ESG and climate-related risks, financial impacts, opportunities and solutions, initiating and overseeing ESG projects, and assessing the effectiveness of these projects. The Core Committee is also responsible for identifying the short-term, medium-term and long-term impacts and risks of our ESG initiatives with respect to our ESG Objectives. The Core Committee reports its findings to the Executive Committee.

C. The Executive Committee is composed of members of our executive management team, including our President and Chief Operating Officer, Executive Vice President and Chief Financial Officer, and Senior Vice President of Construction and Development, and is responsible for approving specific ESG initiatives, and guiding the Core Committee in executing these initiatives. The Executive Committee reports the progress of the ESG initiatives with respect to the ESG Objectives to the Board of Directors and our executive management team.

Each ESG Committee member shall serve on the ESG Committee until the earliest of (1) their resignation from the ESG Committee, (2) their removal from the ESG Committee by the Company or the chairperson

of the subcommittee the member serves on, or (3) the termination of their employment with the Company. Upon the resignation or removal of an ESG Committee member (other than a subcommittee chairperson), the applicable chairperson shall appoint an appropriate replacement member to the ESG Committee and applicable subcommittee. Upon the resignation or removal of a subcommittee chairperson, the Executive Committee shall appoint a replacement chairperson to such subcommittee.

In its efforts to determine the Company's ESG baseline and identify suitable ESG projects, the ESG Committee may from time-to-time request from property managers, engineers and other team members, as appropriate, an overview of any property's current ESG practices, and the cost impact of such measures. The ESG Committee holds regular meetings, at least once per quarter, to discuss their findings and determine appropriate ESG actions, including corrective measures. The ESG Committee then presents its findings to the executive management team, also at least once per quarter, and recommends specific ESG projects to the executive management team (or, if necessary, the Board of Directors) for approval. Once an ESG project is approved, it is implemented by the property management team, engineering team or the construction team, as appropriate, with oversight from the Core Committee. The ESG Committee continuously monitors and evaluates the impact of the ESG project as it relates to the ESG Objectives it was intended to further.

The ESG Committee is further responsible for ensuring compliance with this Policy and for making recommendations to Company's executive management team to address any noncompliance. The ESG Committee also makes recommendations to the Company from time-to-time to amend this Policy if appropriate to better align with the ESG Objectives and best practices.

### **III. COMMUNICATION AND REPORTING:**

We believe it is important to be transparent with the public regarding our ESG performance. A description of our ESG performance is publicly available in our annual GRESB results, which are available on GRESB's website, [www.gresb.com](http://www.gresb.com), and in our Proxy Statement, our Annual Report on Form 10-K, and/or our annual Sustainability Report ("Report"), all of which are posted on our website, [www.americanassetstrust.com](http://www.americanassetstrust.com). The Report describes in detail the Company's ESG projects and their impact on the Company, our properties and our communities. In addition, our financial statements are available on our website and the U.S. Securities and Exchange Commission's ("SEC's") website.

For internal communications, in addition to the ESG Committee's regular updates to the executive management team and Board of Directors regarding ESG matters, as described above, the ESG Committee, the property management team, engineering team and the construction team each report to the Executive Committee any new material information that they become aware that may impact our ESG Objectives, such as property data metrics, instances of noncompliance with this Policy, or ESG or climate-related risks. Such internal communications may include memorandums, presentations, briefings or reports. For any noncompliance with this Policy that is reported, the applicable reporting group shall suggest corrective measures and continue to update Executive Committee until such matter is resolved.

### **IV. STAKEHOLDER ENGAGEMENT:**

Our stockholders, partners, tenants, team members, vendors and communities (collectively, "Stakeholders") are an integral part of the Company's success. We understand that we have

responsibilities to our Stakeholders, and that working toward our ESG Objectives impacts their various interests and priorities in varying ways. We thus prioritize Stakeholder engagement and communicating to our Stakeholders the impact that our investment in ESG projects has on our environment, on our communities, and on our team members. We also collaborate with our Stakeholders that share our ESG Objectives and enthusiasm for specific ESG projects. Our Report addresses how we may engage and collaborate with each such group.

## **V. ENVIRONMENTAL SUSTAINABILITY, SOCIAL RESPONSIBILITY AND GOVERNANCE:**

We have developed and incorporated into our business model and practices innovative programs to address and promote ESG, as discussed below.

### **A. Environmental Sustainability:**

We are conscious of our environmental footprint. We shall continue to implement more energy saving measures by refurbishing or replacing older building systems that consume high amounts of energy and introducing new energy efficient products such as light-emitting diode (or “LED”) or ENERGY STAR certified products. We will also be mindful of the water consumption at our properties. For properties in which the local municipality has approved use of reclaimed water, we will use reclaimed water to irrigate landscaping. Smart irrigation timers shall be used to irrigate the landscaping. Low flush toilets and low flow faucets will replace older toilets and faucets as they come to their end of useful life. Greenhouse gas (or “GHG”) emissions shall be curbed by using smart monitoring methods and proper recycling as outlined in the Waste Management Policy, attached as Attachment 1. The properties shall monitor its heating, ventilation, and air conditioning (or “HVAC”) needs to ensure buildings are not expending unnecessary energy and emitting excess GHG to heat unoccupied buildings. Indoor air quality testing should be conducted, as needed, to identify potential pollutants and remediate the source of the pollutants.

We are committed to the following energy management practices: For our base building systems, common areas and other areas that we control, we shall: (1) restrict HVAC operating time to tenants’ business hours, with a reasonable amount of warm-up/cool-down time to reach the set temperature; (2) prohibit the use of personal space heaters; (3) clean and replace air filters in accordance with manufacturer specifications to ensure energy efficiency and maintain good air quality; (4) adopt temperature reset practices during unoccupied periods to avoid unnecessary cooling/heating; (5) install occupancy sensors in all spaces that are not regularly occupied, such as break rooms, storage rooms, bathrooms and/or garages; (6) conduct regular equipment (including HVAC) maintenance to ensure efficient and proper operation; and (7) monitor supplemental air-conditioning units and refrigeration for leaks.

In addition to reducing our energy and water consumption, waste generation and GHG emissions, we shall continue to incorporate other sustainability measures to help mitigate climate change. We shall continue to invest in resources that assist in curbing climate change, including those associated with biodiversity and habitat that is adaptive to climate change and resilient to environmental changes including catastrophic losses due to heatwaves, earthquakes, wildfires, hurricanes, storm surge, seawater rising and natural flooding. We shall continue to preserve the biodiversity and habitat surrounding our properties and put into place pollution prevention measures such as waste management and storm drain water runoff. Efforts to reduce noise and light pollution shall be taken to minimize the detrimental effects on

the surrounding biodiversity.

We shall continue to integrate green practices to further mitigate the effects of climate change. Where possible, we will use recycled materials in our construction projects. The property management team will work with our Stakeholders to use appropriate and effective green cleaning products. In situations in which health and safety matters are a concern, such as biohazards, we shall require products that will most effectively resolve the matter. To stay apprised on how to operate our properties even more sustainably, certain property managers will complete building efficiency training.

To assist us in monitoring our goals and identifying potential areas of improvement, we shall deploy readily available benchmarking platforms and tools such as the U.S. Environmental Protection Agency's (or "EPA's") ENERGY STAR Portfolio Manager or Measurabl. We track our energy and water consumption data of the common area on a monthly and quarterly basis, respectively, or as frequently as such data is made readily available by our utility provider and record such consumption data via ENERGY STAR Portfolio Manager® or other tracking tools. On an annual basis and upon tenant's request, we shall share our ENERGY STAR score, including water score, with our tenants for their applicable property. Using the recorded data, the property management team, engineering team and the construction team shall continue to monitor and improve our operating efficiency and performance while reducing our operating cost, which will result in the net reduction of the properties' energy and water consumption, waste generation, and GHG emissions. These measures shall serve to promote environmental sustainability, increase the value of our properties, and differentiate our properties from our peers.

**B. Social Responsibility:**

**1. Community Engagement:**

We attribute the Company's success to the surrounding communities that support us by shopping at our retail centers, working in our office buildings, residing at our multi-family properties and staying at our hotel. The Company is committed to "giving back" to our communities. We shall continue to make monetary and in-kind donations, and volunteer at charitable organizations that benefit our neighborhoods. We shall also participate in outreach programs that serve to improve the health, well-being and education of our community members.

In addition to the Company's "giving back" efforts, the Company shall promote its ESG Objectives to our Stakeholders with the hope of achieving community enthusiasm and involvement. Engagement efforts may include sharing environmental conservation resources, developing and participating in social awareness programs with our Stakeholders or donating basic necessities to our local communities.

We also prioritize buying and hiring from local businesses, including women- and minority-owned businesses, craftspersons and artists, to provide goods and services for our properties wherever feasible. This benefits our community on multiple levels, from the direct financial gains the businesses in our communities earn, to the tax revenue the city and county use to fund local public works and school programs, for example.

**2. Team Member Engagement:**

We are committed to maintaining diversity, inclusion and equality ("DEI") and to providing our team

members with the support and tools they need in order to succeed within our Company. With these objectives in mind, the Company formed a Social Responsibility Committee dedicated to social outreach and community involvement, with a mission statement of *Assuring Accountability Together*, as well as a DEI Committee to drive acceptance, appreciation, compassion and understanding within our Company and communities.

In addition to on-the-job training, team members are offered professional training and educational opportunities, in line with their interests, to help acquire new skills or fine-tune existing skills. While social responsibility related training is available to all team members, certain training, such as anti-sexual harassment and anti-discrimination training, is mandatory for team members with management roles. The Company shall continue to make available ESG training as appropriate to better align our team members with the ESG Objectives.

Each team member and their manager participate in an annual performance assessment to discuss career development and create a roadmap for further development. The annual assessment provides an opportunity for team members to openly discuss their job satisfaction and their job performance. Team members may vocalize any issues or concerns they have without fear of retaliation. We believe that frank and open conversations can lead to a better work environment for all of our team members, either by allowing the Company to address highly individualized situations or to develop policies for the benefit of both the Company and the team members. In addition to the department managers, our Human Resources department, our President, Chief Operating Officer and General Counsel, and the rest of our executive management team maintain an open-door policy and are available to all team members to discuss any concerns. Separately, the Company may utilize a company-wide survey to better understand areas of opportunities the Company may take to better serve our team members.

Our achievement of and progress toward ESG-related objectives is a factor in our annual cash incentive plan performance framework for determining annual cash bonus payouts both for C-level executives and team members on our ESG Committee. These ESG-related objectives, include, among others, goals relating to various environmental initiatives, social outreach, governmental compliance, shareholder outreach, human capital matters (e.g., team member engagement, talent development and diversity), and shareholder outreach. Accordingly, our Board of Director's Compensation Committee (as it relates to our C-level executives) and our C-level executives (as it relates to team members on our ESG Committee and certain members of our property management team and operations team) evaluate our achievement of and progress toward our ESG-related objectives when determining the annual cash bonus payout levels for our C-level executives and team members on our ESG Committee. Absent extraordinary circumstances, meeting and/or exceeding the ESG-related objectives and progress milestones will typically result in target or above-target annual cash bonus payout levels for our C-level executives and team members on our ESG Committee, while the failure to meet the ESG-related objectives or to meet progress milestones will typically result in lower annual cash bonus payout levels. Additionally, team members that have made a meaningful impact with respect to our ESG initiatives may receive company-wide recognition and salary increases.

The health, happiness, safety, mental well-being and financial well-being of our team members are top priorities for our Company. In addition to providing medical, dental and vision benefits, a 401(k) program (which includes a sustainability focused mutual fund option), paid time off and other benefits, including mental health assistance, the Company organizes health fairs or other health and wellness events for team

members to meet with health providers, retirement experts and general wellness experts to promote a healthy lifestyle. Safety training is required of all of our engineers to minimize potential work-related injuries. Financial education, including individualized assistance with retirement planning, is offered by a certified financial expert. Departments are encouraged to organize annual team-building events to promote collegiality.

To keep team members in-the-know about Company developments, the Company regularly holds company-wide meetings during which the executive and senior management team provides detailed updates on the Company's operations, corporate developments and future plans. Team members are encouraged to participate by asking questions or providing comments. Annually, during our holiday event, the executive management team publicly recognizes team members who embody the Company's core values and whose performance were particularly exemplary.

## **C. Governance:**

### **1. Company Governance:**

As a publicly traded company, the Company is subject to, and adheres to, various governance guidelines, policies, laws, rules and regulations (collectively "Laws"). The Company's operations are continually being reviewed by internal and external audits. In addition, the SEC is responsible for enforcing strict federal securities laws established to protect investors. Further, as mentioned above, as a policy, our Company is transparent with respect to our operations. All of this provides comfort to our Stakeholders that our business practices are ethical and in compliance with the Laws.

Each of our team members, executive officers, and members of our Board of Directors is required to annually review and recertify their commitment the Company's Code of Business Conduct and Ethics Policy and Insider Trading Compliance Program, both of which are available on our website.

### **2. Stakeholder Governance:**

Our Stakeholders are a reflection of the Company and as such, are subject to our Code of Business Conduct and Ethics Policy. We ask Stakeholders, particularly vendors and contractors, to source environmentally sustainable materials when feasible, and to procure materials from companies with ethical business practices including open and transparent supply chains. We shall not partner with Stakeholders that conduct business with any known companies or people that violate internationally proclaimed human rights laws such as forced and compulsory labor or use of child labor. Furthermore, we will not partner with companies or people that discriminate on the basis of race, color, religion, national origin, sex (including pregnancy), gender identification or expression, sexual orientation, age, disability, veteran status or other characteristic protected by Law. These, amongst other ethical business practices, such as anti-money laundering policies, are outlined in our Vendor Code of Conduct Policy, which is available on our website. Any proposed Stakeholders should be evaluated for any potential conflict of interest with the Company prior to entering into any agreement or relationship.

The Company will work with its Stakeholders to monitor its supply chain. Where applicable, the Company, with assistance from our construction and development partners, such as the general contractor, will engage with Stakeholders to prepare a supply chain management program that incorporates all levels of goods and services. In creating such supply chain management programs, the program shall include the

five stages of supply chain management, when applicable, including, (a) plan, (b) source, (c) make, (d) deliver, and (e) return. For additional information on the five stages, please review our Construction and Development Policy (“[Development Policy](#)”), attached as [Attachment 2](#). The supply chain management program developed by both the Company and the Stakeholders shall be adhered to by all the Stakeholders related to the construction project.

## **VI. PROPERTY MANAGEMENT POLICY:**

The Company is committed to owning, developing and managing best-in-class and resilient properties using innovative ESG practices in an economically efficient manner. Before introducing any new ESG project for consideration, the property management team and engineering team, in conjunction with the ESG Committee, shall perform its due diligence to ensure a positive outcome, factoring in unanticipated risks. This involves sufficiently budgeting for factors outside the Company’s control; consistently monitoring the project to ensure it remains on track or within the designated parameters; reviewing data points to confirm results and adjusting plans as needed to optimize outcome. The process shall run in accordance with the Company’s Environmental Management System (or “[EMS](#)”) as defined by the independent, non-governmental international organization group, International Organization for Standardization, and specifically the ISO 14001 standard. The Company’s EMS policy involves the circular process of (a) identify, (b) assess, (c) action plan, (d) implement, (e) review and (f) report and disclose.

As mentioned above, our property management teams, with oversight from Core Committee, have the key role of implementing the ESG projects that are approved by Executive Committee. Their intimate knowledge of and responsibility for the daily operations of our properties make them uniquely qualified to evaluate the efficiency of these projects and to recommend changes to the ESG Committee. They are also in the best position to engage and collaborate with Stakeholders, at the property level, for the overall benefit of the property. The success of any ESG project is dependent on the participation of its Stakeholders, specifically tenants and vendors.

The property management team shall be responsible for tracking the properties’ ESG impact, including its energy and water consumption, waste generation, and GHG emission using the ENERGY STAR Portfolio Manager®, or any other similar platforms, as directed by the ESG Committee. Challenges are presented by tenants and vendors who opt out of participating in our benchmarking efforts, which may cause us to fall short of our data coverage and benchmarking goals. The property management team shall continue to convey to these tenants and vendors the importance of accurately benchmarking to better deploy cost savings measures for the benefit of the property and its tenants. To assist the property management team with their on-going efforts and to meet our ESG Objectives, the Company requires specific sustainability-related provisions be included in leases (commonly referred to as “green leases”) and vendor contracts.

With the assistance of additional benchmarking tools, the property management team is responsible for obtaining any appropriate green building certification for which we are eligible (e.g., ENERGY STAR®, LEED certification, Fitwel®, etc.) for their properties as directed by the ESG Committee, and for maintaining any such certification.

## **VII. CONSTRUCTION POLICY:**

The Company is committed to developing new sustainable and resilient properties as well as renovating existing properties to meet current sustainable standards. With that objective, the construction team shall incorporate green designs and elements into construction projects, including tenant improvements, using methods and materials nationally recognized by programs such as the U.S. Green Building Council's Leadership in Energy and Environmental Design (or "LEED"), Fitwel® (which was originally created by U.S. Centers for Disease Control and Prevention and the U.S. General Services Administration), the International WELL® Building Institute's WELL Building Standard or similar green building certification programs. All new developments shall be constructed to meet LEED Gold or higher standards and ENERGY STAR certifications, if eligible.

The construction team shall manage construction projects in compliance with this Policy and the Development Policy. The construction team shall ensure that our Stakeholders, particularly contractors and subcontractors, are cognizant of the potential environmental impact of their work and that they have measures in place to reduce or mitigate such impact. Stakeholders shall be required to minimize energy and water consumption, GHG emissions, and to recycle or divert construction waste where possible. Further, job sites shall comply with the most stringent safety standards, and our construction team shall promote a culture of safety and discourage risky behavior.

The Company's construction team shall endeavor to conduct bi-monthly meetings with all Stakeholders directly associated with an active construction project. During such meetings, or as requested by the Company, Stakeholders shall provide reports on the environmental or social impact as it relates to the construction project. From time-to-time, the Company shall conduct audits of Stakeholders files to confirm such environmental or social impact are being properly documented and monitored by Stakeholders. Stakeholders shall be required to take all necessary corrective actions should the Company identify any deficiencies during its audit.

The Company shall maintain an open line of communication with our community, including our tenants, to monitor the construction's impact. During the pre-construction phase of a major construction or development project, the Company shall also develop and implement a community engagement policy that includes communication of our construction plans. The construction team shall also strive for our construction projects to be performed in a manner that minimizes any nuisance, disruption or inconvenience to our tenants and communities.

#### **VIII. POLICY UPDATES:**

The Policy shall be subject to periodic review and update by the ESG Committee and approved by executive management team.

Last reviewed on December 31, 2023



Attachment 1

Waste Management Policy



## WASTE MANAGEMENT POLICY

As of: December 7, 2020

The purpose of this Waste Management Policy (this “Policy”) is to set forth guidelines for American Assets Trust, Inc. (“AAT”) and its employees, partners, tenants, residents, guests and vendors (collectively, “Stakeholders”) to adhere to in their waste management practices. This Policy is aimed to further AAT’s Environmental Sustainability, Social Responsibility and Governance objectives (described in Corporate Sustainability Policy) by reducing waste generation and increasing recycling and reuse of materials.

AAT has implemented a comprehensive waste management program at all of its properties. In order for the program to succeed, it is critical that all Stakeholders adhere to this Policy. Accordingly, whenever possible, AAT’s leases and vendor contracts will require Stakeholders to agree to comply with this Policy.

The specific guidelines that AAT and its Stakeholders shall follow are outlined below. It should be noted, however, that certain circumstances may make AAT’s strict compliance with this Policy unwarranted (e.g., if doing so may cause harm to persons or property). In such event, AAT will use reasonable efforts to comply with the Policy to the extent possible and appropriate under the circumstances.

### A. **General Practice:**

1. Use equipment and materials that meet green standards while continuing to deliver economical and effective results to maintain the property.
2. Avoid contamination of recyclables to prevent rejection at the processing plant.

### B. **Waste Protocols:**

Follow all waste protocols specific to the waste material.

- a. **General Waste** – General Waste that is neither recyclable nor hazardous. This waste can be collected and disposed of.
- b. **Food Waste** – Food waste that can be composted and used as fertilizer. Food waste should only contain organic material that can be broken down naturally.
- c. **Green Waste** – Green waste from garden plant material that is compostable such as cuttings from plants, grass, flowers, leaves, old vegetation. For health and safety reasons, green waste should not be comingled with food waste.
- d. **Paper Waste** – Paper waste includes white printer paper, used primarily for office work, and can be recycled. Any confidential papers should be shredded prior to recycling to ensure that confidential material is properly destroyed.
- e. **Electronic Waste** (or E-Waste) – Electronic equipment or components includes materials that are hazardous to the environment. E-Waste shall be disposed of at facilities that are capable of processing the material.
- f. **Hazardous Waste** – Hazardous waste must be handled and processed following all applicable Laws.

### C. **Recycling:**

Maximize opportunities to recycle waste by providing recycle containers throughout the properties and their amenities for collection of different recyclable materials for Stakeholders.

1. **Corrugated Box** – Includes paper-based material, commonly used as shipping containers, that consist of fluted corrugated sheets and one or more flat linerboards.
2. **Glass** – Includes glass-based material.
3. **Metal** – Includes aluminum cans, steel cans, steel products, and other miscellaneous metal goods.
4. **Paper** – Includes white printer paper, newspaper, colored paper, cardboard paper, shredded paper, telephone directories, magazines, textbooks, light cardboard products, junk mail, envelopes with windows, stapled paper, and other types of mixed paper goods.
5. **Plastic** – Includes:
  - a. Plastic #1 (Polyethylene Terephthalate or PETE) – Soft drink bottles, water bottles, cooking oil containers, plastic peanut butter jars
  - b. Plastic #2 (High Density Polyethylene or HDPE) – Milk containers, detergent and shampoo bottles, grocery and retail carrying bags, butter/margarine tubs, yogurt containers
  - c. Plastic #3 (Vinyl/Polyvinyl Chloride or V) – Window cleaner bottles, clear food packaging
  - d. Plastic #4 (Low Density Polyethylene or LDPE) – Squeezable bottles, grocery bags
  - e. Plastic #5 (Polypropylene or PP) – Caps, lids, yogurt containers, deli trays
  - f. Plastic #6 (Polystyrene or PS) – Plastic cutlery, egg cartons, compact disc jackets
  - g. Plastic #7 (Other) – Food product bottles, 3-gallon and 5-gallon water bottles

**D. Reuse/Repurpose:**

1. Purchase products that are made from, or include, recycled material whenever possible.
2. Purchase products that can be successfully recycled multiple times.
3. Repurpose tools, equipment, resource materials, furniture for other properties.

**E. Reduce:**

1. Monitor utility usage, such as water and energy, and use only when needed.
2. Consolidate shipping, when possible. In addition to being a cost savings measure, it reduces greenhouse gas emission.
3. Use digital forms to reduce the reliance on white paper.
4. Use tools, equipment, products and materials until their end of use life.

Attachment 2

Construction and Development Policy



## CONSTRUCTION AND DEVELOPMENT POLICY

As of: November 11, 2020

The purpose of this Construction and Development Policy (this “Development Policy”) is to set forth guidelines for American Assets Trust, Inc. (“AAT”) to follow in its design and construction practices. It is aimed toward furthering AAT’s Environmental Sustainability, Social Responsibility and Governance objectives (described in the Corporate Sustainability Policy) (“ESG Objectives”), while adhering to economic and regulatory requirements.

AAT is committed to developing environmentally sustainable and resilient properties that enhance the natural environment and support the communities in which our properties reside. We shall work with development and environmental experts as necessary in order to do so. We are further committed to working with partners in our construction and development activities who are ethical and responsible corporate citizens, therefore, our partners must adhere to AAT’s Vendor Code of Conduct, available on our website [www.americanassetstrust.com](http://www.americanassetstrust.com), in addition to all applicable laws.

Our approach to new construction, as well as major renovation to existing buildings, begins with site selection, where we shall optimize the site's natural ability to serve basic building requirements such as heating, cooling and lighting. Before engaging in any new construction, AAT shall evaluate the total potential impact that the construction will have on the surrounding areas, the site itself and any existing structure. During construction, we shall do our best to minimize dust, noise, debris, light pollution, and impact on the surrounding habitat.

Listed below are the specific guidelines we shall observe in performing new construction and major renovation projects. It is important to note, however, that this Development Policy does not describe every consideration that AAT may take into account in its construction and development activities. Further, some of these guidelines may not be applicable, technologically feasible or financially prudent in every instance. In such cases, AAT will use reasonable efforts to source alternative solutions to achieve its ESG Objectives.

### **A. PRE-DEVELOPMENT ASSESSMENT**

#### **1. Site Selection and Land Use**

- 1.1 Perform environmental site assessments of new development sites.
- 1.2 When considering development project sites, locate within existing developed areas.
- 1.3 Select development project sites that have the potential to connect to multi-modal transit networks.
- 1.4 When considering development project sites, commit to not developing areas where there are known opportunities to otherwise protect, restore, and conserve habitats for native, threatened and endangered species.

#### **2. Material Sourcing and Selection**

- 2.1 Consider the environmental and health attributes of building materials for development projects, placing a preference on:
  - a. Locally extracted and manufactured materials when available
  - b. Low embodied carbon materials

- c. Low-emitting VOC materials
- d. Materials and packaging that can easily be recycled
- e. Materials that disclose environmental impacts
- f. Materials that disclose potential health hazards
- g. Rapidly renewable materials and recycled content materials
- h. Wood-based materials and products certified to comply with FSC STD-01-001 by an FSC-accredited certification body

### **3. Sustainable Procurement**

- 3.1 At least 50% of the cost of goods purchased to be permanently or semi-permanently attached to a building itself in the course of facility renovations, demolitions, refits and new construction additions will comply with one or more of the following criteria:
  - a. Contains at least 10% post-consumer and/or 20% post-industrial material
  - b. Contains at least 70% salvaged material from off-site or outside the organization
  - c. Contains at least 70% salvaged material from on-site through an internal materials and equipment reuse program
  - d. Contains at least 50% rapidly renewable material (bamboo, cotton, cork, wool)
  - e. Contains at least 50% materials harvested/extracted and processed within 500 miles of the facility/site
  - f. Consists of at least 50% Forest Stewardship Council (FSC) certified wood
  - g. Adhesives and sealants comply with SCAQMD rules governing allowable VOC content
  - h. Paints and coatings comply with Green Seal's GS-11 requirements governing VOC emission levels
  - i. Finished flooring is FloorScore-certified and constitutes a minimum of 25% of the finished floor area
  - j. Carpet and carpet cushion meet the requirements of the Carpet and Rug Institute (CRI) Green Label Plus carpet testing program
  - k. Composite panels and agrifiber products contain no added urea-formaldehyde resins
- 3.2 Prioritize purchasing low mercury lamps, to the extent that at least 90% of the number of lamps purchased will meet the overall mercury-content target of no more than 70 picograms of mercury per lumen-hour.

### **4. Supply Chain**

- 4.1 Manage the flow of goods and services, including all processes that transform raw materials into final products.
- 4.2 Engage and work with contractors, vendors and suppliers who are able to provide the supply chain for their products.
- 4.3 Follow the five stages of supply chain management, when applicable:
  - a. Plan – create a strategy
  - b. Source – work with suppliers who can provide their sources
  - c. Make – production of products
  - d. Deliver – inventory management from warehouse to shipment to customer
  - e. Return – track products returned to inventory or removed due to defective products

### **5. Location and Transportation**

- 5.1 When considering development project sites, locate within existing developed areas.
- 5.2 Select development project sites that have the potential to connect to multi-modal transit networks.
- 5.3 Consider electric vehicle charging infrastructure in the project design when the project scope includes or is relevant to parking provisions of the facility.

### **6. Green Building Standards**

- 6.1 Review development projects to either align with requirements of a third-party green building rating system or to achieve certification with a green building rating system such as LEED or ENERGY STAR.

## **B. CONSERVATION CONSIDERATION**

### **7. Biodiversity and Habitat**

- 7.1 When considering development project sites, commit to not developing areas where there are known opportunities to otherwise protect, restore, and conserve habitats for native, threatened and endangered species.
- 7.2 Protect and restore habitat and soils disturbed during construction and/or during previous development.
- 7.3 Protect surface water and aquatic ecosystems by controlling and retaining construction pollutants.
- 7.4 Protect wildlife and restore natural artifacts as necessary.
- 7.5 Rather than exterminating beehives that grow in inappropriate locations, work with local nonprofits to relocate them.

### **8. Climate Change Adaptation**

- 8.1 Include climate-appropriate pollinator plants in all new landscape installations both in the new and existing portfolios, by reviewing the planting guides at The Pollinator Partnership (<http://pollinator.org/>) and incorporating their recommendations into landscape designs.
- 8.2 Include landscaping that is resilient to flood and fire.

### **9. Pollution Prevention**

- 9.1 Minimize light pollution to the surrounding community.
- 9.2 Minimize noise pollution to the surrounding community.
- 9.3 Protect surface water and aquatic ecosystems by controlling and retaining construction pollutants.

## **C. HEALTH AND SAFETY**

### **10. Health and Well-Being**

- 10.1 Incorporate occupant health and well-being in development projects by taking measures to address the following:
  - a. Acoustic comfort
  - b. Active design features
  - c. Biophilic design
  - d. Commissioning
  - e. Daylight
  - f. Humidity
  - g. Illumination
  - h. Indoor air quality
  - i. Natural ventilation
  - j. Occupant controls
  - k. Physical activity
  - l. Thermal comfort
  - m. Water quality
- 10.2 Schedule work that produces fumes or vapors or disruptive noises during off hours.
- 10.3 Verify health and well-being performance via:

- a. Offering occupant education
- b. Monitoring occupant comfort and satisfaction over an average of five (5) years post-construction

**11. Indoor Environmental Quality**

- 11.1 Protect air quality during construction.

**12. Building Safety**

- 12.1 Promote on-site safety, during the construction phase of development projects, through:
  - a. Availability of medical personnel
  - b. Communicating safety information
  - c. Continuously improving safety performance
  - d. Demonstrating safety leadership
  - e. Entrenching safety practices
  - f. Managing safety risks
  - g. Personal protective and lifesaving equipment
  - h. Promoting design for safety
  - i. Training curriculum
- 12.2 Monitor the following safety indicators at construction sites:
  - a. Injury rate
  - b. Fatalities
  - c. Near misses
  - d. Lost day rate
  - e. Severity rate
  - f. Experience Modification Rate (EMR)
- 12.3 Anchor, support and brace all piping and ductwork to resist seismic forces in accordance with requirements for anchorage bracing as specified in ASCE 7-10, Section 13.4 and 13.6.
  - a. Design anchors embedded in concrete and masonry in accordance with ASCE 7-10, Section 13.4.2.
  - b. Do not use power actuated fasteners for tension load applications unless approved for such loading per ASCE 7-10, Section 13.4.5.
- 12.4 Support and seismically brace ductwork and piping per the most current version of one of the following:
  - a. SMACNA – Seismic Restraint Manual.
  - b. Designed and engineered system in accordance with applicable codes.
- 12.5 Provide vibration isolation to avoid excessive noise or vibration in the building due to the operation of machinery or equipment, or due to interconnected piping, ductwork or conduit.

**D. SOCIAL RESPONSIBILITY**

**13. Community Engagement**

- 13.1 Maintain open communication with the surrounding communities.
- 13.2 Include public works in design elements, to create a sense of community.

**14. Diversity**

- 14.1 Work with local vendors and craftsmen to create job opportunities.
- 14.2 Work with diversified companies including those owned by minorities or women

**E. ENVIRONMENTAL SUSTAINABILITY**

**15. Renewable Energy**



15.1 Design renewable energy systems to function absent of normal utility power.

## **16. Energy Consumption**

16.1 In new developments, reduce extensive heat loss through the building's substructure by:

- a. Completely insulating the foundation walls
- b. Sealing all penetrations through the foundation walls

16.2 Promote energy efficiency in development projects by requiring planning and design to include:

- a. Development and implementation of a commissioning plan for energy systems
- b. Integrative design for energy efficiency
- c. Energy efficiency measures, which would commonly include:
  - i. Air conditioning
  - ii. Commissioning
  - iii. Energy modeling
  - iv. High-efficiency equipment and appliances
  - v. Lighting
  - vi. Occupant controls
  - vii. Space heating
  - viii. Ventilation
  - ix. Water Heating

16.3 Sub-meter electrical meters, where practical, to help identify opportunities for reducing energy consumption.

16.4 Run energy use analytics and investigate anomalies.

16.5 Perform operational energy efficiency monitoring for an average of five (5) years post-construction.

16.6 Where life-cycle cost-effective, design all exterior lighting projects to use LEDs or other highly efficient lighting technologies and their associated control systems.

16.7 Avoid energy loss through roof systems by properly sealing all roof joints, caulking and sealing all roof penetrations, and avoiding the use of black or metal roofing materials.

## **17. Water Consumption**

17.1 Promote water conservation in development projects by requiring planning and design to include:

- a. Development and implementation of a commissioning plan for water systems
- b. Integrative design for water conservation
- c. Requirements for indoor water efficiency, which would commonly include:
  - i. High-efficiency/dry fixtures
  - ii. Occupant sensors
  - iii. On-site wastewater treatment
  - iv. Leak detection sensors
- d. Requirements for outdoor water efficiency, which would commonly include:
  - i. Drip/smart irrigation
  - ii. Drought tolerant/low-water landscaping
  - iii. Meter sensors

17.2 Sub-meter water meters, where practical, to help identify opportunities for reducing water consumption.

17.3 Perform operational water efficiency monitoring for an average of ten (10) years post-construction.

17.4 Select mostly drought-tolerant native plant species for non-turf landscape areas.

- 17.5 Avoid planting turf grass, instead seeking acceptable alternatives such as bluegrass hybrid species that minimize the overall ET rate and limits water consumption while retaining resilience during dry periods.
- 17.6 Densely plant landscape beds with a mixed variety of native and ornamental plants to satisfy the project's ornamental needs.
- 17.7 Plant low-maintenance native species, that require minimal or no water upon establishment, in areas other than landscaping beds and turf areas.
- 17.8 Use high-efficiency irrigation systems, that are zoned for watering needs, in landscaped areas.
- 17.9 Base irrigation zones on plant types, microclimate, water use, and sun exposure.
- 17.10 Consider installing an ET controller that optimates watering levels.
- 17.11 Use high-efficiency rotor-type sprinklers in areas of turf grass and use drip irrigation in landscape beds.
- 17.12 Install temporary surface drip irrigation lines in natural areas and remove within one year or upon establishment, whichever occurs first.
- 17.13 Reuse of stormwater and greywater for non-potable applications where accepted.
- 17.14 Mulch all shrub areas, in order to minimize moisture loss from the soil.
- 17.15 Install the following in all buildings, wherever possible:
  - a. Either 0.5 gpm or 0.35 gpm faucet aerators
  - b. Either waterless or pint flush urinals
  - c. Either 1.28 gpf toilets or dual-flush toilets

## **18. Greenhouse Gas Emissions**

- 18.1 Protect air quality during construction.
- 18.2 Disclose carbon emissions information, obtained through ENERGY STAR's Portfolio Manager, to stakeholders, through the Global Real Estate Sustainability Benchmark.

## **19. Waste Management**

- 19.1 Identify and locate reusable material on as-built drawings.
- 19.2 Identify potentially hazardous materials.
- 19.3 Evaluate the feasibility of deconstruction and salvage rather than conventional demolition, in projects that involve the removal of existing buildings or structures, and implement deconstruction wherever markets or on-site reuse opportunities exist or are anticipated.
- 19.4 Manage waste by diverting reusable vegetation, rocks, and soil from disposal.
- 19.5 Promote efficient solid waste management through the following management and construction practices:
  - a. Construction waste signage
  - b. Education of employees/contractors on waste management
  - c. Targets for waste stream recovery, reuse and recycling, in keeping with the procedures in [Attachment A](#)
  - d. Waste management plans
  - e. Waste separation facilities
  - f. On-site monitoring of hazardous and non-hazardous waste

## **F. RESILIENCE**

### **20. Resilience to Catastrophe/Disaster**

- 20.1 Plan and develop buildings and surrounding areas to be resistant to earthquakes, floods, fires or other natural and manmade disasters and disturbances.

- 20.2 Plan and develop buildings and surrounding areas to be able to absorb or avoid damage without suffering complete failure, addressing the following components of building resilience:
  - a. Robustness – the building’s ability to maintain critical operations
  - b. Resourcefulness – the building’s ability to prepare for, respond to and manage a crisis or disruption in real time.
  - c. Recovery – the building’s ability to return to normal operations as quickly and efficiently as possible after a disruption.
  - d. Redundancy – the building’s key components backup resources in the event of a failure to any building critical systems.
- 20.3 Consider both short-term and long-term planning to mitigate future costs, including long-term effects due to extreme weather as result of climate change such as sea level rise, wild fires, increased frequency of heat waves and regional drought.

#### **G. POST-DEVELOPMENT ASSESSMENT**

At the conclusion of the development, AAT (along with the environmental and development experts it has consulted with) shall evaluate the new construction to confirm it meets AAT’s goals and to apply for any necessary building certifications. As part of the day-to-day operations of a new or renovated building, AAT’s property management teams shall monitor any construction-related changes, and provide updates to the construction team, as necessary.

**ATTACHMENT A**

<b>Source/Consumables</b>	<b>Disposal Method</b>	<b>Handling Procedure</b>
Glass, Plastic, Metals, Paper/Newspapers, Cardboard (commingled)	Building occupants dispose of these recyclables in commingled recycling containers.	Amount of total commingled recycling is tracked and taken away by hauler on a regular basis.
Mercury-containing Lamps	Building engineering staff collects fluorescent lamps and stores the unbroken lamps for disposal.	Taken away by an authorized hauler for safe disposal, in accordance with local regulations on disposal of products containing mercury.
Batteries	Building occupants manage the collection of the batteries for disposal.	An authorized e-waste hauler or re-use center will collect hazardous e-waste on a bi-annual basis.
Durable Goods (Electronic Waste and Furniture)	Building management sets up a drop off area periodically and provides a secure collection area to store durable goods that have reached the end of their life within the building but still have value and may be donated/re-used.	Amounts are tracked and taken away by an authorized e-waste hauler or re-use center on a bi-annual basis for recycling.
Building Materials	Building management coordinates with contractors to collect construction waste for re-use/recycling.	Amounts are tracked and taken away by an authorized hauler at the end of the demolition/construction period for recycling.