

A photograph of a modern glass skyscraper with teal-colored slatted balconies. The building's glass facade reflects the sky and the surrounding architecture, creating a complex pattern of lines and colors. The teal slats are arranged in a rhythmic, repeating pattern across the balconies.

2020 SUSTAINABILITY REPORT

CARR
PROPERTIES

REINVENTING
THE WORKPLACE
EXPERIENCE

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LETTER TO OUR STAKEHOLDERS

I am pleased to present Carr Properties' Sustainability Report for 2020. As a leading owner, operator, and developer of high-quality office properties in the greater Washington, D.C. area, with a growing presence in Boston, Massachusetts, we are passionately committed to developing and operating buildings in a sustainable, innovative, and responsible manner. We care deeply about the health and wellbeing of our customers and are committed to offering workplace environments that enable our customers to thrive.

Our vision to reinvent the workplace experience goes hand-in-hand with our commitment to wellness and sustainability. We continually seek out new technologies, operating strategies, and best practices to limit the environmental impact of our buildings and to offer healthy work environments for our customers.

With our long-term ownership view, we are driven to create sustained value for our customers, associates, and other stakeholders. We recognize that we have a responsibility to our customers to embrace sustainable operating and development practices that benefit the environment and the communities that we operate in. Additionally, we strive to be a leader in embracing the health and wellbeing of our customers.

Sincerely,



Oliver T. Carr

Who We Are

CARR PROPERTIES

Carr Properties is a privately held real estate investment company that owns, manages, acquires, and develops high-quality properties in Washington, D.C. and Boston, Massachusetts. The company currently owns a portfolio of 14 commercial office properties, totaling approximately 4.4 million square feet, with an active development pipeline of three projects that will add an additional two million square feet to our portfolio. With a growing presence in two east coast, gateway markets, Carr Properties strategically develops and invests in buildings that exemplify world-class design, promoting sustainable and healthy work environments for our customers.

CORPORATE OVERVIEW

25 Years Operating History	\$3.5B Real Estate Assets
2 Gateway East Coast Markets	\$1.6B Active Development Pipeline
14 Stabilized Class A Office Assets	59% of Portfolio Developed In-House (Post-Development)
4.4M SF Commercial Office Properties	100% In-House Capabilities
2M SF Active Development Projects	128 Full-Time Associates
12 Integrated Business Units	280+ Total Customers
1.6M SF Third-Party Management Portfolio	



MIDTOWN CENTER // WASHINGTON, D.C.



Uniquely designed for each Carr Properties building, offering customized services and experiences based on our customer profile and building offerings.


REINVENTING THE
WORKPLACE EXPERIENCE

THE CARR
EXPERIENCE


Carr Properties is reinventing the workplace experience by focusing on our customers’ wellbeing and productivity, allowing them to thrive – we call this the Carr Experience. By looking beyond conventional approaches to design and operations and introducing hospitality in the workplace, customers enjoy immersive, integrated and interactive environments within the building. The Carr Experience was built around the phrase ‘Optimize Time’ – we want our customers to be able to manage the balance of work and life to optimize self.

SERVICE PARTNERS


Carr Properties is partnering with local and nation-wide service providers to bring everyday conveniences to our buildings, in an effort to help our customers optimize their time and balance work and life.




Clean Clothes.
No Dirty Work.



Free Delivery M-F



Curbside Vehicle
Care Services






In-Suite Catering
from 100+ Top Chefs



EVENTS & PROGRAMMING



By offering a robust monthly events and programming calendar to our customers, we offer opportunities to decrease stress, increase wellness, introduce a new topic of interest, and create memorable moments between colleagues.


Typical events and programs you may find throughout our portfolio include:

-  Lunch & Learns

 Fitness Classes
-  Networking Events

 Give Back Opportunities
-  Health & Wellness Workshops

 Animal Fostering & Adoption
-  Rooftop Yoga

 Tasting Events

SUSTAINABILITY STRATEGY

Carr Properties is fully committed to developing and operating buildings in a sustainable, innovative, and responsible manner balancing the environmental and social impacts of our business. By evaluating these impacts, we are better positioned to grow the value of our business, to be a leader in implementing innovative sustainability initiatives and align our activities with the goals of generating positive social and environmental outcomes.

We take an improvement approach whereby we continually seek out new technologies, operating strategies and best practices to improve energy and water efficiency, reduce greenhouse gas (GHG) emissions, eliminating waste and toxins, and improving temperature control and indoor air quality (IAQ).



ENVIRONMENTAL
PROTECTION



ECONOMIC
DEVELOPMENT



SOCIAL
RESPONSIBILITY

SUSTAINABILITY STRATEGY

2020 FOCUS

Sustainability is a major area of focus for Carr Properties. With this focus, we are implementing the following initiatives:

HOW DO WE CREATE THE BEST POSSIBLE ENVIRONMENT FOR OUR CUSTOMERS FROM A SUSTAINABILITY AND INDIVIDUAL HEALTH PERSPECTIVE?

- Focus on continuous improvement of indoor air quality through better air filtration, increasing outside air levels, and implementing building HVAC and space contaminant control technologies.
- Installation of improved lighting to increase wellness and improve energy efficiency.
- Adopt improved building design standards to reduce heat loads, increase energy efficiency and create more consistent temperature-controlled environments.
- Where possible, we are implementing touchless customer interfaces, including a new visitor management platform, touchless access control at building entrances, parking garages, fitness centers, bike facilities, and lounges.
- Encouraging use of stairwells as an alternate to traditional elevator use.
- Continue to install integrated systems to send and/or receive building analytical information, enabling Carr Properties to collect, analyze, and act on information, either manually or dynamically to optimize our building interior environments.

HOW DO WE REDUCE OUR CARBON FOOTPRINT AND OUR IMPACT ON CLIMATE CHANGE?

- Encourage our customers to take more responsibility for reducing their energy and water consumption.
- Install more solar photovoltaic (PV) systems across the portfolio.
- Buy more power from clean energy sources.
- Utilize improved building technology systems to reduce our energy and water usage.
- Focus on improved recycling.





SUSTAINABILITY STRATEGY

PROGRESSIVE APPROACH

Carr Properties is committed to offering a healthy work environment centered around the health and wellbeing of our customers. Additionally, we are committed to sustainability and slowing climate change through proactive adoption of technologies that improve operating efficiencies in a responsible manner.

INDOOR AIR QUALITY

- In 2019, we upgraded our air filtration system to a MERV 13 standard throughout our portfolio to improve the air quality for our customers. This level of air filtration removes 90% of dust and pollen, 75% of bacteria and because viruses are typically carried on larger respiratory droplets and dust particles these filters do reduce the level of airborne virus particles.
- In 2020, we are installing ultraviolet germicidal irradiation (UVGI) light fixtures in the majority of airhandling units throughout our portfolio. UVGI provides additional protection against bacteria and virus in the air.
- We are increasing outside air flow into our buildings and are piloting advanced indoor air monitoring sensors to supplement existing monitors. These new monitoring systems will be connected into our smart building Internet of Things (IoT) data analytics platform.
- Ongoing evaluation of advanced filtration, Far UV-C options, and ionization technologies.

REAL-TIME ENERGY DATA ANALYTICS

- In late 2019, we began piloting three real-time energy data analytics software packages to supplement the existing building management systems and IES/MACH Energy technologies.
- In 2020, we expect to select one or more of these solutions to install in existing and development buildings to reduce energy consumption and improve customer comfort.

RENEWABLE ENERGY

- Delivered two rooftop solar PV installations totaling 195 kW
 - » Generating 244 MWh annually
- In 2021, we anticipate installing two systems, totaling 200 kW
 - » Generating 265 MWh annually
- Continued rollout of the program across other assets
- Green Power: In 2020, we entered into a fixed-rate supply contracts for our eligible Virginia buildings, using renewable hydro power.

TRANSPORTATION

- Our 100% urban and close-in suburban portfolio provides excellent access to public transportation and other modes of sustainable commuting options



- EV charging stations
 - » 2% of Striped Garage Spaces (68 Space Spaces Across Portfolio)
 - » Development projects include over 30 additional charging stations

THE CARR EXPERIENCE & BEST-IN-CLASS AMENITIES

- Recognizing our customers’ increasing focus on wellness, Carr Properties offers access to first class fitness centers for all of our building customers, and bike rooms with fix-it stations and air pumps, rooftop terraces, and excellent food options, in many of our existing buildings.



CLARENDON SQUARE // ARLINGTON, VA

SUSTAINABILITY STRATEGY

AWARDS, RECOGNITIONS & COMMUNITY ENGAGEMENT

2019 AWARDS

- Carr Properties recognized by the Commercial Real Estate Brokerage Association (CREBA) as Best in Industry: Developer of the Year & Leasing Transaction of the Year for Fox 5 DC at The Wilson
- Midtown Center recognized by The Chicago Athenaeum Museum of Architecture & Design with the American Architecture Award
- Midtown Center received Award in Architecture by the American Institute of Architects (AIA) Washington, D.C. chapter
- Midtown Center received Urban Land Institute (ULI) Real Estate Trends Award for Excellence in Office Development
- Midtown Center received the *Washington Business Journal's* Best Real Estate Deals award for Best New Development
- The Hub lobby renovation received the Award of Excellence by the Associated Builders and Contractors (ABC)

INDUSTRY LEADERSHIP

- 2019 CREBA Regional Agents of the Year awarded to Kaitlyn Rausse & Martha Naughten
- DCA Live NextGen Real Estate Leaders awarded to Kaitlyn Rausse & Tim Whitebread
- Carr Properties' portfolio outperformed the Kingsley benchmark in the 2019 Office Provider Service Report

COMMUNITY ENGAGEMENT

- Carr Cares Concert raised over \$540,000 for the Washington Jesuit Academy in 2018 & 2019
- Supported numerous other charitable causes
- 400 community service hours in 2019



MIDTOWN CENTER // WASHINGTON, D.C.

SUSTAINABILITY STRATEGY

ACCOMPLISHMENTS

2009

- Delivered LEED Gold certified 901 K Street

2010

- Delivered 1701 Duke Street built to LEED Silver criteria, with our first EV charging stations

2013

- Delivered LEED Gold certified 1700 New York Ave, with EV charging stations, and our first green roof

2014

- Delivered LEED Platinum certified 4500 East West; first LEED platinum building in Bethesda, Maryland

2016

- Created a sustainability team and corporate business unit
- First year enrolled Washington, D.C. and Maryland portfolio into Demand Response program

2017

- Achieved LEED Gold Existing Buildings: Operations & Maintenance (EBOM) Certification at Columbia Center
- ASID customer space at Columbia Center earned world’s first WELL and LEED Platinum certifications

2018

- Installed 65 kW solar PV system at 1875 K
- Achieved LEED Gold EBOM Certification at 1875 K

2019

- Delivered LEED Gold certified Midtown Center and 2311 Wilson
- Expanded Demand Response program enrollment to include Virginia properties
- Significant increase in marketing Carr Properties’ sustainability efforts to investors, customers, and newswires
- Installed 130 kW solar PV system at Columbia Center
- IAQ upgrade installations: UVGI system at The Hub and installed minimum efficiency reporting value MERV 13 rated filters in all buildings
- Midtown Center earned LEED Gold Building Design & Construction (BD&C) and two-star Fitwel certifications

SUSTAINABILITY STRATEGY

CUSTOMER ENGAGEMENT

Carr Properties is committed to providing exceptional customer service, which includes engaging customers to support their sustainability goals and to promote our energy conservation objectives. Our customer engagement program includes sharing Carr Properties’ portfolio and building specific sustainability performance and goals. We also provide contractor and rebate resources to encourage customers to complete energy and water consumption reduction projects and increase recycling efforts.

Below is a table summarizing our primary customer focused sustainability efforts.

Focus Area	Goal	Engagement
Energy	Reduce energy consumption and building’s carbon footprint	Communicate ~30% of energy consumption is in customer space and operating costs will decrease if consumption is reduced and the lower consumption will contribute to slowing climate change. Share energy reduction strategies (LED lighting and occupancy sensors and controls) and provide contractor resources.
Health & Wellness	Underscore impact of wellness on productivity and health	Share our above market IAQ policies, testing and ongoing upgrades, including MERV 13 filters and UVGI; availability of fitness, bike, rooftop and food offerings. Enhanced path of travel with stairwell access control.
Green Lease	Decreased energy/ water consumption and increased waste diversion	With development of standardized Green Lease language, future leases will provide additional leverage to achieve our customer space sustainability goals – primarily focused on reduced energy and water consumption and increased waste diversion.
Waste	Improve recycling participation	Educate customers on various programs and jurisdictional requirements and climate benefits of increased waste diversion.
Water	Reduce consumption	Even though touchless, low flow fixtures are now installed in all buildings, continue to promote the cost and climate benefits of water management.
Transportation	Public and alternative options	Underscore that Carr Properties’ buildings rate highly with EV charging stations, locations near public transit, and bike share and lanes, as well as that bike storage, showers and changing facilities are available.



MIDTOWN CENTER // WASHINGTON, D.C.



ENVIRONMENTAL IMPACT

Carr Properties is committed to a comprehensive, holistic approach to addressing climate change. Specifically, we design and build high performance, LEED certified buildings while operating our existing portfolio with a focus on promoting energy efficiency, water conservation, diverting waste from landfills, and delivering healthy and amenity-rich working environments for our customers.

Environmental Impact

SUSTAINABILITY CERTIFICATIONS

Carr Properties designs, develops, and operates all of our properties with a focus on efficiency and sustainability to ensure high performing, healthy buildings. At year-end 2019, 84% of buildings had at least one green certification, 66% of square footage was ENERGY STAR certified and 49% of the buildings had both LEED and ENERGY STAR certifications. In 2020, we are targeting an increase in ENERGY STAR qualified properties to over 70% of the portfolio.



LEED

We have eight certified buildings, totaling 2.5 million square feet, including two LEED EBOM certified buildings, totaling 590,000 square feet. In 2020, we are targeting LEED EBOM certification for three projects, totaling 950,000 square feet, using the new Arc Performance Score program.

For all development projects, we are committed to earning LEED Gold certifications. Since 2009, we have completed five LEED certified Gold or Platinum Core and Shell buildings, totaling 1.6 million square feet. Three projects, totaling two million square feet, are planned or underway, all targeting LEED Gold Building Design and Construction certification.



FITWEL

In 2019, Midtown Center earned our first Fitwel certification. Today, our three new development projects have also been registered.

- One two-star certified project: Midtown Center, 867,000 SF
- Pending Certifications: 2 Million SF
- The Hub: 423,000 SF
- 901 K Street: 219,000 SF



WELL BUILDING

- Our 225,000 SF Signal House development project is targeting certification
- Columbia Center's American Society of Interior Designers is the world's first LEED Platinum and WELL Building certified customer space
- Well Health Safety Rating - To further underscore Carr Properties' commitment to comprehensive operational and maintenance policies, as well as on-going third-party air and water testing and emergency planning, we intend to secure the recently introduced WELL Health-Safety Rating by year end 2020, for all existing buildings and for all development projects, as they deliver.



ENERGY STAR

8

Certified Projects

2.3M SF

66%

Eligibility Property SF

75.1

Average Score



200 STATE // BOSTON, MA

ENVIRONMENTAL IMPACT

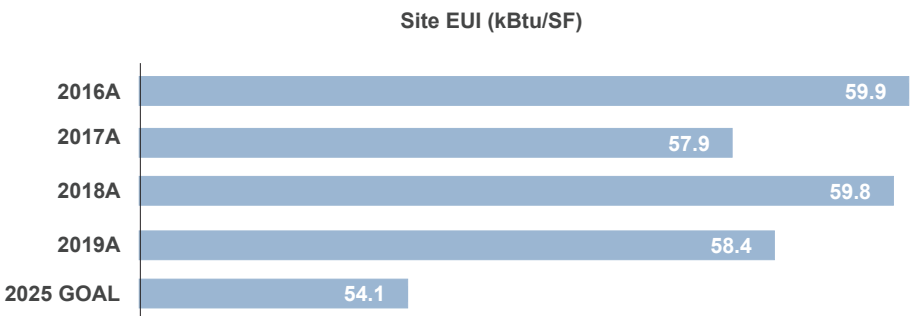
GOALS & PROGRESS

Our sustainability goals include setting targets for energy, greenhouse gas emissions (GHG), water consumption and waste diversion. Establishing goals creates more stakeholder awareness and focus on realizing year-over-year, like-for-like key performance indicator (KPI) gains. We set a base year of 2016 to provide a like-for-like portfolio comparison. In 2019, we continued our trend of improvement and achieved positive gains in all four key metrics as highlighted below:



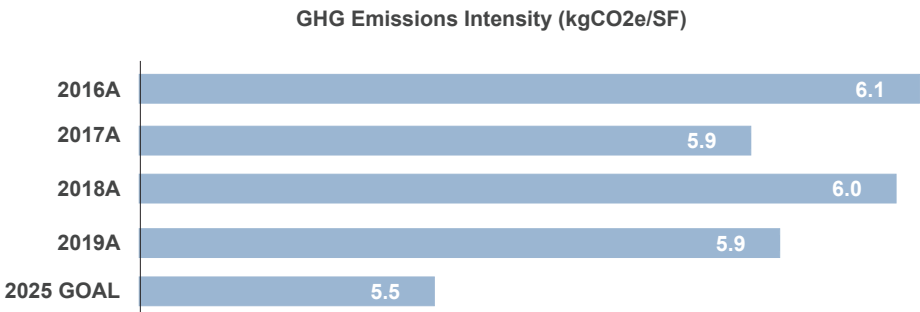
ENERGY USE REDUCTION GOAL

Goal: Reduce energy use intensity 10% by 2025
Progress: 2.6% reduction since 2016 and 2.4% year-over-year reduction 2018-2019. 2018 Energy Use Intensity (EUI) increase due to atypical high heating degree days



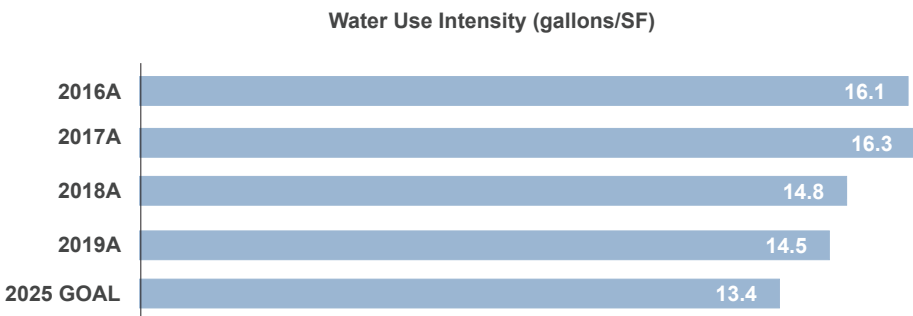
GREENHOUSE GAS REDUCTION GOAL

Goal: Reduce Scope 1 and Scope 2 GHG emissions 10% by 2025
Progress: 2.8% reduction since 2016 and 2.3% year-over-year 2018-2019 reduction



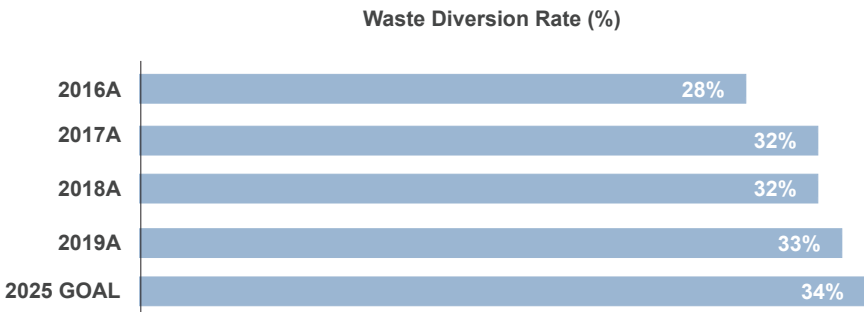
WATER USE REDUCTION GOAL

Goal: Reduce water use intensity 16% by 2025
Progress: 10.3% reduction from 2016 baseline and 2.2% year-over-year 2018-2019 reduction



WASTE DIVERSION GOAL

Goal: Increase waste diversion to 34% in 2020
Progress: 16% increase from 28% diversion rate in 2016 to 33% in 2019





Environmental Impact

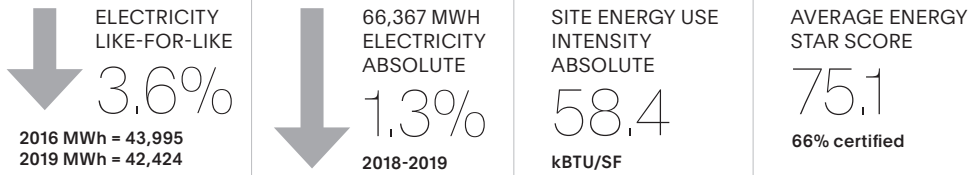
ELECTRICITY & GREENHOUSE GAS EMISSIONS

ELECTRICITY

- Historical Energy Use Intensity (kBtu/SF): Like-for-Like

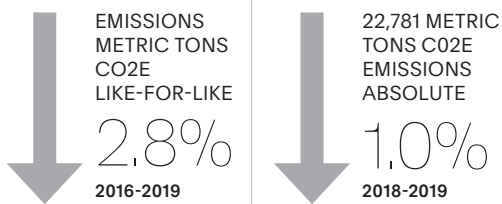


CY 2018 – materially above average heating degree days in the greater Washington, D.C. area increased metro consumption



GREENHOUSE EMISSIONS

- Historical Greenhouse Gas Emissions (KgCO2e/SF)

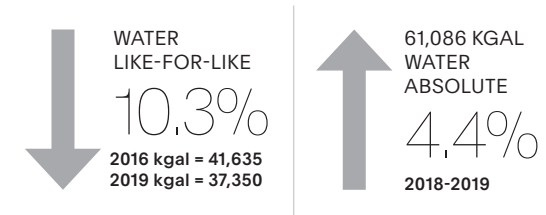


Environmental Impact

WATER & WASTE

WATER

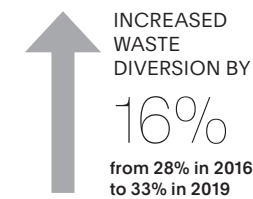
- Historical Water Use Intensity (gallon/SF) Like-for-Like



- **The Hub:** Restroom renovation, with conversion to low flow water fixtures, reduced consumption by 27% a year, the equivalent to 2.5 Olympic-sized swimming pools.
- Carr Properties team has replaced all older fixtures with low flow, touchless fixtures across the portfolio.

WASTE

- Historical Waste Diversion Rate (%) Like-for-Like



MIDTOWN CENTER // WASHINGTON, D.C.
Midtown Center has a 90,000-gallon on-site cistern to collect stormwater and condensate water.



4500 EAST WEST // BETHESDA, MD

Environmental Impact

ENERGY

Carr Properties takes an active, holistic approach to energy consumption and energy supply cost management, including generating on-site renewable energy. Reducing energy consumption and supply costs has a significant benefit to our customers and other stakeholders. To optimize energy performance, our team continuously benchmarks, monitors, and measures electricity usage through MACH Energy, Building Management Systems, Energy Intelligence Software (EIS), Environmental Protection Agency (EPA), ENERGY STAR Portfolio Manager, and internal and external energy audits.

At year-end 2019, 2.3 million square feet, or 66% of square footage, was ENERGY STAR certified. Since 2016, we have reduced energy usage intensity by 2.6%, with a 2.4% reduction between 2018 and 2019, and our 2025 goal is to reduce energy consumption by 10%. In 2018, our EUI increased 3.3% kBtu/SF due to an extremely cold first quarter.

Since 2009, Carr Properties developed 42% of portfolio with high-performance, LEED certified buildings.

ENERGY INTELLIGENCE SOFTWARE

Carr Properties installed MACH Energy meters and software at all properties to ensure cloud-based, real time energy monitoring, operational stray alerts and analytics. We are piloting Energy Intelligence Software (EIS) programs with Schneider Analytics, Pritchett Controls and Enertiv and we expect to select one or two providers for all the development assets and many of the existing buildings.

Environmental Impact

ENERGY

CUSTOMER SPACE CONSUMPTION

With customer space accounting for over 30% of building electricity consumption, our team continues active engagement with our customers to support their sustainability goals and to promote our corporate goals. Our focus is on the significant cost and climate benefits of reducing energy consumption in occupied space.

ENERGY CONSERVATION MEASURES (ECMS)

We are committed to identifying and implementing property-level projects to reduce energy use. Our team continues to complete fast-payback LED lighting retrofit projects, including installation of LED lighting, occupancy sensors and controls. 80% of building common areas across the portfolio have been completed, accounting for 6,700 fixtures and 1.76 million in annual kWh savings. Our goal is to complete retrofits in over 90% of common areas across the portfolio by mid-2021. Other projects include Building Management System upgrades and HVAC system replacements.

ENERGY SUPPLY

To manage the cost of the electricity and natural gas supply in deregulated markets, we have executed forward, fixed-rate supply contracts for all eligible buildings since 2012. Through 2019, these forward contracts have saved \$2.7 million and we have energy supply contracts in place from 2021 through 2025. In early 2020, we entered into a five-year fixed supply rate 100% green power supply contracts for our eligible Virginia buildings.

DEMAND RESPONSE

In 2019, 87% of properties participated in voluntary Demand Response programs to curtail energy loads during times of grid stress.





SIGNAL HOUSE // 2021 // WASHINGTON, D.C.

Environmental Impact

ENERGY ON-SITE RENEWABLE ENERGY: SOLAR PV SYSTEMS

Carr Properties is committed to expanding our on-site renewable energy portfolio. With two solar PV systems installed, totaling 195 kW, and two additional projects, totaling 200 kW, expected to be completed in 2021, we are a market leader in the greater Washington, D.C. area. Our team also continues to evaluate various technologies, including geothermal and battery storage for our existing and development projects that could generate energy at a discount to the utilities or provide an acceptable return on investment.

Our commitment to reducing our energy consumption off the grid also supports Washington, D.C.'s clean energy goals, as established in the D.C. Clean Energy Omnibus Bill of 2018. In 2020, we plan to install solar PV systems at The Hub and Signal House. The 49 kW system being installed at our Signal House development in Union Market will be the first ground up office development in the city delivered with a rooftop solar PV system fully integrated with a green roof media and a stormwater management design. Signal House will redefine how a commercial office buildings should be designed and constructed in Washington, D.C.

Environmental Impact

GREENHOUSE GAS EMISSIONS

Carr Properties is committed to the transition to a low carbon economy. We have proactively implemented many energy conservation measures, installed on-site renewable solar PV systems and EV charging stations, purchased off-site renewable energy credits and green power, developed high performance, LEED Gold or Platinum certified buildings, and earned ENERGY STAR certification on 54% of our buildings and 66% of the portfolio square footage.

Since 2009, we have delivered five new buildings, totaling 1.6 million square feet, representing 42% of our portfolio square footage, high-performance LEED Gold or Platinum certified buildings. Our two million square feet of development projects are targeted for LEED Gold certification and are designed to achieve an ENERGY STAR score of at least 75 points.

Since 2016, we have reduced GHG emissions by 2.8%, with a 2.3% reduction 2018-2019, and our 2025 goal is to reduce emissions by 10%.

As customer space accounts for over 30% of the energy consumption in our buildings, we continue to engage with our customers to promote energy savings and other sustainability initiatives.

Our team uses ENERGY STAR data to measure and benchmark our GHG performance. The emissions are measured in metric tons of carbon dioxide and GHG intensity (Metric Tons of Carbon Dioxide Equivalent per square foot per year) emissions.





Environmental Impact

WATER

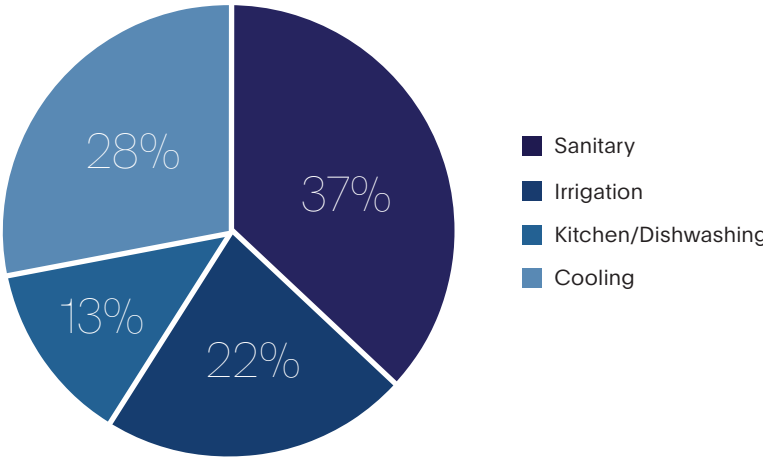
Carr Properties is committed to water conservation. We use ENERGY STAR Portfolio Manager to monitor and benchmark water usage. Since 2016, we have reduced water use intensity (gallons per square foot) by 10.3%, with a 2.2% reduction 2018-2019, and our 2025 goal is to reduce water consumption by 16%.

42% of the square footage of our operating portfolio are LEED certified buildings we developed since 2009 that are designed to use 30% less water than code, as are our three development projects.

Midtown Center, which is LEED Gold certified, has a 90,000-gallon on-site cistern to collect stormwater and condensate water. The harvested stormwater is used for cooling tower makeup water and other closed loop systems, thereby reducing the building’s use of potable water.

For our older properties, our team has replaced all existing plumbing fixtures with low flow, touchless fixtures. For instance, at The Hub over 90% of the bathroom fixtures were replaced during the recent building renovation. As detailed on the next page, water usage was reduced by 27% through bathroom retrofits across the portfolio.

TYPICAL OFFICE BUILDING END USES OF WATER



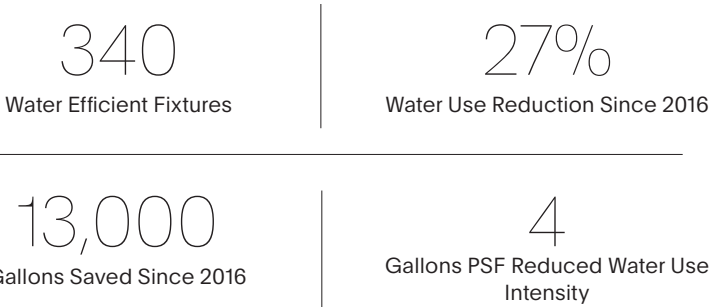
Environmental Impact

WATER THE HUB CASE STUDY

The Hub is a 13-story, 423,000 square foot, Class A Office building in the central business district of Washington, D.C. The Carr Properties team has implemented many energy and water efficiency upgrades since our March 2016 acquisition.

As part of the post-acquisition building renovation, we replaced 143 toilets, 55 urinals, 134 faucets, and eight showers with more water efficient units, with all but the showers touchless customer interfaces.

The impact of the retrofits resulted in a 27% water reduction since our acquisition. The building’s water use intensity decreased by almost four gallons per square foot, which resulted in annual water savings enough to fill two and a half Olympic swimming pools.





Environmental Impact

WASTE DIVERSION

As single stream recycling is proven to increase participation and is easier to administer, we have implemented this collection method across our portfolio. Our janitorial firms provide separate colored bins for trash, paper, cardboard, plastic, metal, and glass recyclables. The co-mingled recyclables are collected in one on-site container and then transported to off-site recycling separation centers. All waste data is tracked and benchmarked with ENERGY STAR Portfolio Manager. Since 2016, we have increased waste diversion from 28% to 33% – a total of 16% in two years. Our goal for 2020 is to increase our waste diversion rate to 34%.

As part of our customer sustainability outreach program, we actively share jurisdictional recycling policies and promote the importance of steadily increasing recycling rates to reduce the amount of waste going to landfills. Further, as part of the 2020 LEED-EBOM certification process, waste audits will be completed at The Hub, 200 State, and 901 K Street. The team is evaluating the logistics and costs of perhaps offering composting.

The loading docks at the new development projects are designed with room for various recycling initiatives. The annual e-cycling event collected over 30,000 pounds across 15 buildings in May 2019.

Environmental Impact

TRANSPORTATION

WALK, TRANSIT
& BIKE

Carr Properties is committed to owning and developing office buildings in 24/7 urban, walkable and bikeable locations with excellent mass transit. All of our properties offer excellent walkable access to public transportation and other modes of sustainable commuting options.

Most of our properties offer secure bike storage and shower facilities, to encourage customer bike usage. Further, many of our properties offer a mix of fix-it/air pump stations, individual lockers and sinks. Numerous bike share locations are located within 0.25 miles of all properties and scooters are generally available at every property.

 **WALKER'S PARADISE:**
Daily errands do not require a car

97	96
WALK SCORE CBD	WALK SCORE Portfolio

 **VERY BIKEABLE:**
Biking is convenient for most trips

87	80
BIKE SCORE CBD	BIKE SCORE Portfolio

 **RIDER'S PARADISE:**
World class public transportation

99	69
TRANSIT SCORE CBD	TRANSIT SCORE Portfolio

We promote the use of mass transit, biking, car-pool programs, and other alternatives to single occupant car commuting. Firstly, we develop and own well-located properties. Secondly, we engage with our customers about alternative commuting options through on-site events, and newsletters to continue to increase use of these more sustainable alternative transportation commuting modes.

68	350
EV Charging Stations	Bike Storage Spaces

7	.25 MILE
Building with Bike Storage Rooms	Bike Share Location Radius



MIDTOWN CENTER // WASHINGTON, D.C.



Environmental Impact

TRANSPORTATION

EV CHARGING STATIONS

With 68 EV charging stations installed to date, equating to approximately 2% of Striped Garage Spaces across our portfolio, Carr Properties is a leader in providing on-site EV charging stations in our garages. We offer a mix of Chargepoint, Tesla, and Juice Bar EV chargers for our customers.

The development projects will include over 30 additional EV charging stations by 2021.

There is rapid EV ownership growth in our markets and our EV infrastructure investments are supporting the proliferation of this more sustainable form of transportation. At each garage, we track the growth of regular EV parkers and EV charging station use.

EV Charging Stations	
Manufacturer	Number
Chargepoint	26
Juice Bar	25
Tesla	17
Total	68

Environmental Impact

INDOOR ENVIRONMENTAL QUALITY & HEALTH

With 66% of our existing portfolio square footage LEED certified and 100% of our two million square foot development portfolio targeting LEED Gold and Fitwel certifications, and Signal House also targeting WELL Building certification, our portfolio is designed to offer healthy indoor environments. To benchmark and measure this indoor environmental quality, we engaged Fitwel and WELL Building, two leading occupant focused healthy building certification standards.

Specifically:

- **Fitwel:** In 2019, Midtown Center earned a two-star Fitwel certification. We are pursuing Fitwel certifications at One Congress, Signal House, The Hub, 901 K Street, and The Wilson.
- **WELL Building Core & Shell:** We are designing our new development projects to meet most WELL Building standards. In 2015, at Columbia Center, with assistance from Carr Properties, the American Society of Interior Designers became the world's first WELL Platinum and LEED Platinum certified customer space.
- **WELL Building, Health-Safety Rating:** We plan to secure the recently introduced WELL Health-Safety Rating by year end 2020 to paper Carr Properties' commitment to high-quality operational policies, maintenance protocols, and emergency planning.
- **Chemical Water Treatment & Preventative Maintenance:** Third parties chemically treat cooling towers to control bacteria growth.
- **Legionella Testing:** Third parties test cooling towers three times per year and base building water tested once per year for harmful bacteria. We will be implementing portfolio-wide Legionella water management protocols.
- **Indoor Air Quality Testing:** Annual third-party testing and continuous monitoring at buildings with advanced Building Management Systems for CO2, volatile organic compound concentrations and other contaminants.
- **HVAC Maintenance:** Highly-skilled team maintains systems to ensure adequate fresh air and thermal comfort.

- **Volatile Organic Compounds:** Use of low or no VOC products.
- **Ultra-Violet Germicidal Irradiation:** Installed UVGI light fixtures in HVAC air handlers at The Hub in 2019 and will install throughout most of the remaining portfolio in 2020. UVGI lights are proven to measurably reduce mold, viruses, and bacteria in the HVAC system.
- **Air Filters:** In 2019, we increased air filter ratings to MERV 13.
- **Green Cleaning:** Janitorial vendors use low toxicity cleaning products and environmentally friendly cleaning practices.
- **Tobacco Free:** 100% of the interior of our buildings are smoke free, as are outdoor amenity areas and entrances.



COLUMBIA CENTER // WASHINGTON, D.C.



Environmental Impact

NATURAL HABITATS & BIODIVERSITY

Our entire portfolio of existing properties and development projects is located in urban areas. We are committed to supporting local habitats and biodiversity.

- **Stormwater Management:** As part of our commitment to LEED certifications for all development projects, we manage stormwater runoff through the installation of green roofs, storm water retention elements, including a 90,000 gallon cistern at Midtown Center, and the on-site reuse of some stormwater runoff. Our efforts contribute to protecting local freshwater resources.
- **Beehives:** In the future, we expect to support local biodiversity through the installation of rooftop beehives on some of our buildings. Signal House will be our first property to support this initiative. Honeybees pollinate flowers, vegetables, and fruits, which account for one-third of global human food supplies. In addition to the environmental benefits of honeybees, rooftop beehives located near common customer terraces are a visible expression of our commitment to sustainability.
- **Vegetable Gardens:** We continue to evaluate installations of rooftop gardens at some of our buildings, which our food and beverage retailers could then utilize the produce and herbs grown on-site.

Environmental Impact

CLIMATE RESILIENCY

Our portfolio of existing properties and development projects are all located in the greater Washington, D.C. area, and Boston, Massachusetts. The impact of climate change on weather patterns, including changing rainfall amounts, rising sea levels and extreme temperatures could have an adverse effect on some buildings. Potential impacts include higher insurance rates, higher energy and water costs, and business interruption.

We are committed to evaluating and implementing climate resiliency strategies for our buildings, our customers, and our team members. Our team includes many stakeholders evaluating climate preparedness and risk during the acquisition, development, and operating phases of each building.

Portfolio Key Resiliency Measures:

- All-risk property insurance for all operating and developing properties, including coverage for natural events
- Emergency response, life safety plans, and evacuation readiness plans developed with our customers
- Placing critical systems on or above ground floor levels as appropriate
- Identifying flood risk and mitigation strategies
- Installation of water barrier solutions where appropriate

One Congress Resiliency Strategies:

- Electrical transformers above ground floor
- Critical electrical and telecommunications above ground floor
- Air intake and exhausts above ground floor
- Temporary AquaFence barriers on-site



ONE CONGRESS // BOSTON, MA



SOCIAL IMPACT

In addition to creating healthy and sustainable buildings for our associates and customers, Carr Properties is also committed to fostering healthy communities within the workplace and in our surrounding neighborhoods. Through health and wellness, training, associate benefits, and community engagement, Carr Properties is driven by our long-held core values that continually shape and define our culture of giving back.

Social Impact

HEALTH & WELLNESS

In 2019, the Carr Properties Wellness Committee was formed to encourage associates' personal and professional productivity and their physical and mental wellbeing. The mission of the Wellness Committee is to foster a worksite culture that supports associates' desire to make healthy lifestyle choices.

- **Focus:** To fulfill its mission, the Committee is focused on providing content, resources and opportunities for associates in areas of wellness including, but not limited to, exercise, nutrition, mindfulness, sleep habits, stress management, and financial wellbeing.
- **Wellness Activities:** Sponsored monthly challenges covering a variety of wellness topics to gain interest and motivate associates to find a wellness routine that is right for their individual needs. Additionally, customers have access to state-of-the-art fitness centers, instructor-led workout classes, and wellness rooms.
- **Participation:** Our associates participated in various challenges organized by the Wellness Committee in 2019. Challenges included monthly steps, daily hydration, and daily exercise. Additional activities included a juice bar, and an essential oil blending workshop.
- **Policy:** Supported Human Resources' initiative to create a Mental Health Policy that drives the Committee's mission to support associate's mental wellbeing.
- **Education:** Educated associates on lesser known topics of wellness such as why wellness matters, mindfulness, stress management, and the benefits of better sleep by bringing in speakers for Lunch & Learns.
- **Resources:** Provided associates with relevant, easy-to-access resources, such as professional articles on monthly topics, and reminders on company-sponsored benefits.
- **Direction:** In 2020, we aim to increase participation in activities and challenges sponsored by the Wellness Committee by introducing a team-based approach. Wellness Teams will allow associates to opt into challenges and drive a sense of comradery between associates, while providing tailored content and resources based on the needs and desires of participants.

- **Food & Drink:** Through various partnerships, including Sweetgreen Outpost, we provide healthy lunch options delivered to our buildings. Additionally, Carr Properties' associates are provided with reusable water bottles and daily healthy snacks.





THE HUB 3RD FLOOR LIBRARY // WASHINGTON, D.C.

Social Impact

OUR ASSOCIATES

Carr Properties prides itself on delivering an outstanding experience in all that we do. Everything we accomplish is through our greatest resource: our people. At Carr Properties, we thrive on innovation. By leveraging our team's diverse talents and perspectives, we work together to boldly reimagine design and hospitality in the workplace. Our flat structure fosters a collaborative environment where humility, perseverance, and growth serve as the cornerstones of our everyday work and culture. Together, we are driven by our shared passion for excellence and are empowered to reinvent the workplace experience, one property at a time.

EDUCATION & TRAINING

- Professional Development
- Tuition Assistance
- Certifications, Licenses & Conferences
- LinkedIn Learning Memberships
- Performance Evaluations
- Monthly Lunch & Learns

DIVERSITY & INCLUSION

- Partnerships with Local Universities (Howard University)
- Affirmative Action Employer

ASSOCIATE BENEFITS

Carr Properties offers a vibrant and energetic work environment and challenging, high-profile projects. As one of Washington, D.C. and Boston's most respected employers, we offer stability and strong opportunities for professional development. We are committed to providing our associates with a comprehensive and competitive pay and benefits program. Our benefits include:

- Health, Dental & Vision
- Short- & Long-Term Disability
- Life Insurance
- Flexible Spending Accounts for Health, Dependent Care & Transit
- Maternity & Parental Bonding Leave
- Associate Mental Health Program
- 401 (k) with Immediate Vesting & Matching Contribution
- Tuition Assistance & Professional Development
- Generous Paid Time Off & Holidays
- Associate Referral Bonus

ASSOCIATE ASSISTANCE PROGRAM

Carr Properties provides Associates and their family members with an Employee Assistance Program (EAP) to achieve work-life balance and receive extra support for handling life's demands in the following areas:

- Family Issues (including marital)
- Legal Consultation
- Parenting
- Senior Care
- Child Care

MEDICAL

Value added programs and incentives offered to Carr Properties associates by Carefirst:

- **Telehealth:** Use the Carefirst Video Visit app to see licensed doctors for Urgent Care, Therapy, Psychiatry, Nutrition and Breastfeeding.
- **Blue Rewards Program:** Associates are able to earn money that can be put towards annual deductibles, out of pocket costs or even co-pays if they take active steps to maintain their health.
- **Carefirst 'Real Age':** Associates can take the 'RealAge test' to help determine the physical age of their body compared to their calendar age. It also identifies the habits impacting the body's age so associates can take steps to improve their well-being.
- **ShareCare Wellness & Incentive Program:** Health coaching, weight management coaching, tobacco cessation support, and financial wellbeing coaching.





Social Impact

COMMUNITY ENGAGEMENT

For over 50 years, the Carr family has been committed to community engagement, focused on providing educational opportunities for underserved youth in Washington, D.C. The Carr Properties team supports a number of community and charitable causes through financial and in-kind support and our associates volunteering their time.

For the last two years, our primary educational cause has been to support the Washington Jesuit Academy (WJA), which is a tuition-free, independent academy for young men from low-income communities in Washington, D.C. The school accepts young men from all backgrounds and religions; the only requirement for entry is a will to succeed and a desire to take advantage of all the opportunities that WJA offers. WJA provides amazing educational and life-coaching programs for young men with the odds stacked against them and helps them succeed in grades 4-8, with additional support and guidance into grades 9-12, college, internships, and their careers.

Our Carr Cares Concert is an annual event comprised of several musical acts and has raised over \$540,000 for WJA in the last two years. Our continued hope is to lead charitable efforts that will provide resources to give young men from underserved communities a chance to thrive in school and in life.

Our team engages with the students and faculty throughout the year – on campus and in our buildings.

Carr Properties hosted a Field Day with over 100 students from the Washington Jesuit Academy. The students had a great time participating in basketball, water balloon toss, soccer, and more. We also hosted the students at our headquarters office, The Hub, for Shadow Day – an opportunity to outline the day-to-day operations for various departments in commercial real estate, including development, finance, engineering, and marketing.

We are also committed to supporting our local communities through involvement in industry and governmental agencies: Building Owners and Managers Association (BOMA), U.S. Green Building Council (USGBC), National Association of Real Estate Investment Trusts (NAREIT), and other governmental working groups.



Social Impact

REPORTING METHODOLOGY

With the increased focus and interest on environmental, social and governance (ESG) key performance indicators, we are committed to reporting quality non-financial data in addition to our financial information disclosures. We report on all buildings that are at least 50% occupied and where we also exercise control over day-to-day business and/or mechanical matters.

The data in this report is primarily presented as our like-for-like portfolio since 2016. As of year-end 2019, our like-for-like portfolio consisted of 11 properties totaling 2.5 million square feet and representing 66% of our absolute portfolio, with Midtown Center, 200 State, and 2311 Wilson excluded.

In order to standardize and structure asset-level data for purposes of aggregation into portfolio-level statistics a number of assumptions are made as follows: (i) all office assets have electric service and therefore maximum electric coverage is always equal to the total portfolio size of the given property type; (ii) fuel and district service is not always applicable to each site; therefore, maximum coverage is not always equal to the total portfolio size for this portfolio, but instead is a portion of the total known serviced floor area.



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