



ENVIRONMENTAL, SOCIAL & GOVERNANCE

Policies & Practices



ESG POLICIES & PRACTICES



Lowe is committed to creating and implementing environmental, social, and governance (ESG) policies that are consistent with best practices in commercial real estate.

The policies outlined below align closely with Lowe's existing mission, vision and values. ESG is a relatively new industry term recognized by Lowe's lenders, investors, communities, and team members specific to environmental, social and governance concerns. As a result of this new focus, measuring compatibility of the company's mission and vision compared to its ESG implementation is now more clearly defined than before.

It is important to have a common definition of sustainability. Lowe, like many firms, has adopted the UN Global Compact's definition; "Corporate sustainability is a company's delivery of long-term value in financial, environmental, social, and ethical terms." Accordingly, the Company has engaged internal team members from different Lowe platforms to work together along with ESG and Diversity, Equity, and Inclusion (DEI) experts to aggregate Lowe's current practices with those that can further enhance the work experience for Lowe's team members and the lived experience for its tenants and guests.

The policies and practices outlined herein apply to both development activities, and operating assets. To complement the recommended policies and practices, *we have listed examples of actions taken that are relatable representations of marrying policy to practice.*



ENVIRONMENTAL POLICIES



Lowe's environmental policies manage risk, minimize waste, increase awareness, make effective use of natural resources, and drive excellence throughout the portfolio as part of our commitment to improve environmental and financial performance, and strengthen organizational resilience. These policies apply to new construction, renovation projects, existing assets, and corporate operations.

LEED SILVER



The Company has set a minimum environmental performance baseline of LEED Silver for all development and renovation projects. From a project's inception, from acquisition through schematic design, the project team will utilize an in-place Environmental Project Planner that will offer multiple pathways to achieve the LEED baseline. Unless approved by Senior Leadership, all Lowe projects will attain a minimum certification of LEED Silver.

IMPLEMENTING ENVIRONMENTAL POLICIES - BEST PRACTICES

Lowe seeks to reduce the impact on the environment across development and operations through clearly communicating our goals and measuring, benchmarking, enforcing goal achievement against such benchmarks, and continuously improving the use of natural resources and negating the impact of waste across all platforms.

1. Lowe will ensure that ENERGY STAR Portfolio Manager is used to benchmark environmental metrics, including energy, water use, and waste for development projects and operating assets across each line of business.
2. Lowe will implement best practices in energy efficiency, electrification, waste management, and decarbonization.
3. Lowe will prioritize environmental decisions for new developments, building upgrades, and capital expenditures.
4. Using the Environmental Project Planner, Lowe will maximize the use of energy rebates and tax incentive reduction programs, per project on a local and national basis.
5. Lowe will avoid and reduce embodied carbon in its renovation of existing projects.

LOWE ALIGNS ITS ESG GOALS WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

United Nations Sustainable Development Goals (UN SDGS) comprise the world's shared plan to protect the planet, separate economic growth from climate change, end extreme poverty and reduce inequality.



Support employee wellbeing, physical and mental health through engaging work, positive and healthy work environment, good healthcare, and community engagement opportunities.



Support gender equality through inclusive hiring practices, engagement, and equitable pay.



Increase investment in renewable energy sources and highly efficient property solutions to reduce greenhouse gas emissions and help combat climate change.



Provide good paying jobs and growth opportunities while supporting appropriate risk adjusted returns for our investors.



Seek to be a leader in reducing inequalities throughout our business, partnerships, and communities.



Invest in and develop properties that are climate resilient, regenerate blighted land uses, and support healthy, strong and sustainable communities.



Work with Lowe corporate teams, operations and construction teams, and service providers to reduce waste and consumption across portfolio.



Baseline, benchmark, measure and report our ESG execution and performance towards energy and greenhouse gas emissions reduction targets.



Engage with internal and external stakeholders including Lowe teams, partners, and communities in which we invest and work, to promote sustainable practices.

*Lowe has adopted 9 of the 17 UN SDG's. For more information on those not included please see: <https://sdgs.un.org/goals>

CONSTRUCTION AND VENDOR ENGAGEMENT – BEST PRACTICES

Lowe enforces contract clauses related to energy efficiency, decarbonization, and waste management through the design, construction, and operations of its projects. Lowe also requires environmental compliance and conservation of resources reporting on a monthly basis. Further, Lowe encourages its project teams to consist of a diverse make-up of vendors, consultants, and sub-contractors.



SOCIAL POLICIES

External

Lowe is determined to positively contribute to the communities it serves. Our company mission, to create innovative, lasting environments and meaningful experiences that connect people and place, speaks to the depth of our commitment. We approach each project with a focus on how it will be used, appreciated and experienced. We create places for the community to live, work, shop, play and gather together. Throughout the decades, we have continued to expand the method and reach of this contribution.

CRE-Access, the intern and mentorship program we founded in 2022, strives to increase diverse professional participation in commercial real estate by providing access to real estate careers to Howard University students. Concord Communities, Lowe's affordable housing subsidiary, was formed to reduce the burden of housing costs to benefit low-income families. Further, by leveraging its national position Lowe seeks to increase the impact of its charitable contributions and volunteerism.

IMPLEMENTING SOCIAL POLICIES - BEST PRACTICES

Lowe established CRE-Access, which is a cause for increasing diverse participation in commercial real estate in conjunction with Howard University. CRE-Access offers an inside pathway to internships, learning, and mentorship to facilitate opportunities and introduces Howard University students to aspects and roles in the professional commercial real estate career industry.

In CRE-Access' first year, 12 Howard students completed internships with developers, architects, engineers, property managers, and general contracting companies. As of August 2023, two Howard graduates have taken permanent positions with The Whiting-Turner Contracting Company. In its second year, CRE-Access has received 26 internship commitments from its members and sponsorship of the program has doubled.

CRE-Access differentiates itself as a "cause" due to its 360-degree approach. It believes that internships are a start, however, it is the continued engagement, subject matter expert training, networking support, and personal involvement that make it highly effective. CRE-Access has contributed to advancing the pace of Howard University's real estate curriculum and looks forward to playing a continued important role in its growth and success.

Concord Communities, the affordable housing subsidiary of Lowe, was established to reduce the cost of housing for families and to increase the level of service and opportunity one should be afforded in their lived experience. Concord has increased services, provided computers, job opportunities, health and wellness events, and holiday events for residents of its communities.

SOCIAL POLICIES

Internal

Lowe believes its most valuable asset is its experienced and productive team, and Lowe is committed to fostering, cultivating, and preserving a welcoming culture for all teammates. Our success is reliant on the collective sum of individual talents. We embrace and support team members of all backgrounds, as our culture is founded on dignity and respect for all individuals.

Lowe's culture embodies integrity and respect as evidenced by the below:

1. Recruiting from a diverse candidate pool and selection of high-performing, qualified candidates
2. Providing compensation and benefits that support quality lifestyles for employees from all backgrounds with living wage and pay equity protocols
3. Guiding team member career paths through promotions, transfers, and professional growth with transparent milestones and expectations
4. Continuing to create a more inclusive and diverse team rooted in a culture of mutual respect, where we acknowledge our differences to make us stronger as an organization
5. Embracing equal opportunity regardless of race, color, ancestry, religion, sex, national origin, sexual orientation, age, citizenship, marital status, disability, gender identity or Veteran status

We focus on developing a work environment that promotes the following:

1. Respectful communication and collaboration between all teammates
2. Teamwork and team member participation, encouraging all perspectives and inclusion
3. Work/life balance through flexible work schedules to accommodate team members' varying needs subject to job duties and responsibilities
4. Contributions to and volunteerism in the communities we serve. Treating others with dignity and respect
5. Conduct that reflects these Lowe values during work, at work functions on or off the site, and at all other company-sponsored and participative events

TEAM PERFORMANCE AND CAREER DEVELOPMENT

Lowe is committed to supporting the performance and career development of our team, striving to provide a culture of learning, growth, and performance excellence. Lowe fosters a growth mindset through establishing clear performance objectives and driving team member success and career development.

Best practices and initiatives that Lowe implements for team performance include:

1. Encouraging team members to engage in relevant training opportunities, including formal training sessions, coaching, mentoring, and participation in career development opportunities
2. Encouraging community service through implementation of a volunteer program
3. Supporting team members through unexpected crises and life events

In 2024, the company will introduce the Lowe Leadership Experience, which is an important career guidance, growth, and mentorship program, to provide on-going support to the company's future leaders.



GOVERNANCE



Lowе embraces its fiduciary obligations to be a good steward of capital investments. Lowе is transparent in all of its business and financial reporting, including communicating regularly with lenders and investment partners. Frequent communication with individual capital partners on matters of special interest of the stakeholder provides additional transparency.

COMPLIANCE

To ensure compliance and adherence to government regulations and industry standards, Lowе enforces its Code of Business Conduct and Ethics across the organization.

TRANSPARENCY AND REPORTING

Beyond the requirements associated all development and operations, Lowе voluntarily shares information with stakeholders. Lowе looks to align with and prepare for recognized frameworks, reporting, and certification for various processes and properties, depending on region and property. This may include GRESB, UN Global Compact, LEED certification, and others. The development of our ESG strategic plan and program are in alignment with the UN Sustainable Development Goals (UN SDGs) as underlying drivers to our larger ESG goals, key performance indicators, and long-term targets.

Lowе’s additional governance best practices and initiatives include but are not limited to:

1. Providing transparency to appropriate stakeholders through annual corporate reporting;
2. Designing goals and targets to be SMART (Specific, Measured, Achievable, Relevant and Time-bound);
3. Working to develop key performance indicators (KPIs) and progress toward goals with investors and community partners over time; and
4. Developing and implementing formalized, modern Code of Business Conduct and Ethics, and ESG+R (Environmental, Social, Governance, and Resilience) Policies.

The Lowе ESG Policies have been developed in accordance with the company’s Sustainability Mission and ESG Principles. It serves as our guide to embed practical strategies that support our overall business strategy, add value to our day-to-day operations and drive positive impact in our communities. These Policies will be monitored and reviewed annually by Lowе executive leadership and ESG Working Group, including representatives in varying roles throughout the company. These Policies will be shared with all employees and customers and disclosed to our investors and other key stakeholders via our website.





LOWE