



**National**  
REAL ESTATE ADVISORS

# CORPORATE RESPONSIBILITY REPORT

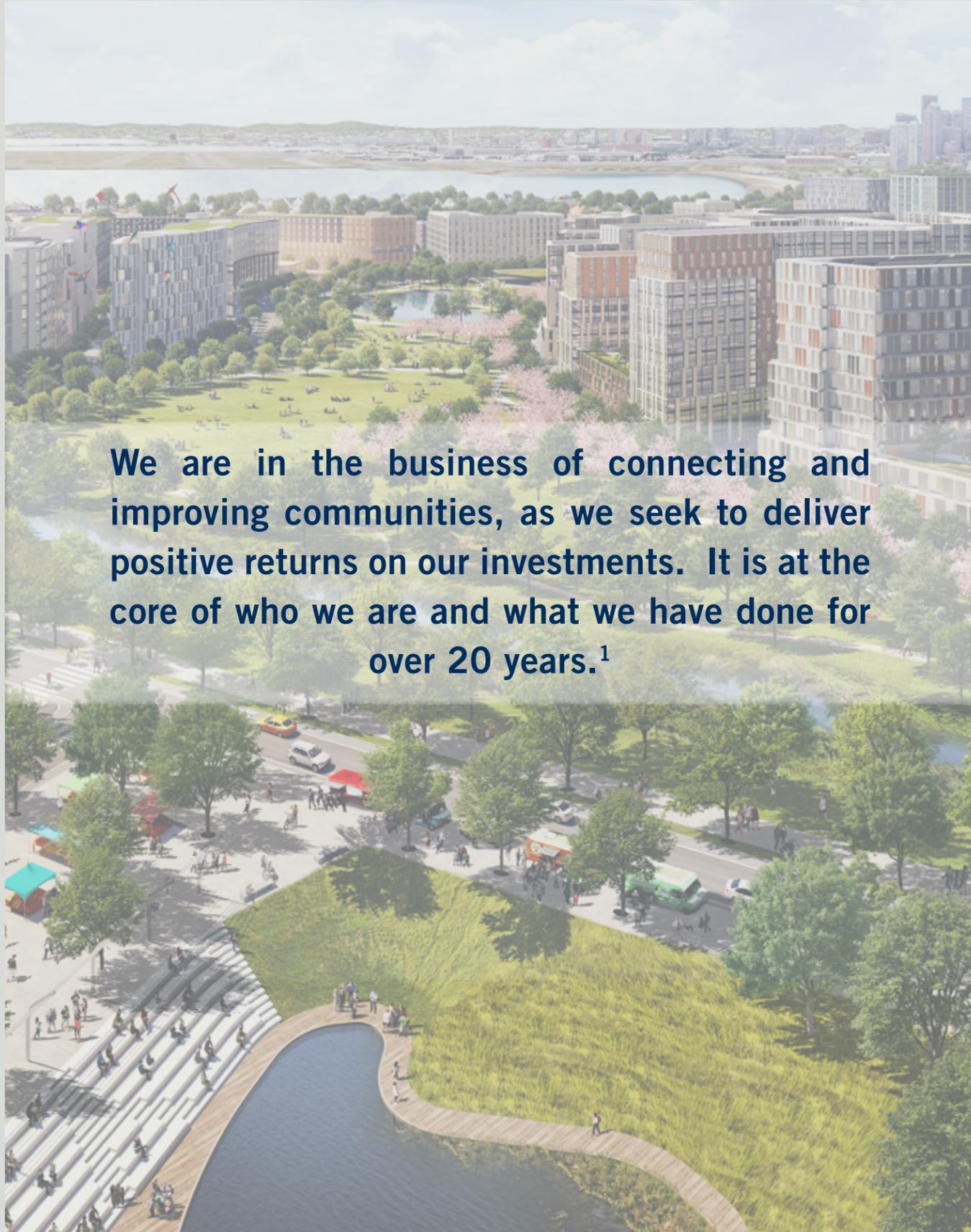
**2022**



1101 Chestnut Street, Philadelphia, PA

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**We are in the business of connecting and improving communities, as we seek to deliver positive returns on our investments. It is at the core of who we are and what we have done for over 20 years.<sup>1</sup>**

Rendering of Suffolk Downs, Revere, MA

## A Message from our CEO



In 2022, National's commitment to making a positive impact on our communities continued across the portfolio with new investment types, improved building efficiencies, and 22 active construction projects that put the skills and spirits of local people to work throughout the country.

**From 2000 - 2022, National's investments amassed \$17.38 billion in total project costs, which created 69,122 jobs, further translating into roughly 139 million labor hours.**

At National, our dedication to responsible Environmental, Social, and Governance (ESG) practices is evidenced by the following:

- Focusing investments on innovative and critical service sectors, such as data centers and medical offices
- Expanding our geographical investment footprint
- Launching a workforce housing investment initiative to address the nationwide housing demand
- Maintaining partnerships that prioritize sustainability, diversity, fairness, and inclusion in a prudent and balanced manner
- Continuously monitoring energy usage in the buildings within our portfolio

Our portfolio continues to achieve a GRESB Green Star designation, the global benchmark for measuring sustainability performance, and for the third year in a row, we have ranked first within our peer group in the GRESB Real Estate Assessment Development Benchmark Report.

Notably, in 2022, our team continued to foster our hybrid work environment, which allowed for employee flexibility, improved work-life balance, and the reduction of daily commute expenditures.

I want to recognize and thank our dedicated team for its continued commitment to excellence. Thank you to our investors who entrust their money and livelihoods to us. Through good times and challenging ones, we remain steadfast in our mission, seeking to exceed our client's expectations and deliver solid, long-term returns on investments, while improving the communities in which we live and invest.

Jeffrey Kanne,  
President and CEO, National Real Estate Advisors, LLC

The GRESB Rating was granted in October 2015 for the period ending 12/31/2015 and consecutively each October for the years 2016, 2017, 2018, 2019, 2020, 2021, 2022. Each year, a Real Estate Membership - Assessment Participation Fee of \$5,000 was paid directly by National to GRESB.

# Portfolio Highlights

**11** ENERGY STAR™ Certifications in 2022

**98** Electric Charging Stations Across the Portfolio

**14.8** Million ENERGY STAR Rated Building Square Feet Since 2018

**8.6** Million Square Feet of Green Building Certifications Awarded Since 2018

*“At National, we understand that ESG considerations are critical to the long-term success of our business, and we are dedicated to continuously refining our ESG program and practices.”*

*- Jeanne Ayivorh  
Chief Operating Officer*



# ESG Tactics

ESG initiatives are embedded into National’s business practices, project management, portfolio and asset management. Alongside vetted consultants and trusted project partners, we strive to understand and mitigate risk while improving our built environment and generating sustainable returns.

### RISK MANAGEMENT PLATFORM

The research and asset management teams create National’s climate risk assessments with help from a third-party risk consultant. Our process uses a catastrophic risk model typically used by insurance companies to understand the risk to the portfolio from inland floods, earthquakes, hurricanes, wildfires, and convective storms (tornadoes, severe thunderstorms, including heavy rainfall, strong winds, and hail). Staff can use this model to assess the overall catastrophic risk contained in the portfolio and help inform the firm’s geographic strategy.

### ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Our EMS integrates third-party data measures into our reporting process, which allows for consistent review, evaluation, and improvement of asset performance alongside our ESG benchmarks.

### SUSTAINABILITY GOALS

National seeks to increase the following sustainability targets:

- Building Certifications
- Data Coverage
- Diversion Rate or Waste Diverted from Landfill
- Green Leasing

Catastrophic Risk Model: a computerized process that simulates potential catastrophic events and estimates the amount of loss due to the events.



Outdoor Fitness Class, East Market, Philadelphia, PA

# Operator Spotlight: Sabey Data Center



(left) Aerial, SDC Quincy, Quincy, WA (right) Interior, SDC Columbia, Wenatchee, WA

National, on behalf of its clients, has invested in Sabey Data Center Properties, (SDCP), a highly regarded, privately held data center company. The two companies have developed a strategy to address environmental and governance issues with a focus on reducing energy consumption and monitoring its impact on the environment. SDPC is recognized for its use of low-cost, low-emission hydroelectric power and is actively working to reduce the need for carbon-heavy electricity sources through efforts such as renewable energy sourcing, low-energy cooling technologies, and utility partnerships with green power programs.

### BETTER CLIMATE CHALLENGE

The team is committed to reducing non-IT energy intensity by 20% and greenhouse gas emissions by 50% over ten years as part of the U.S. Department of Energy’s Better Buildings and Better Climate Challenge. The team has already exceeded its goal, achieving a 41% reduction in energy consumption since 2014.

### GREEN LEASE LEADERS

As a member of the Green Lease Leaders program, SDPC prioritizes landlord-tenant transparency and collaborations to promote green leasing strategies. The team tracks utility consumption data, provides energy training for brokers and leasing agents, and implements cost recovery clauses for energy efficiency upgrades that lower tenant energy usage. In 2022, SDPC received the highest Gold recognition for its commitment to green leasing.

*“The impact our portfolio has on the environment and communities is a key consideration as tenants are more conscious about their environmental footprint and are demanding that their home and office spaces become more sustainable. It’s essential for us to focus on sustainable operations and implement green initiatives across our portfolio as it drives returns.”*

*- TJ Hofheimer  
Managing Director, Portfolio & Asset Management*



### ENERGY CERTIFICATIONS

Seven of SDPC’s buildings have received EPA ENERGY STAR certification with A+ ratings for maintaining exceptional energy use intensity. The portfolio scored over 95 out of a total score of 100, with one facility achieving a perfect score, making it more energy-efficient than 100% of similar properties nationwide.

### OTHER HEALTHY BUILDING CERTIFICATIONS

300 Boylston is a Class A, mixed-use, wellness and medical office building consisting of approximately 293,120 square feet located in Chestnut Hill, MA. In 2022, 300 Boylston received a FitWel® Healthy Building certification for its impact on community health, accessibility, and focus on physical activity. Fitwel is the world’s leading certification system committed to building health for all.



300 Boylston, Chestnut Hill, MA

# National at a Glance<sup>1</sup>

National strives to mitigate detrimental environmental outcomes while ensuring long-term value to stakeholders. Our projects seek to put people to work in their communities, create jobs, and improve the communities in which we invest.

As a company and individuals, we're inspired and driven by a collective mission to:

- Exceed our clients' expectations
- Pursue socially responsible investing, sustainability, and improve the communities in which we invest
- Provide a challenging, rewarding and supportive work environment

From 2000 to 2022 we have produced:

**\$8 Billion**  
Gross Asset Value

**\$4.5 Billion**  
Net Asset Value

**147**  
Projects

**22**  
Projects Under Construction

**\$17 Billion**  
In Project Costs

**69,100+**  
Jobs

**22**  
Years of Operation

**46**  
Employees

**8**  
Average Employee Tenure (Years)

**\$4.34 Billion**  
In Labor Income

**139 Million**  
Labor Hours

*"Our investment strategy is directly influenced by our corporate responsibility efforts and goals, which not only guide our investment decisions but also influence where we choose to invest and which opportunities we choose to avoid."*

- **Kevin Verdi**  
Chief Investment Officer



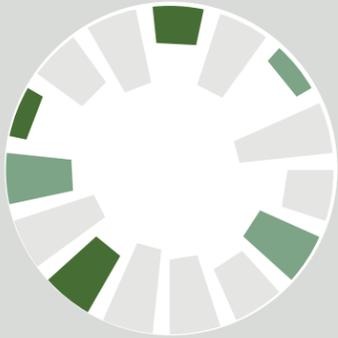
Construction at 311 W 42nd Street, New York, NY

<sup>1</sup>Please refer to Endnotes found at the end of this document.

# Awards & Recognition



2014, 2016, 2017,  
2018, 2019, 2020,  
2021, 2022



**G R E S B**  
★★★★☆ 2022

**GRESB Green Star Ranking**  
2015, 2016, 2017, 2018, 2019,  
2020, 2021, 2022

**GRESB Development Benchmark**  
**Report # 1 Ranking**  
2020, 2021, 2022



2022



National Team at Topping Out of 311 W 42nd Street, New York, NY

National is ranked among the United States of America/Diversified Core group. More information about GRESB can be provided upon request.

The GRESB Rating was granted in October 2015 for the period ending 12/31/2015 and consecutively each October for the years 2016, 2017, 2018, 2019, 2020, 2021, 2022. Each year, a Real Estate Membership - Assessment Participation Fee of \$5,000 was paid directly by National to GRESB.

The Pensions & Investments Best Places to Work in Money Management Program recognition was granted in December 2014 for the period ending 12/31/2014 and consecutively each December for the years 2016, 2017, 2018, 2019, 2020, 2021 and 2022. Each year, a Participation Fee of \$850 was paid directly by National to Best Companies Group for the "Insights Report Package" for employers having 25-99 employees as part of the Best Places to Work In Money Management program.

The Best Companies Group Inclusive Workplace recognition was granted in December 2022 for the period ending 12/31/2022. For 2022, a Participation Fee of \$499 was paid directly by National to Best Companies Group.

**Increasing Diversity in the Commercial Real Estate Industry**

In 2022, National continued a partnership with the PREA Foundation, the philanthropic arm of the Pension Real Estate Association, which promotes diversification and inclusion in the real estate industry. The partnership aims to increase diverse employment in the commercial real estate industry by developing a Sponsors for Educational Opportunity (SEO) Real Estate track internship program.

To learn more about this initiative, visit [www.prea.org/foundation/](http://www.prea.org/foundation/)

# Community Impact: People

## BUILDING RELATIONSHIPS AND VALUE THROUGH COMMUNITY

The work we do puts people to work in their communities, transforming them into more connected, vital, and prosperous neighborhoods, cities, and economies. Our mission is centered around the pursuit of socially responsible investing and the improvement of the communities in which we invest.

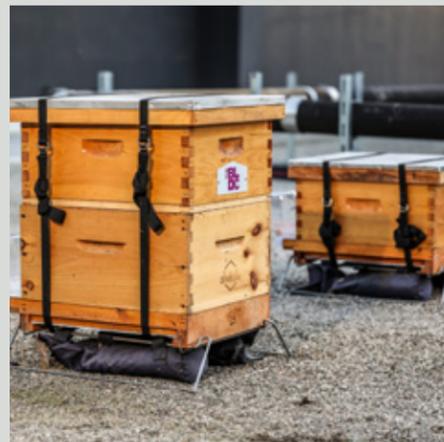
National has created  
**69,100+**  
Jobs Since Inception



Electrical Workers at Catalyst Stellhorn, Ft. Wayne, IN

## COMMUNITY PROGRAMMING SPOTLIGHT: HONEYBEES AT THE BLOC

At The BLOC, our mixed-use development in Downtown Los Angeles, we have partnered with an urban beekeeping company that establishes and maintains hives on city rooftops. In 2022, two beehives were established at The BLOC, and they were able to harvest approximately 30 pounds of honey in the first season. This tenant-focused engagement amenity not only provided an ecological advantage to unused space but also shared data with the worldwide scientific community to better understand the causes of bee mortality and support the protection of pollinators.



The BLOC Bees Project, The BLOC, Los Angeles, CA

## PROJECT SPOTLIGHT: CREATING JOBS AT SUFFOLK DOWNS

Suffolk Downs, a former horse racing site on the border of East Boston, is being redeveloped in one of the largest real estate projects in Boston's history. We partnered with HYM Investment Group to deliver nearly 4 million square feet of residential development over the next eight years. In 2022, the construction team hosted an industry-focused job fair to recruit and train the next generation of building trades workers. Over 300 men and women attended the event.



(left) Job Fair Attendees, Revere, MA (right) Rendering of Suffolk Downs, Revere, MA

*“At National, we believe that responsible investing is an important element of generating financial returns. We recognize the importance of investing in our communities to create a sustainable and prosperous future for all. It’s not just the right thing to do; it’s good business.”*

*- Michelle Johnstone*

*Managing Director, Investor Relations*



# National Real Estate Development (National Development)

National Development, the full-service development subsidiary of National and one of its development partners, is dedicated to supporting the firm's sustainability initiatives. Through its diverse and collaborative team, National Development transforms communities with development and redevelopment projects in major U.S. cities. Its projects range from residential, workspaces, and retail to medical office buildings and hotels, and are designed to make communities more connected, sustainable, vibrant, and prosperous.

National Development strives to incorporate and improve sustainable practices throughout their business, from projects to people and operations. By prioritizing sustainability, National Development aims to set an example for its peers, partners, and clients, and contribute to a more sustainable future.



Aerial View of East Market, Philadelphia, PA

*“National Development strives to set an example by building dynamic and sustainable projects that enrich the communities in which we develop. For us, sustainability is a mindset: a long-term vision for the way we want to live, work, create, build, grow, and gather.”*

*- Daniel Killinger  
President, National Real Estate Development*



# Property Spotlight

## EAST MARKET - 1101 CHESTNUT STREET (Philadelphia, PA)

In 2020, National, with National Development as the developer, began the construction of the future Jefferson Health Specialty Care Pavilion in Center City, Philadelphia. The building is the final piece of National's 4-acre East Market redevelopment project which consists of two apartment buildings, an office building, retail spaces, a hotel, and a pedestrian plaza. Upon completion in 2024, the medical office building will reach 20 stories and house 462,000 square feet of ambulatory care facilities.

1101 Chestnut has preliminary approval for LEED Silver Core and Shell certification. The project team commissioned a retroactive Life-Cycle Assessment (LCA) of the production of materials used to construct the building. LCAs are an emerging means to analyze the environmental impacts of a building; with this tool, the team was able to evaluate carbon emissions from materials produced to construct the building's foundation and structural systems and gain valuable insight into the importance of supplier selection when working to minimize risk to the environmental risk.

The building will contribute to the redefining of the Center City neighborhood, providing critical care to the community by employing approximately 900 healthcare professionals, servicing over 1,800 patients per day.



Construction Views, 1101 Chestnut Street, Philadelphia, PA

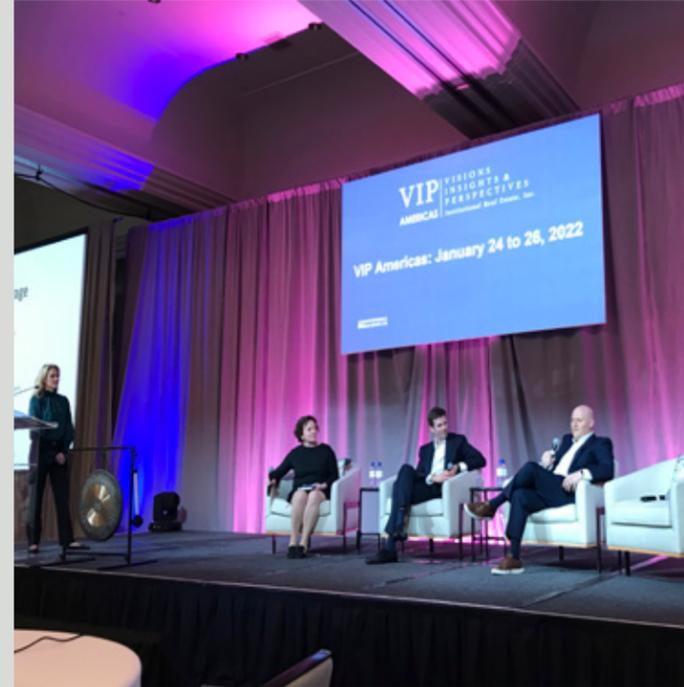
# Community Impact: Employees

We are a team of creative and collaborative professionals from all walks of life—and we know it's our differences that make us stronger. We are dedicated to providing solid, long-term returns on investments through a strong work ethic and company culture that includes respect, support, and opportunity for all.

## OUR EMPLOYEE BENEFITS

National's competitive and equitable compensation is designed to inspire, reinforce, and reward a culture of empowerment and teamwork.

- |   |   |   |                                    |
|---|---|---|------------------------------------|
|    | <b>Medical / Prescription</b>               |    | <b>Long-Term Disability</b>        |
|    | <b>Dental</b>                               |    | <b>Qualified Transportation</b>    |
|    | <b>Vision</b>                               |    | <b>Employee Assistance Program</b> |
|  | <b>Employees 401(k) Plan</b>                |  | <b>Tuition Reimbursement</b>       |
|  | <b>Defined Contribution Retirement Plan</b> |  | <b>Wellness Program</b>            |
|  | <b>Group Term Life Insurance</b>            |  | <b>Time Off</b>                    |
|   |   |  | <b>Telework Opportunities</b>      |



*“With our hybrid work environment, we know National’s collaborative, fun, and people-first culture is critical to retaining our top talent. Programs such as our monthly lunch and learn series bring the firm together to engage across departments and get to understand their peers on a more personal level.”*  
 - [Flor Orellana](#)  
 Director of Human Resources and Talent Management



# Governance

National's core leadership team has collaborated for over 20 years.<sup>1</sup> Our guiding principles and governance structure supports innovative programs and strategies aimed at advancing ESG measures, increasing transparency, and bringing value to our stakeholders.

Our ESG program is championed by a cross-department ESG Task Force, which supports the program's implementation throughout the portfolio. Sponsored by the Chief Operations Officer, National's Managing Director, Portfolio & Asset Management and Associate ESG Specialist monitor and streamline property management operations, development protocols, and ESG initiatives in support of improving fund performance.

**National's Diversity, Inclusion, and Engagement Policy** recognizes that there are many benefits to an inclusive and diverse workplace, including the following:

- Increased creativity in decision-making
- Greater understanding of our clients' interests
- Engaged and satisfied workforce
- Increased company performance and profitability



*Several Members of Investment Committee and Management Team*



*1101 Chestnut Street, Philadelphia, PA*



**National**  
REAL ESTATE ADVISORS  
900 SEVENTH STREET, NW  
SUITE 600  
WASHINGTON, D.C. 20001  
T: 202.496.3370  
F: 202.467.9464  
WWW.NATADVISORS.COM

*Front Cover Image: Plaza View at The BLOC  
Back Cover Image: Office Interior with Mural at The BLOC*

## ABOUT NATIONAL

National Real Estate Advisors, LLC (National) is an investment manager developing, operating, and managing commercial real estate projects across the United States. National is focused on environmental sustainability, social responsibility, and strong governance practices which seek to create value for investors and benefit local communities. Founded in 2000, the firm constructs investment portfolios of diverse property assets—apartment, office, mixed-use, medical/healthcare, industrial (including data centers), and hospitality.

### ENDNOTES

1. All report data current as of December 31, 2022.  
National commenced operations on January 1, 2010. National's key senior investment management personnel generally worked together at National's predecessor firm, NEBF Real Estate, from 2000 through 2010. National was the result of a spin-out of an internal division of the NEBF, and all senior investment management, involved in real estate investments, transitioned from NEBF Real Estate to National.
2. Registration as an investment advisor does not imply any level of skill or training. National is a registered investment adviser with the United States Securities and Exchange Commission (SEC). The SEC does not endorse, indemnify, or guarantee National's business practice, selling methods, the class or types of securities offered, or any specific security.
3. Detailed definitions of GAV and NAV are available upon request.
4. Figures produced externally by Pinnacle Economics. Pinnacle Economics uses an input-output model contained in the IMPLAN economic impact modeling software to calculate the economic impact of National's clients' projects based on detailed expenditure data provided by National. These calculations include the period from 2000 through 2010. Total projects include all projects that National has participated in plus three additional projects that occurred on sites adjacent to National's clients' projects that are formally owned by National clients.
5. National Real Estate Development, LLC is a subsidiary of National Real Estate Advisors, LLC and was established in June 2013 to offer a full spectrum of development related services as well as consulting and advisory services to investors, joint venture partners, and developers, and to provide technical expertise and project oversight capabilities.
6. National is an independently operated subsidiary of the National Electrical Benefit Fund, a substantial pension trust with a significant amount of assets managed by National on a discretionary basis.
7. The real estate investments identified and described do not represent all of the investments purchased, sold or recommended for client accounts. The reader should not assume an investment in the projects identified was or will be profitable. A full list of National clients' assets can be provided upon request.
8. Past performance is no indication of future performance.
9. Total number of employees are from distinct affiliates, National and National Real Estate Development, as of December 31, 2022. More information about GRESB can be provided upon request.