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VICTOR B. MACFARLANE

A Message from Our Founder and Executive Chairman

Looking back at 2024, I am proud of the strides MacFarlane Partners has made in advancing our commitment to environmental, social, and governance (ESG) principles. Our journey, which began nearly four decades ago, has been marked by innovation and a steadfast dedication to redefining urban development. This year, we have further solidified our ESG efforts, integrating them deeply into our operations and strategic goals.

Our commitment to social responsibility remains strong, as evidenced by our support for affordable housing initiatives and community engagement programs. The Freedom West 2.0 project, facilitated by SB593, is a testament to our dedication to preserving and building affordable housing, allowing low-income residents to remain in and return to San Francisco. This project exemplifies our approach to combining private capital with public policy and resident engagement to create equitable urban environments.

We also continue to prioritize diversity, equity, and inclusion (DE&I) within our firm. Our workforce reflects the diverse communities we serve, and we are proud of our key diversity metrics, including a high percentage of women and under-represented racial/ethnic minority employees. We remain committed to our ESG and DE&I goals, recognizing that our actions today will shape a more sustainable, equitable, and resilient future. We will continue to challenge ourselves to innovate, lead by example, and make a positive impact on the communities we serve.

Thank you for your continued support and partnership.

Victor B. MacFarlane
Founder and Executive Chairman



LANDON TAYLOR

From the Desk of Our CEO

Our 2024 ESG report highlights several key achievements and initiatives that underscore our commitment to sustainability and social responsibility. Our materiality assessment has confirmed that we are effectively addressing critical ESG issues, while also identifying areas for improvement, providing us with valuable opportunities to enhance our strategies and resource allocation.

During 2024, we continued to illustrate our commitment to being a responsible steward of the environment. We developed net-zero pathways for our assets, aiming for a 50% reduction in greenhouse gas emissions by 2030 and achieving net-zero carbon emissions by 2050, because we know the built environment has significant contributions to global greenhouse gas emissions.

We also continued to invest in our communities throughout 2024. From the exciting developments at our \$3 billion, place-based revitalization of four city blocks in San Francisco's Fillmore District, known as Freedom West 2.0, to our third year of executive volunteer support for Turner Labs, we strive to create benefits and better the communities in which we invest.

We are pleased to share the MacFarlane Partners' Annual ESG Report with you! Through this report, we illustrate our commitment to being responsible community members through our business operations. As we look to the future, we will remain dedicated to the values that the firm was founded upon as we continue to bring value to our various stakeholders.

Landon Taylor
Chief Executive Officer

I. About MacFarlane Partners

MacFarlane Partners is a minority-owned real estate investment management and development firm that is committed to the highest standards of conduct and responsible environmental, social, and business ethics practices in our operations.

We are a leading investor in and developer of properties that promote smart growth, urban revitalization, and sustainability in urban and high-density suburban submarkets of top-tier metropolitan areas nationwide. Since our founding in 1987, we have invested more than \$20 billion in real estate assets, totaling 15,000 multifamily housing units and eight million square feet of commercial space.

For more than three decades, we have been guided by our mission of achieving investment success for our stakeholders while making a positive difference in the communities in which we invest.

\$4 Billion

Existing/planned real estate assets under management

4,900

Existing/planned residential units managed

1.1 Million

Existing/planned commercial sq. ft. managed

Key Achievements in 2024

- **Net-Zero Carbon Emissions Target:** We set a target to achieve net-zero carbon emissions for properties under our operational control by 2050, with an interim goal of a 50% reduction from the 2022 baseline by 2030. In 2024, we worked with our external consultants to develop net-zero pathways for each asset that identify initiatives that would reduce the property's GHG emissions in pursuit of the goals.
- **Freedom West 2.0:** Significant progress was made on the Freedom West 2.0 project, including securing \$24 million in founder circle funding, receiving 188 HUD Section 8 tenant protection vouchers, and being awarded \$3 million in pre-development funding from the City of San Francisco.
- **Diversity, Equity, and Inclusion (DE&I) Metrics:** The firm boasts impressive diversity metrics, with 44% of employees being women, 78% from under-represented racial/ethnic minority groups, and 100% of C-level executives and senior management from under-represented racial/ethnic minority groups.

2. Our ESG Commitment

Since our founding in 1987, MacFarlane Partners has demonstrated a commitment to the highest standards of conduct and responsible environmental, social, and governance practices in our properties and communities.

As such, we have integrated ESG considerations into our policies and procedures at both the firm and investment levels. Our commitment to ESG is outlined in our ESG Policy, which is publicly disclosed on our website. As ESG best practices continually evolve, this year, we reviewed and updated our Policy to align with current standards.

We understand that our impact goes far beyond the walls of our buildings—to our employees, the surrounding communities and the environment. Therefore, we are committed to operating in an environmentally and socially responsible manner to promote positive impacts to all those we touch.

ESG Integration Process

We integrate material ESG risks and opportunities throughout the investment life cycle through various processes by:

- Identifying relevant, material ESG risks and opportunities during due diligence
- Proactively monitoring material ESG issues, as appropriate
- Partnering with Measurabl, a real estate ESG data platform, to track and report energy and water consumption, GHG emissions, and waste production
- Developing tenant engagement programs that meet the unique needs of each asset
- Promoting environmental sustainability by providing recycling guidance for our multifamily residents
- Utilizing resident feedback to improve satisfaction
- Supporting local community organizations through charitable contributions
- Incorporating ESG aspects—such as climate risk levels, LEED certifications and community impact—into the assessment of an asset's value as part of preparing for an exit

2. Our ESG Commitment

Materiality Assessment

To enhance transparency and identify the ESG issues that are most important to us, we have engaged a third-party consultant to conduct a materiality assessment. Through a series of interviews with leadership and surveys completed by employees and tenants, this year's assessment found that six issues rose to the top, as highlighted below.

- Employment practices and employee engagement,
- Diversity, equity and inclusion (DE&I),
- Resident and community engagement,
- Natural resource management,
- Disclosure and reporting, and
- Ethical business conduct.

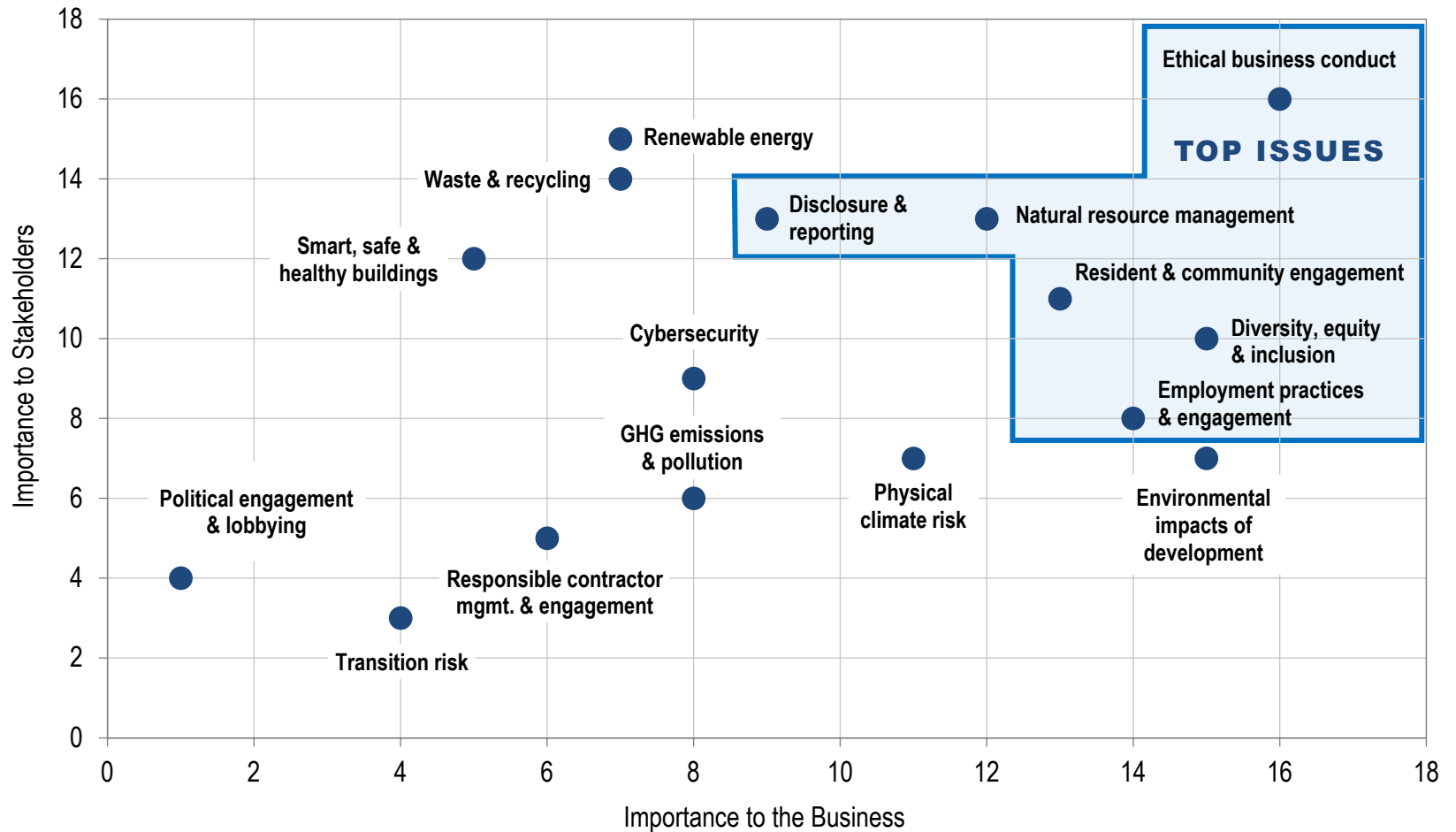
The materiality assessment confirmed that we are already effectively addressing several key ESG issues, demonstrating our commitment to sustainability and stakeholder interests. However, the assessment also highlighted areas where we can improve, offering valuable opportunities to enhance our strategies and resource allocation. By focusing on these areas, we can further strengthen our ESG initiatives and ensure that we continue to meet the evolving expectations of our stakeholders.

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2. Our ESG Commitment

(Material Assessment from the previous page)

The full results of the materiality assessment are presented in the matrix below.



2. Our ESG Commitment

ESG Committee

The MacFarlane Partners ESG Committee oversees the integration of ESG throughout our business operations. The Committee is a multi-disciplinary team, consisting of the CEO, CFO, Senior Director of Investments, Manager of Administration and Operations and Senior Executive Assistant.

The Committee is charged with making all key decisions for the ESG program and managing all ESG-related data and reporting. It is responsible for the implementation of the firm's ESG-related policies and procedures as well as for reinforcing a culture of sustainability and inclusion.



3. Environmental Stewardship

The built environment has a significant impact on our planet. We are committed to implementing various initiatives that will help us reduce our environmental risks and footprint, as well as our operating costs.

Environmental Integration Into Investment and Construction

Environmental considerations have been integrated into the investment process at MacFarlane Partners since the firm was founded.

During the due diligence phase of a potential standing investment, we often work with external consultants to conduct property and LEED certification assessments to understand the potential material risks and opportunities of an asset. When evaluating sites for potential new developments, we consider certain site-selection criteria that will impact the overall environmental footprint of the new asset, such as land-use densities, walkability, proximity to public transit and infrastructure, and physical climate risk.

In 2023, we engaged a third-party consultant to conduct physical climate assessments for several cities and regions targeted for new development to better understand the associated risks at these locations. Physical climate assessments for standing investments and new development projects have since been incorporated into our overall investment process. Both types of analyses are reviewed by the Investment Committee, along with other financially material risks, and impact the final investment decision.

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3. Environmental Stewardship

(Environmental Integration from the previous page)

When starting construction on a new development project, we adhere to set of property design and development standards that aim that reduce the negative impacts of the construction phase of an asset to promote energy efficiency and healthy environments.

Inspired by frameworks established by GRESB and the Sustainable Accounting Standards Board (SASB) for material sustainability topics for the real estate industry, the design and development standards include:

- Designing the building so that it can achieve certification under the U.S. Green Building Council's Leadership in and Environmental Design (LEED) rating system,
- Maximizing pedestrian-oriented open spaces to increase green space, and
- Recycling and properly disposing of demolition and construction waste.

3. Environmental Stewardship

Energy, Water, Waste & GHG Metrics

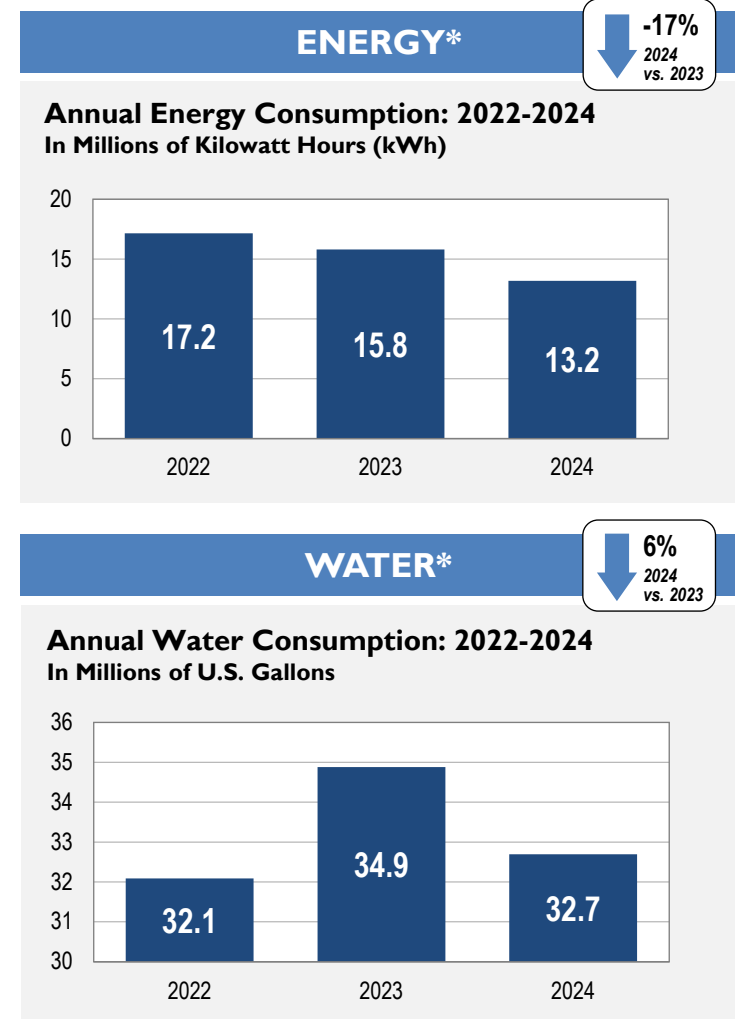
Since 2020, we have partnered with Measurabl, a leading real estate ESG data manager, to better monitor the environmental footprint of our properties as well as more accurately track property- and portfolio-level energy use, water consumption, greenhouse gas emissions and waste production.

Working with Measurabl, we established 2022 as the baseline for our property- and portfolio-level performance targets. That was the year our portfolio occupancy stabilized, as the COVID-19 pandemic waned, and it provides us with a representative and reliable foundation for our strategic goals.

As shown here and on the following page, we continue to see a decline in portfolio-wide energy consumption and Scope 1 and Scope 2 emissions.*

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* Previous versions of the MacFarlane Partners ESG Report included estimated data points due to gaps in utility data. Increased transparency into our consumption numbers has allowed us to close these gaps. The numbers in this report reflect absolute consumption across the firm's portfolio.

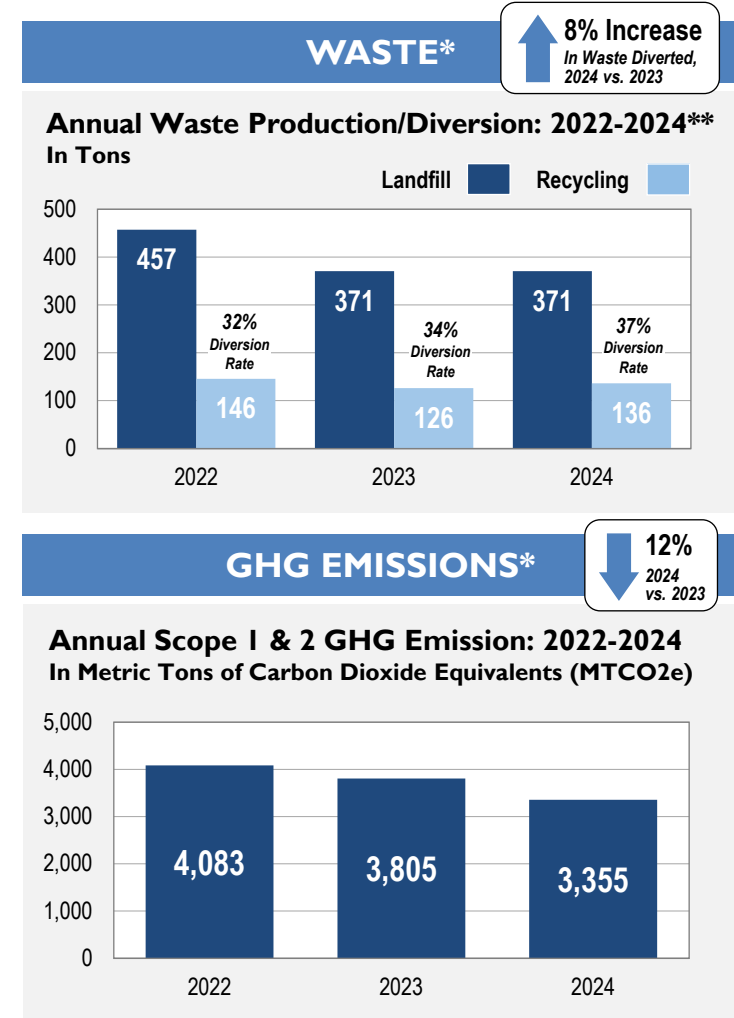


3. Environmental Stewardship

(Metrics from the previous page)

We've been working closely with our property management teams to implement energy efficiency measures. Among the steps we have taken to date are:

- **Lighting Upgrades:** Replacing traditional lighting with energy-efficient LED fixtures.
- **ENERGY STAR Appliances:** Installing household appliances that meet or exceed the EPA's energy guidelines.
- **Smart Thermostats:** Installing digitally connected thermostats that offer a range of efficiency features.



* Previous versions of the MacFarlane Partners ESG Report included estimated data points due to gaps in utility data. Increased transparency into our consumption numbers has allowed us to close these gaps. The numbers in this report reflect absolute consumption across the firm's portfolio.

** Data coverage of annual waste production is 54% of the firm's portfolio square footage.

3. Environmental Stewardship

Net Zero Pathways

Given that the built environment contributes significantly to overall greenhouse gas emissions, we strive, as responsible stewards, to reduce the environmental footprint of our assets.

As part of that effort, we have set a target of achieving net-zero carbon emissions at the properties within our operational control **by the end of 2050**, with an interim target of a 50% reduction from the 2022 baseline **by 2030**. These targets are aligned with the goals of the Paris Climate Agreement.

To reach these targets, we worked in 2024 with our external consultants to develop net-zero pathways for each asset that identify initiatives that would reduce the property's GHG emissions. Recommendations included onsite and offsite renewable energy procurement. As we continue to invest and grow our portfolio, we are implementing the necessary policies and procedures to ensure that we can meet these targets.



3. Environmental Stewardship

Green-Building Certifications

As a company dedicated to improving the sustainability of our properties, we are committed to developing and maintaining buildings that are eligible to receive green building certifications.

Two of the three completed properties over which we have operational control have been certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system. As profiled on the following page, **Park Fifth** is certified LEED-Gold and **Trademark** LEED-Silver. Both properties are located in downtown Los Angeles.

In addition, **Park Fifth** is in the process of receiving a Fitwel certification. Created by the U.S. Centers for Disease Control and Prevention, and the U.S. General Services Administration, the Fitwel certification system focuses on promoting health and well-being in the built environment.

As we continue to develop and acquire properties, we will maintain our commitment to seeking green-building certifications for our properties.

Our LEED Certification History

The following properties that we developed (either directly or through joint ventures) over the past two decades have earned LEED certification for their design and construction:

LEED Gold Certified

- **Tribeca Green** (New York City): Completed in 2005
- **55 M Street** (Washington, D.C.): Completed in 2009
- **Element 12420** (Rockville, Md.): Completed in 2009
- **Sedona | Slate** (Arlington, Va.): Completed in 2013
- **The Terano** (Rockville, Md.): Completed in 2015
- **Tam Ridge Residences'** town-home units (Corte Madera, Calif.): Completed in 2017
- **Park Fifth** (Los Angeles): Completed in 2019

LEED Silver Certified

- **The Uptown** (Oakland, Calif.): Completed in 2008
- **The Hotel & Residences at L.A. Live** (Los Angeles): Completed in 2011
- **Venn on Market** (San Francisco): Completed in 2013
- **Tam Ridge Residences'** apartment-flat buildings (Corte Madera, Calif.): Completed in 2017
- **Trademark** (Los Angeles): Completed in 2019

3. Environmental Stewardship

Current *LEED-Certified Properties*

Park Fifth

427 West Fifth Street
Los Angeles, CA 90013

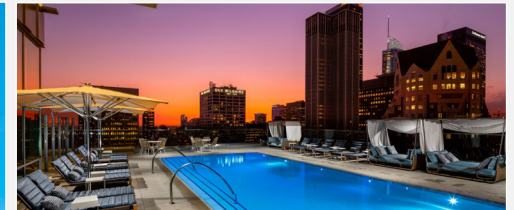


A 24-story residential tower in the heart of downtown Los Angeles that was completed in 2019.

Certified: July 2020

Rating System: LEED Building Design + Construction

Level: Gold



Trademark

437 South Hill Street
Los Angeles, CA 90013

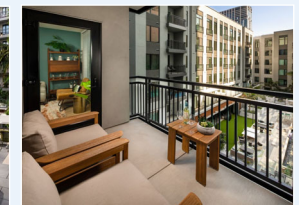
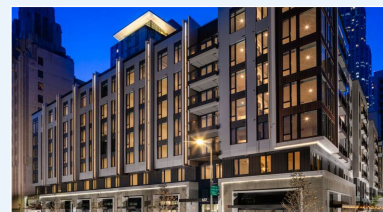


A seven-story residential mid-rise adjacent to Park Fifth in downtown Los Angeles that was completed in 2019.

Certified: July 2020

Rating System: LEED Building Design + Construction

Level: Silver



3. Environmental Stewardship

Climate Risk Assessments

We engaged a third party to conduct climate risk assessments for our existing assets and for areas where we have identified potential assets for acquisition.

The assessments reviewed historical data and future projections under three different climate scenarios (high emissions, business as usual and high reduction) and are aligned with the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD) to better understand the physical risks our assets may face from six hazards: wildfire, cyclones, sea level rise, water scarcity, flooding and heatwaves.

The results of these assessments are incorporated into our investment decision-making process for new investments. For our current portfolio, we use these assessments to identify initiatives that will help ensure resilience for our communities.



4. Social Responsibility

Our commitment to social responsibility goes beyond the walls of our buildings to the communities in which we operate. In addition to fostering diversity, equity, and inclusion within our firm, we actively engage our employees in these efforts, ensuring they are involved and invested in our social initiatives. We strive to be responsible corporate citizens and make a meaningful difference in the communities where we invest, leveraging the collective engagement and dedication of our team.



Affordable Housing & Public Policy

Urban communities of color have faced significant challenges due to gentrification, displacement, and rising housing costs.

These forces have led to the erosion of longstanding neighborhoods, forcing many residents to relocate and disrupting community cohesion. The high cost of housing has made it increasingly difficult for these communities to access affordable and stable living conditions, exacerbating economic disparities and limiting opportunities for growth and development. With our long history of investing in urban communities on behalf of major institutional investors, we have the capability to ensure equitable and inclusive urban environments in which all residents can thrive.

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4. Social Responsibility

(Affordable Housing & Public Policy from the previous page)

We have used our expertise to influence affordable housing policy. In California, we supported SB593, the San Francisco Housing Replacement Act, which was signed into law in October 2023. It seeks to address San Francisco's historical loss of affordable housing and to provide new opportunities for low-income residents.

The act aims to spur the development of over 5,800 affordable housing units that were destroyed during mid-century redevelopment projects in neighborhoods like the Western Addition and the Fillmore.

To stabilize housing costs for low- and moderate-income families, it also ensures that the new housing units remain affordable for decades into the future: at least 55 years for rental units and 45 years for owner-occupied units.

In terms of funding, the bill enables San Francisco's redevelopment successor agency to finance these affordable housing projects using property tax revenue that creates a sustainable funding source to support the development and maintenance of affordable housing. Importantly, there is no impact to the city's general fund.

In summary, the goal of SB593 is to rebuild housing lost during the mid-20th century and provide relief to communities that were disproportionately affected by past urban renewal efforts and thus foster economic revitalization and repair community fabric.



4. Social Responsibility

Resident Engagement

We consider resident engagement essential to the long-term success of our assets in terms of community building and investment performance.

We ask our third-party property managers for *ad hoc* feedback and administer formal surveys to comprehensively understand resident satisfaction and make property-specific improvements.

Property managers are also empowered to host resident events that build relationships and foster a better sense of community. The events, which are tailored to the unique characteristics of each community, include:

- Complimentary yoga sessions
- Summer movie nights
- Stand-up comedy sets
- Themed gatherings (St. Patrick's Day celebration, Earth Day succulent potting, resident holiday parties)



*Park Fifth Resident Holiday Party
Los Angeles, December 2023*

4. Social Responsibility

Community Outreach

As a responsible corporate citizen, MacFarlane Partners seeks to make a difference for the communities local to our operations. Each year, we donate to charities and non-profit groups that are active in those communities to provide solutions to issues such as education, housing and poverty.

In November, we sponsored the inaugural **Parity Zone Symposium**, a conference designed to facilitate discussions around equitable placemaking development. The event in San Francisco gathered nationally recognized leaders from industry, philanthropy, academia, government, and the community to exchange ideas about how development can be used to eliminate gaps in economic outcomes for low- to moderate-income residents and business owners.

The firm's Founder and Executive Chairman, Victor MacFarlane, and its CEO, Landon Taylor, joined an esteemed panel of speakers to discuss their experience and insights from the nearly \$3 billion Freedom West 2.0 revitalization project.

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Moments from the inaugural Parity Zone Symposium, November 20, 2024

4. Social Responsibility

(Community Outreach from the previous page)

We also support the mission of **Turner Labs**, a nonprofit formed to develop critical housing innovations at the intersection of equity, affordability, and sustainability. Mr. Taylor sits on the Selection Committee for Turner's **Housing Venture Lab**, which provides support for entrepreneurs with transformative housing ideas.

Through this partnership, we help direct funding to industry innovators to accelerate their development and scale. Four companies were chosen for the 2024 cohort:

- **BuildCasa**, a Bay Area startup that helps homeowners sell unutilized yard space to housing developers.
- **Appraisal Insights**, an educational platform aimed at addressing racial bias in home appraisals.
- **ROC USA**, a non-profit that utilizes technical assistance to help residents become homeowners of manufactured home communities.
- **FWDslash**, a building systems provider that facilitates connections between housing developers, community-based social care providers, and Medicaid managed care organizations.

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Appraisal
Insights



FWD SLASH

4. Social Responsibility

(Community Outreach from the previous page)

We are also dedicated to supporting artistic, cultural and historic endeavors. This year, we were a gold-level sponsor of the **Songs of Black Folk**, an annual live production that includes performances of music traditions that began on the African continent and demonstrates how they have influenced other Black genres like blues, gospel, jazz and hip-hop.

Lastly, we support two scholarship programs.

- The **Ron Brown Scholar Program** is a college scholarship and leadership program for African American students committed to improving the lives of intellectually gifted, community- and public-service minded students by accelerating their progress into impactful leadership roles and opportunities.
- The **Wille L. Brown Fellowship Program** at San Francisco State University aids students who have encountered obstacles in their pursuit of higher education the chance to gain professional experience in the public sector and foster a lifelong dedication to public service. The program supplies San Francisco's public agencies with a diverse, qualified, and well-educated workforce.



Performance from Songs of Black Folk 2024: Music of Resistance and Hope, June 16, 2024, Paramount Theatre, Seattle



Former San Francisco Mayor and California Assembly Speaker Willie L. Brown with Willie L. Brown Fellows

4. Social Responsibility

Employee Engagement

We prioritize employee engagement as a central pillar of our corporate ethos because the benefits are many. From elevating company culture to increased productivity to better financial performance, we have seen firsthand the positive impacts of investing in our team.

We partner with Proud HR to conduct periodic employee satisfaction surveys to gain insight and understanding of the employee experience related to the culture, organization, and benefits offered. Through the results of surveys, we develop action plans to better meet the needs of our team members.

With the success of our organization tied to the growth of our team, we invest in opportunities for our members to enhance their skills and knowledge through formal training and industry events. This past year, employees attended various industry conferences, including events sponsored by the Urban Land Institute (ULI), the Association of Foreign Investors in Real Estate (AFIRE) and the Real Estate Executive Council (REEC).

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4. Social Responsibility

(Employee Engagement from the previous page)

We are committed to creating opportunities for professional growth and development, ensuring that our team reflects the diverse communities we serve. Equipping our employees with the knowledge and tools to create an inclusive environment is integral to our mission.

Again, this year we had 100% participation rates in DE&I training and anti-harassment training. Training focused on discrimination, bias, and cultural competency and included strategies to mitigate unconscious bias and promote inclusion at the individual, team, and organizational levels. We also ask our employees to complete annual anti-harassment training to ensure that they understand all relevant policies and procedures and feel empowered to report any violations. Through these professional development opportunities, we foster a workplace where diversity is recognized and celebrated.

To further support our employees and their families, we offer a benefits package that includes medical, dental, and vision coverage as well as life insurance, accidental death and dismemberment coverage, short and long-term disability, flexible spending accounts, dependent care flexible spending accounts, long-term care, 401(k), 10 paid federal holidays, and paid time off accrual. All employees have the option to work fully remotely.



4. Social Responsibility



Diversity, Equity & Inclusion

We believe that our people are our greatest asset and that diversity within the workforce is a key to our success.

At the firm level, we strive to recruit and retain diverse associates, fostering an inclusive environment where everyone can thrive.

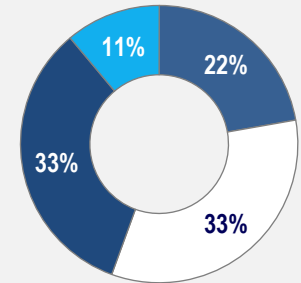
We are committed to fostering, cultivating and preserving a workplace culture that values and embraces diversity in all forms, and our initiatives and procedures to do so are outlined in our Diversity, Equity and Inclusion Policy.

*** Additional DE&I Metrics:**

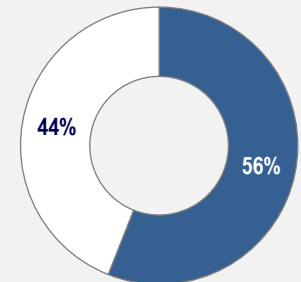
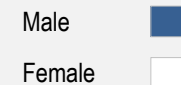
- 100% of our C-level executives are from under-represented racial/ethnic minority groups
- 100% of our senior management team is from under-represented racial/ethnic minority groups

Key MacFarlane DE&I Metrics*

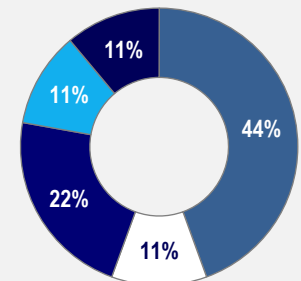
Employee Composition By Age



Employee Composition By Gender



Employee Composition By Race/Ethnicity



4. Social Responsibility



Supply Chain Management

For our third-party service providers, we aim to engage qualified minority and women-owned business enterprises (MWBES). By partnering with MWBES, we not only do we support the growth of these businesses, but we also enhance the diversity of our supply chain. This commitment to diversity and inclusion extends beyond our internal practices, as we believe that a diverse network of partners contributes to innovative solutions and better outcomes for our clients.



Industry Outreach & Leadership

This year, employees attended various industry conferences, such as events sponsored by the Urban Land Institute (ULI), the Association of Foreign Investors in Real Estate (AFIRE) and the Real Estate Executive Council (REEC).

In addition, **Victor MacFarlane** is board member of Veris Residential, Inc. and an emeritus board member of REEC, which he co-founded in 2003.

Landon Taylor is a member of the board of directors of AFIRE and Base 11, the latter of which he founded in 2015.



5. Case Study: Freedom West 2.0

MacFarlane Partners is the exclusive master development partner of **Freedom West Homes**, a non-profit housing co-operative established in 1973 that owns 382 affordable housing units on four city blocks in San Francisco's Fillmore District/Western Addition. The units were built over 50 years ago and have fallen into disrepair.

We intend to revitalize the Freedom West community through an innovative redevelopment project that will rebuild the existing affordable housing units for current residents, build additional affordable housing, and develop new market-rate housing, commercial space and community amenities.

The proposed project illustrates our commitment to social responsibility and urban development in terms of affordable housing, public policy, resident engagement and community outreach.

The new community, called **Freedom West 2.0**, will:

- Save 1,000 low- and moderate-income residents from displacement,
- Preserve 382 affordable housing co-op units by rebuilding them,
- Develop 133 new affordable-housing units to the Fillmore District/Western Addition neighborhood,

(continued on the following page)



5. Case Study: Freedom West 2.0

(From the previous page)

- Build a STEM innovation center to help Fillmore District residents compete for high-paying STEM jobs and create entrepreneurship opportunities,
- Build a performing arts center to help spark a new Fillmore Renaissance, and
- Generate an estimated \$2 billion in one-time economic impacts from construction, with at least 25% of the value of construction contracts going to women- and/or minority-owned contractors.
- Provide co-op members with a long-term financial plan through their participation in profits from the operation of the market-rate residential and commercial space that will be developed, thereby ensuring the co-op's financial viability well into the future.

Freedom West 2.0 is the cornerstone project facilitated by California's San Francisco Housing Replacement Act (SB593), which was enacted in 2023.

Victor MacFarlane and Landon Taylor recognized and championed the importance of SB593 to facilitate projects such as Freedom West 2.0, because preserving and building affordable housing enables low- and moderate-income people of color to remain in and return to San Francisco.

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5. Case Study: Freedom West 2.0

(From the previous page)

We plan to rebuild all 382 of Freedom West's affordable units at no cost for the existing cooperative members, while adding additional affordable and market-rate housing, commercial space and community amenities.

The Freedom West 2.0 project is an innovative redevelopment initiative that prioritizes resident agency and equitable housing. Central to this approach is the involvement of current residents in the design process, ensuring inclusivity and self-empowerment.

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Freedom West 2.0: Notable Milestones in 2024

- Accelerated the planning for a new senior housing building, which is expected to break ground in Spring 2026
- Selected **The John Stewart Company** as the developer of the senior housing building
- Received 188 HUD Section 8 tenant protection vouchers
- Awarded \$3 million in predevelopment funding from the **City and County of San Francisco**
- Surpassed \$30 million in fundraising



5. Case Study: Freedom West 2.0

(From the previous page)

The project aims to create pathways to ownership and wealth creation, with a commitment to no displacement of existing residents.

By enabling community profit participation and leveraging public-private partnerships, the project aligns economic interests and secures funding through equity contributions from both developers and government subsidies. Additionally, the initiative emphasizes diverse contractor hiring and local workforce participation, aiming for at least 25% involvement.

To enhance the value of the land and support affordable housing, the project employs strategies such as increased density and streamlined entitlement processes. Community-focused placemaking solutions are integral, including STEM workforce and entrepreneurship centers, early childhood education facilities, and on-site health and wellness centers.

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Before view of Freedom West Homes (top) and Freedom West 2.0 (bottom) from Golden Gate Avenue:

5. Case Study: Freedom West 2.0

(From the previous page)

Tax incentives and catalytic funding, such as Opportunity Zones and Enhanced Infrastructure Financing Districts, further support the development. Long-term community ownership is fostered through professional governance training, advisory services, and asset management support, ensuring sustainable economic self-sufficiency for residents and community organizations.

Freedom West 2.0 will provide low- and moderate-income families of color with housing stability while preserving multi-generational wealth transfers of co-op housing.

Urban Land magazine wrote that “The reimagined and renewed Freedom West Homes will honor its legacy while modernizing for future residents of the community.”

We believe it could serve as a model for achieving racial equity and economic parity for low- and moderate-income residents of color in high-cost/high-opportunity cities nationwide.



Planned senior housing building that will be part of the Freedom West Homes co-operative's affordable housing units

6. Governance

We recognize that sound governance is fundamental to creating value for all our stakeholders. Our governance framework is the foundation of our business operations, and it ensures transparency, accountability and ethical conduct.

By fostering a culture of integrity and aligning our practices with industry standards, we seek to exceed the expectations of our investors, employees and the communities in which we operate.



Business Ethics

We are dedicated to maintaining the highest standards of corporate governance. Our culture is built on strong ethics, transparency, and risk management, aligning with the interests of our stakeholders and the communities we serve. We recognize the importance of adhering to the highest ethical standards in our daily business operations. Our core values form the foundation of our business ethics framework and set expectations for employee conduct.

Additionally, we require contractors and subcontractors on our development projects to pay fair wages and benefits to their workers, and we strive to hire qualified minority- and women-owned business enterprises (MWBs) when engaging third-party service providers.

To provide our employees and contractors with the necessary guidance to meet our business ethics expectations, we have developed a comprehensive set of policies in our personnel handbook, covering topics such as conflicts of interest, confidentiality, and insider trading.

(continued on the following page)

6. Governance

(Business Ethics from the previous page)

We aim to equip our employees with the tools and knowledge needed to adhere to these policies and meet our high standards for business ethics. Therefore, we mandate that our team members attend an annual training session on our Code of Conduct and Ethics. This year's training included real-life scenarios to help employees navigate moral dilemmas at work.



Data Privacy and Cybersecurity

In recognition of the importance of data privacy and cybersecurity governance, we have established a comprehensive set of policies and procedures to guide our employees on various topics, such as appropriate computer use, network security and equipment disposal.

These policies outline the protocols that our employees must follow to mitigate risks to both our clients and our company and they are regularly updated to maintain alignment with the highest standards. Additionally, we mandate annual cybersecurity training and weekly micro trainings for our employees, covering topics like phishing awareness, secure internet usage and incident response.

We also have implemented an IT disaster and recovery plan, which includes policies and procedures for technology disaster recovery and detailed plans for restoring critical technology platforms and telecommunications infrastructure. This plan ensures that we can recover swiftly and effectively from any unforeseen disaster or emergency that disrupts information systems and business operations.

We conduct an annual review of our IT policies and meet quarterly with an external IT consultant. Through our robust data privacy and cybersecurity governance program, we strive to ensure that our organization is well-prepared to protect our information systems.

6. Governance

GRESB Reporting

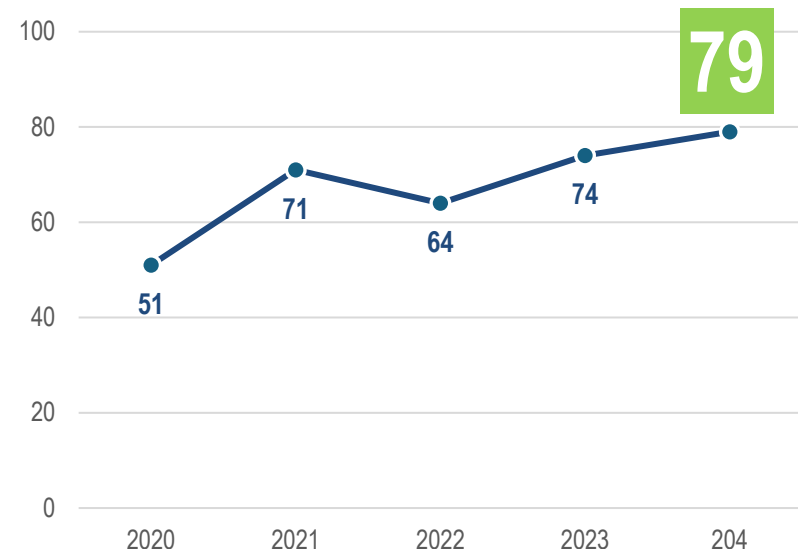
We understand the importance of transparency about ESG performance and practices. That is why we are a member of **GRESB**, a global organization that provides standardized and validated ESG data for real estate investments to financial markets, and why we have participated in GRESB's annual assessments of management-level policies and asset-level performance since GRESB first offered them in 2011.

This year, we submitted the policies, procedures and data for our joint venture with **Bouwinvest Real Estate Investors**, MacFarlane Urban Real Estate Core-Plus Master Partnership, which owns and operates residential high-rises in New York and Los Angeles.

The venture in 2024 received its **highest score yet**, a 79, and its first **three-star rating** across the management and performance modules, a five-point improvement over its 2023 score. Notable score improvements included enhanced stakeholder engagement and increased data coverage.



MacFarlane Urban Real Estate Core-Plus Master Partnership **Annual Real Estate Assessment Scores, 2020-2024**



Appendix:

Global Reporting Initiative Content Index

Statement of Use	MacFarlane Partners has reported the information cited in this GRI content index for the period January 1, 2024, through December 31, 2024, with reference to the GRI Standards.	
GRI 1 Used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	2024 Report Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About MacFarlane Partners
	2-2 Entities included in the organization's sustainability reporting	About MacFarlane Partners
	2-3 Reporting period, frequency and contact point	Disclosure
	2-4 Restatements of information	N/A
	2-28 Membership associations	Community Outreach, Employee Engagement, GRESB Reporting
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy, Water, Waste & GHG Metrics
	302-4 Reduction of energy consumption	Energy, Water, Waste & GHG Metrics
GRI 303: Water & Effluents 2018	303-5 Water consumption	Energy, Water, Waste & GHG Metrics
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy, Water, Waste & GHG Metrics
	305-2 Energy indirect (Scope 2) GHG emissions	Energy, Water, Waste & GHG Metrics
	305-5 Reduction of GHG emissions	Energy, Water, Waste & GHG Metrics
GRI 306: Waste 2020	306-3 Waste generated	Energy, Water, Waste & GHG Metrics
	306-4 Waste diverted from disposal	Energy, Water, Waste & GHG Metrics
	306-5 Waste directed to disposal	Energy, Water, Waste & GHG Metrics
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement
GRI 403: Occupational Health & Safety 2018	403-6 Promotion of worker health	Employee Engagement
GRI 405: Diversity & Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	DE&I