



**KBS**

**2022**

Sustainability  
Report



# About This Report

## Scope

This ESG sustainability report describes KBS' approach, performance and achievements in relation to our sustainability efforts, the scope of which was obtained through stakeholder consultation, internal management review and a materiality assessment.

## Framework

The structure and content of this report have been prepared in accordance with the 2021 Global Reporting Initiative (GRI) Standards.

## Timeline

Covering activities from January 1, 2022, through December 31, 2022, this report includes data that is primarily focused on KBS' corporate sustainability performance and the sustainability performance of the properties we manage in the KBS Real Estate Investment Trust III portfolio (KBS REIT III) and UBS Tower (34 buildings across 18 properties), which are herein collectively referred to as our client portfolio of properties.

Unless otherwise noted, all data is as of December 31, 2022. This report has been reviewed and approved for publication by the KBS CEO and "Green Team" as well as other KBS officers identified as material stakeholders to this report.

KBS Capital Advisors LLC and its affiliates, including KBS Realty Advisors LLC, are referred to herein as "we," "our," "KBS" and the "company."

## Audience

The contents of this report are intended to provide our investors, tenants and employees with an overview of KBS' sustainability and ESG efforts. We believe that offering greater transparency will help our stakeholders form a more educated understanding of our accomplishments and goals.

For any questions or comments on this report, please contact KBS ESG Manager Apaulo Malloy at [esg@kbs.com](mailto:esg@kbs.com).

Publication date: June 30th, 2023.

### Forward-Looking Statements

*This report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to KBS' 5% Emissions Reduction in 5 Years, Steps to Achieve Our Emissions Reduction Goal and statements related to other sustainability-related strategies.*

*Although we believe the expectations reflected in such forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, which may cause KBS' actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.*



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# Committing to the Future

Welcome to the inaugural KBS Sustainability Report.

There are myriad reasons why 2022 was an exciting year for sustainability in commercial real estate. For one, it's remarkable to see how the movement has been elevated throughout the industry. I'm particularly encouraged by how our exceptional team of KBS employees has responded to the challenges ahead.

Also heartening is KBS' commitment to maintaining the trust of our investors through education and clarity — providing them with pertinent information and resources that delineate the breadth of our sustainability efforts. This report is just part of that extensive effort to offer investors a transparent lens into our business, its conduct and endeavors.

Issues such as climate change and social responsibility have increased exponentially worldwide. The adoption of environmental, social and governance (ESG) programs ensures that companies not only have a serviceable sustainability framework in which to adhere — but also goals that are achievable now and in the near term.

Our own ESG policy has evolved using best practices of the Global Real Estate Sustainability Benchmark assessment (GRESB), the Department of Energy's Better Buildings Initiative and ENERGY STAR's Guidelines for Energy Management. KBS' deep conviction for transparency, social responsibility and energy management are cornerstones of the policy.

2022 was also a year in which I took stewardship of the extraordinary legacy set forth by our Co-Founder, President and Chairman Charles "Chuck" J. Schreiber Jr. Along with Co-Founders Don Koll and Peter Bren, Chuck paved our foundation with innovation and integrity. I'm proud of the role KBS continues to play as a force for positive change, promoting practices that will continue to build toward a more equitable, healthful and just environment — one in which we all can thrive.

At KBS, we've been on a continual search for ways to implement groundbreaking ESG initiatives at our buildings across the country. These include LEED and ENERGY STAR certifications, filtered air verifications, the addition of EV charging stations, urban bee apiaries and more. In fact, last year we achieved the UL Verified Healthy Building Mark for Indoor Air for more than 14 million square feet of Class A office space — a goal that took only six months to achieve. To further advance our ESG and sustainability efforts in 2022, we established a dedicated "Green Team" led by our recently appointed ESG manager, Apaulo Malloy.

“ Within this report, you'll discover the tremendous progress our company has made toward a more sustainable future...”

Within this report, you'll discover the tremendous progress our company has made toward a more sustainable future, which includes our goal — and the steps we're taking — to achieve a 5% reduction in greenhouse gases at our assets by 2025. Also included are selected case studies of KBS' environmental and social efforts as well as the progress we've made toward the well-being of our building tenants and visitors. What's more, learn how we're continuing to cultivate an inclusive culture where employees are valued and supported.

As always, we are committed to the future of our communities and the environment.



*Marc*

**Marc DeLuca**

Chief Executive Officer and  
Regional President, Eastern U.S.

## Meet Apaulo Malloy, KBS ESG Manager

Apaulo paved her way to leading KBS' sustainability efforts as a member of the company's human resource team. Her extensive experience researching and helping to implement strategic policies for the premier commercial real estate company — combined with her background as a legal professional — made Apaulo the ideal individual to tackle environmental, social and governance issues facing commercial real estate.

### Q: How do you describe your position at KBS?

**Apaulo:** There are so many moving parts involved in developing and managing an authentic ESG program. Every day brings new challenges and learning opportunities. In addition, I'm part of our Green Team, a select group of KBS executives responsible for ensuring KBS' sustainability agenda is comprehensive, actionable and in line with our stakeholders' expectations. It's also my task to track progress against our sustainability goals and work in collaboration with the Green Team to annually review and update our ESG strategy and policy.

### Q: What are you focusing on right now, and what's ahead for 2023?

**Apaulo:** Among our most pressing environmental goals is to drive energy efficiency and reduce greenhouse gases throughout our portfolio. Without question, quality data is key to informative decisions that can make or break performance improvement efforts, so, I'm currently concentrating on data benchmarking.

I'm also looking forward to ramping up our outreach projects — expanding our social footprint to make a greater impact in the communities in which we operate and serve.

### Q: Reflecting on the months ahead, what are you most excited about?

**Apaulo:** With businesses utilizing office space to entice their teams back to the workplace, it's becoming increasingly important for them to choose highly amenitized buildings where health and wellness are a top priority. We're eager to help implement ESG initiatives in our KBS REIT III portfolio.

I'm also passionate about furthering our employee development programs, which focus on providing our team members the opportunity to build upon their existing skills and learn new ones. As a company that prides itself for promoting from within, KBS is dedicated to supporting the ongoing development of our employees.

*The KBS Green Team is made of executives responsible for ensuring KBS' sustainability agenda is comprehensive, actionable and in line with our stakeholders' expectations.*



**Apaulo Malloy**  
ESG Manager

# Our Story

## INTRODUCTION

Celebrating more than 30 years in the commercial real estate industry, KBS was founded in 1992 by Donald Koll, Peter Bren and Chuck Schreiber, Jr. We're a globally recognized private equity CRE company and SEC-registered investment advisor that owns, operates and manages premier commercial real estate in markets where there are unique opportunities for sustainable growth. Our focus resides on the acquisition of best-in-class assets situated at the most successful epicenters in the country's top markets.

Headquartered in Newport Beach, CA, with a regional office in Washington, D.C., KBS is one of the largest investors of CRE in the continental United States. Along with our affiliated companies, we've completed transactional activity exceeding \$44 billion on behalf of private and institutional investors worldwide.

At KBS, we are committed to the highest ethical standards and believe that improving the lives of our tenants and communities begins by keeping a close eye on trends that impact markets nationwide.

KBS has two regional presidents overseeing the Western and Eastern regions of the country. They're supported by asset managers and investment analysts responsible for real estate investment activities. Additionally, KBS has teams of professionals responsible for securing financing, underwriting acquisitions and providing accounting and reporting services.

This structure has been instrumental in helping us nurture and maintain strong, equitable business relationships with integrity while staying focused on ways to exceed the expectations of our investors, partners and tenants.



KBS Co-Founders  
**Charles J. Schreiber Jr. and Peter Bren**

 2022 Global Real Estate  
Investment Managers  
Institutional Real Estate, Inc.

 2022 Top Commercial  
Property Owners  
Commercial Property Executive

# Key Achievements



**34 Buildings**  
8,431,274 SF



**10 Buildings**  
4,675,320 SF



**13 Buildings**  
2,190,709 SF



**10 Buildings**  
3,251,746 SF



**1 Building**  
254,599 SF



## Accolades



**Commercial Real Estate's Best Places to Work 2023**  
GlobeSt



**Marc DeLuca**  
**Commercial Real Estate's Best Bosses 2023**  
GlobeSt



**2022 Top 150 Real Estate Investment Managers**  
IPE Real Assets



**2022 Companies That Care**  
Orange County Business Journal



**Chuck Schreiber, Jr.**  
**Commercial Real Estate's Best Bosses 2021**  
GlobeSt

# KBS REIT III & UBS Tower Asset Profile

## INTRODUCTION



## Asset Management

Operating from offices in Newport Beach, CA, and Washington, D.C., two regional presidents oversee the Western and Eastern regions of the country and are supported by asset managers and investment analysts responsible for real estate investment activities, including acquisitions, leasing and property operations and property dispositions.

### Western Region



**Gio Cordoves**

Regional President,  
Western U.S.



**Brent Carroll**

SVP, Acquisitions and  
Co-Director,  
Asset Management



**Tim Helgeson**

Senior Vice President,  
Acquisitions and  
Asset Management



**Brett Merz**

Senior Vice President,  
Acquisitions and  
Asset Management

# National Profile

34

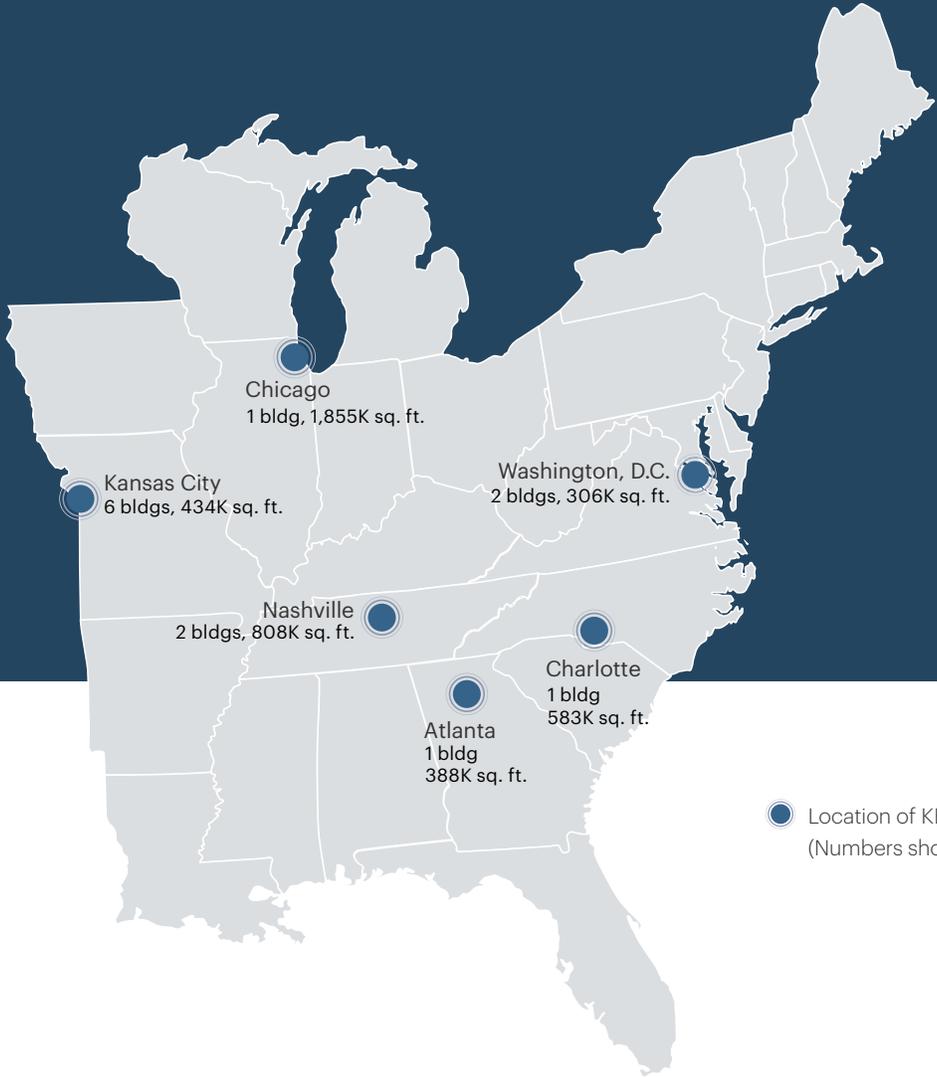
Buildings Under Management

15

Markets Across the United States

8.4

Million Sq. Ft. Total office space



● Location of KBS Holdings and Target Markets (Numbers shown in thousands of square feet)

## Eastern Region



**Marc DeLuca**

Chief Executive Officer and Regional President, Eastern U.S.



**Allen Aldridge**

SVP, Acquisitions and Co-Director, Asset Management



**Luke Hamagiwa**

Vice President, Acquisitions and Asset Management



**Ryan Pires**

Assistant Vice President, Acquisitions and Asset Management



# Environmental Impact

# Environmental Impact

## Our Approach to Climate Change

At KBS, we recognize the potential risk climate change may have on the properties we manage and the communities in which we operate. Therefore, we are prioritizing adapting our properties to potential changes in the environment through concise energy, water and waste management programs. We believe the biggest environmental impact we can currently take is through monitoring and reducing our energy use and carbon emissions. We are doing this through a dedicated energy efficiency and reduction program that is supplemented with an increased focus on ensuring our properties receive ENERGY STAR or LEED certifications where possible. We pursue environmental and wellness-related certifications as part of the precautionary principle approach we follow in our business and through the operation of our buildings. These certifications assist us in establishing practices that may potentially avoid negative environmental and health-related risks and impacts.

## 5% Emissions Reduction in 5 Years

To develop a baseline understanding of our 2021 energy usage, in 2022, we conducted our first energy and greenhouse gas (GHG) emissions benchmarking of our client portfolio of properties. We also set our first goal of achieving a 5% GHG emissions reduction in 5 years and will now begin tracking our progress to reach our goal by 2025.\* Our goal covers both the emissions that are under our direct control and the on-site emissions generated by our tenants in the properties we manage.

## Steps to Achieve Our Emissions Reduction Goal

In order to achieve our emissions reduction goal, we will be prioritizing the following initiatives:

-  Implementing energy efficiency measures at our properties (where practical).
-  Exploring opportunities to integrate renewable energy.
-  Continuing to prioritize green building certifications.
-  Engaging with our tenants to promote environmental awareness and initiatives.
-  Consistent benchmarking and tracking of our energy usage and emissions profile.

*We also set our first goal of achieving a 5% GHG emissions reduction in 5 years and will now begin tracking our progress to reach our goal by 2025.*

*\*The 5% emissions reduction goal is based on a baseline year of 2021. KBS will continue to review our environmental strategy annually and may make changes when necessary to ensure our sustainability goals continue to be aligned with our business strategy and stakeholder expectations.*

# Environmental Impact (continued)

## New Acquisitions

The impact of climate change is a key consideration for any new properties we acquire. New acquisitions undergo a comprehensive Property Conditions Assessment inclusive of a Climate Risk Assessment. We use this assessment to evaluate the resiliency of the asset to climate change and identify measures to avoid, mitigate or offset climate-related risks.

## Tracking Progress

We are in the process of implementing a dedicated ESG data management platform to help us track energy use, emissions, audits, building certifications and building projects at each of our properties. We expect the platform to be fully implemented and operational during 2023.

We also plan to complete our first GRESB submission in 2023 for KBS REIT III and will use this as a benchmark to track the progress of our sustainability-related initiatives within the portfolio.

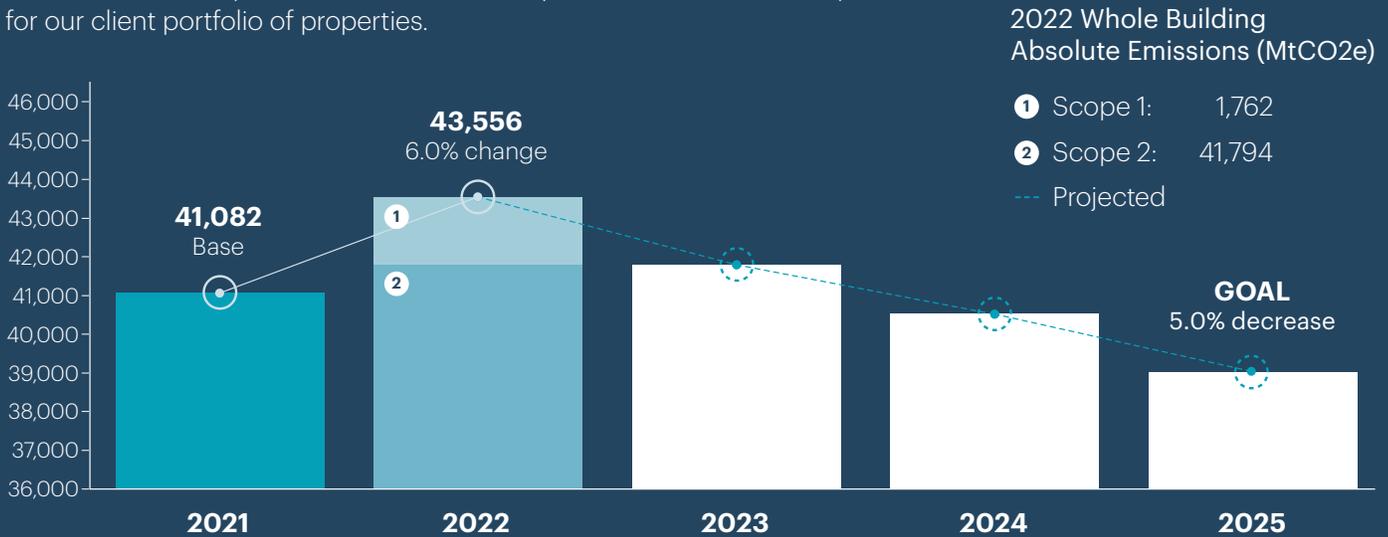
*We use this assessment to evaluate the resiliency of the asset to climate change and identify measures to avoid, mitigate or offset climate-related risks.*



# Environmental Performance

## 2022 Emissions Performance

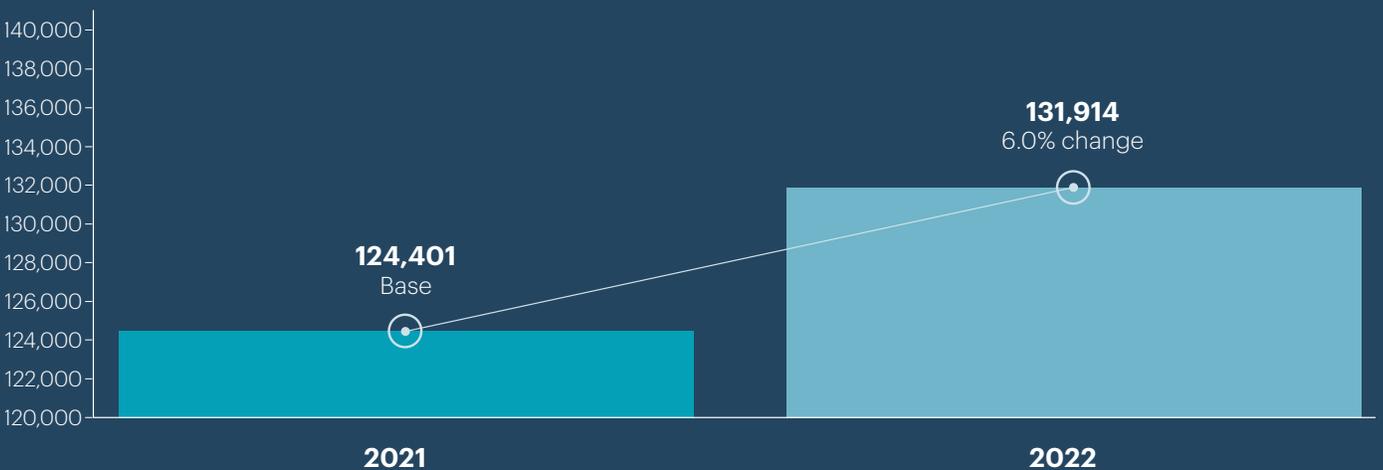
GOAL: Reduce Scope 1 and 2 emissions 5% by 2025 from a 2021 base year for our client portfolio of properties.



KBS monitors and benchmarks all primary sources of GHG emissions at the asset level for our client portfolio of properties in absolute units of metric tons of carbon dioxide equivalent (MtCO<sub>2</sub>e). We use the 100-year Global Warming Potential (GWP) values from the IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report to calculate CO<sub>2</sub>e, and we follow the Operational Control method of the GHG Protocol to develop our Scope 1 and 2 emissions inventory. Scope 1 emissions are associated with on-site fuel combustion and include both landlord and tenant emissions. Scope 2 emissions include purchased electricity, steam, heat or cooling and include both landlord and tenant emissions. We utilize the market-based methodology for calculating our Scope 2 emissions.

## 2022 Energy Performance

Whole Building Energy Consumption (MWh)



In 2022, we saw a 6% increase in like-for-like energy consumption from 2021 levels in our client portfolio of properties, a reflection of a growing number of tenants returning to office. This is the first year KBS has benchmarked energy and emissions data. We will be using this as the base to take informative action to improve performance in the coming years. Properties showing significant increases in energy usage will be focused on to ensure operational best practices are implemented, and where equipment needs to be replaced, high-efficiency upgrades are being integrated.

# Environmental Certifications

ENVIRONMENTAL IMPACT

10 out of 34 buildings are  
**ENERGY STAR** certified

10 out of 34 buildings are **LEED** certified  
(8 - Gold, 3 - Silver, 2- Other)\*

1 out of 34 buildings are  
**Fitwel** certified

34 out of 34 buildings are  
**UL Healthy Air** certified

*\*some bulidings have multiple LEED certifications*



3001 & 3003 Washington  
Arlington, VA

# Understanding the needs of the environment and our tenants.

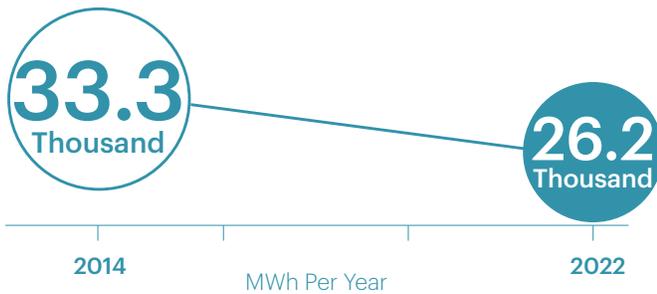
When KBS purchased Accenture Tower in 2013, the Class A office building at 500 West Madison in Chicago, IL, was an aging asset that needed to be repositioned to compete with newer Chicago developments. Our strategy included focusing on upgrading building energy systems and enhancing the experience for tenants.

## Energy Systems

Starting with energy efficiencies, we incorporated multiple sustainability programming initiatives. By upgrading energy management equipment within the building’s automation system and integrating conservation measures, energy consumption was decreased.

In total, the building was able to improve energy consumption by 7,104 MWh or 21.33% since its acquisition — which resulted in multiple conservation awards (i.e., TOBY, BOMA 360, ASHRAE).

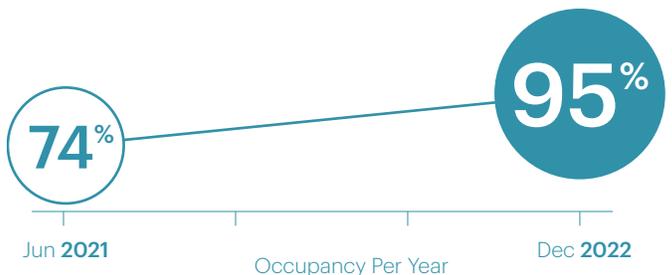
Energy Consumption



## Tenant Experience

To improve the tenant experience, KBS invested \$10 million to incorporate a first-class lounge with a staffed bar, a landscaped outdoor terrace and a new conference center. The significance of the remodel is that within these spaces, we incorporated renewable, natural materials, like woods, wool, cotton and bamboo.

As more employees returned to the workplace post-COVID-19, additions such as the lounge offered tenants a second-home environment that positively impacted the building occupancy — which jumped from 74% in mid-2021 to 95% by the end of 2022.



## About Accenture Tower

Built in 1987, Accenture Tower is a 1.46 million-square-foot Class A LEED Gold-certified building that sits above the Ogilvie Transportation Center, one of two main train stations in Chicago’s West Loop, which connects the suburbs with Downtown Chicago. In addition, the building offers tenants a 14,000 SF fitness facility and two floors (80,000 SF) of retail shopping options.



# Social Impact

# Social Impact

## Our People

At KBS, our mission speaks to the power of collaboration, conducting business with integrity and a devotion to nurture and promote an inclusive workplace. In fact, of all KBS' assets, we consider our people to be the most valuable. Each member of the KBS team is integral to our success as a business, which is why we prioritize offering a strong benefits program to demonstrate our gratitude for the work they do. We make every effort to create an inclusive culture where team members feel supported and appreciated. Through ongoing training and development programs, competitive compensation packages and a holistic approach to wellness, it's our aim to build upon this commitment to them.

*Our people and our culture are therefore integral to our success as a business.*

## Health & Wellness

We believe there's nothing more important than the health and safety of our employees and their families. Their well-being is simply nonnegotiable. Taking a holistic approach, we focus on three distinct pillars of support where the most positive impact can be made in their lives: medical, financial and mental well-being.

## Medical Benefits

Because our employees are at the heart of everything we do, we offer a comprehensive benefits package that includes health, dental and vision insurance, life, disability and workers' compensation insurance, flexible spending accounts plus family and medical leave.

With technology transforming the healthcare landscape, many expect experiences that align with their digital-aligned lives. That's why we've introduced several tech-based well-being benefits, including telehealth options through LiveHealth Online, the AbleTo app that offers immediate, effective support for emotional well-being and Calm, an app-based digital system that offers options for meditation, sleep aid, gentle movement, stretching and music.



# Social Impact (continued)

## Health & Wellness (continued)

To ensure a healthful and safe environment in our corporate offices, formal green-cleaning policies are in place with our cleaning vendors. What's more, we maintain high standards for indoor air quality using high-efficiency MERV-rated air filters frequently disinfected or replaced as part of a regular maintenance process.

## Mental Well-Being

KBS provides its full-time employees paid time off, Employee Assistance Program (EAP), which provides confidential access to professional counseling services for help with personal concerns for all employees and their family members or dependents; bereavement leave and paid holidays.

## Financial Benefits

Our full-time employees can participate in 401(k) retirement plan, unemployment compensation insurance and company wide finance seminars with financial advisors.

## Development & Training

KBS fosters a culture of promoting from within the organization and is dedicated to supporting the ongoing development of our employees.

We invest in the continued training and education of our employees, providing them with in-person and virtual training sessions, employee-led learning opportunities, tuition reimbursement, support for employee certification programs and quarterly business-wide update meetings. What's more, based on feedback received from our employees, we plan to expand our internal training program to include dedicated leadership courses to support their continuing personal development and growth.

KBS has a comprehensive web-based compliance training program for our employees that is aligned to our governance policies. The program is mandatory for all employees and covers AML, anti-bribery and corruption, conflicts of interest, SEC registered policies, our approach to outside business affiliations and vendor due diligence.

The average number of mandatory training hours undertaken per employee during 2022 was 11 hours.

*We focus on three distinct pillars that have positive impacts on our employees and their families: medical, financial and mental well-being.*



# Social Impact (continued)

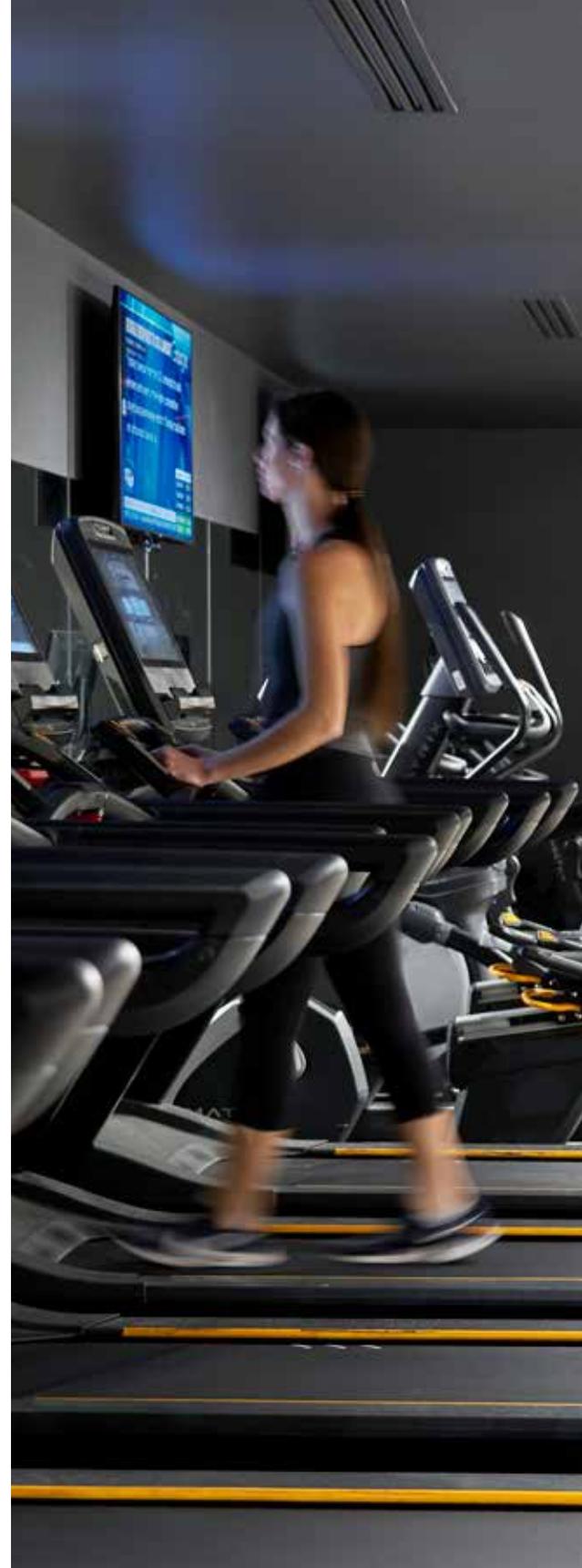
## Other Benefits

KBS employees can also take advantage of these many opportunities, perquisites and services:

- Allstate Identity Protection, which provides monitoring, near real-time alerts and customized emerging fraud notifications.
- LiveFit Program where employees can be reimbursed up to \$50 per month for any physical or mental well-being-related program and activity.
- Vitality Wellness, a third-party application that allows employees to accrue points and earn gift cards for wellness-related activities.
- Travel Assistance Program providing help for employees and their families during travel, primarily with medical emergencies.
- Medicare Advocacy Services.
- Quarterly “Lunch & Learn” programs focused on employee-led topics that cover wellness and financial health — including lunch with healthful options.
- Military Leave.
- Lactation Room (at Newport Beach, CA office).
- Multifaith Room (at Newport Beach, CA office).
- Bicycle Storage (at D.C. office).
- On-Site Fitness Center (at D.C. office).
- Weekly fresh fruit delivery and healthy snacks (at Newport Beach, CA and D.C. office offices).
- Ergonomic furniture and workstations at all our offices.

## Annual Performance Reviews

All eligible employees take part in our annual performance review process to evaluate their achievements throughout the year and to align their goals for the following year. The process also includes a review of training and development opportunities to encourage personal development and growth.



# Social Impact (continued)

## Recognizing Our Team Members

Through our Employee Award of Excellence program, we have the unique opportunity to recognize and celebrate our highest-achieving members of the KBS team. Each quarter, our department heads and Executive Committee identify and vote on our top performer for the period. The selected employee is awarded a generous gift and featured in our quarterly internal newsletter.

## Employee Engagement Survey

During 2022, we conducted our first employee engagement survey to understand employee workplace satisfaction. We had a strong response rate of 78%, with 86% of our employees responding favorably on satisfaction levels at KBS. We'll continue to periodically conduct employee satisfaction assessments to shape our ongoing approach to delivering relevant amenities, benefits, training and development opportunities and programs that support our employees' mental, physical and financial wellness. We believe the success of our efforts in the workplace can be demonstrated by the long tenures of many of our employees. As of December 31, 2022, we had 79 full-time permanent employees, and the average tenure of our employees was approximately 8.9 years.

*KBS invests in continued training and development of our employees by providing in-person and virtual training sessions, employee-led learning opportunities, tuition reimbursement, support for employee certification programs and quarterly business-wide update meetings.*



# Diversity, Equity and Inclusion

At KBS, we strive to create an equitable work environment where we empower, develop and advance our team members. We value the uniqueness of each individual and respect everyone's innate creativity and self-expression. It is our steadfast belief that by embracing diverse backgrounds, skills and experiences, we'll drive innovation to better serve our investors, tenants and communities.

In 2022, our community outreach efforts were demonstrated by the volunteer hours of KBS employees. Where there's been need, our team members have answered the call — whether it was sponsoring a beach clean-up, helping with food insecurity or lending a hand at an animal shelter. In the spirit of the holidays, our Washington, D.C. office proudly supported a service family. And in conjunction with the County of Orange Operation Santa Claus program, our California corporate office sponsored a toy drive that provided gifts to underserved children in foster care. In 2023, our outreach plans include a Working Wardrobes clothing drive, the Susan G. Komen "The MORE THAN PINK Walk, Race for the Cure" plus food and toy drives during the holiday season.

To better support and maintain a diverse, equitable and inclusive work culture at KBS, our DEI efforts include enhancements to our employee training program. And in keeping with our ESG policy, we continue to periodically review our diversity and inclusion metrics, evaluate potential DEI-related goals and identify additional opportunities for improvement.

## Equal Opportunity & Nondiscrimination Policies

KBS is an equal opportunity employer committed to complying with all federal, state and local laws and providing equal employment opportunities. It's our intent to maintain a work environment that's free of harassment, discrimination or retaliation based on an individual's race, color, religion, religious creed, national origin, ancestry, citizenship, physical or mental disability, medical condition, genetic information, marital status, sex, gender, age, sexual orientation, veteran and/or military status, protected medical leaves, domestic violence victim status, political affiliation or any other status protected by federal, state or local laws.

We are dedicated to the fulfillment of our equal opportunity and nondiscrimination policies regarding all aspects of employment, including but not limited to recruiting, hiring, placement, transfer, training, promotion, rates of pay and other compensation and termination.

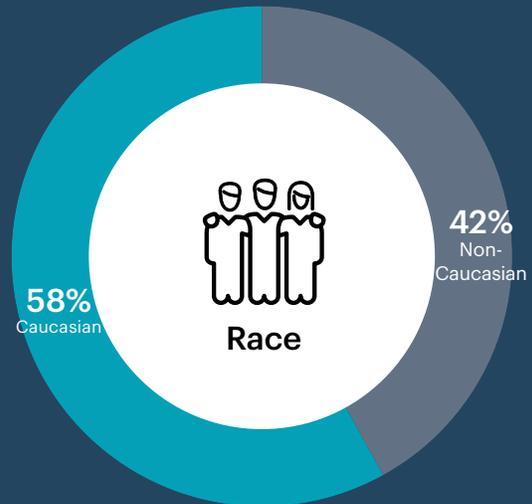
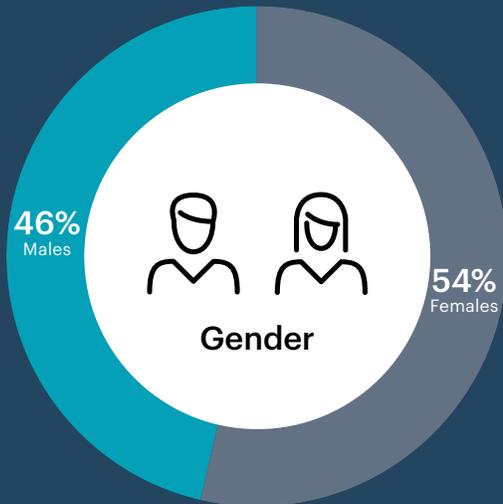
## Supplier Diversity

In 2022, KBS implemented a supplier diversity survey to foster an inclusive, equitable and diverse supply chain. We encourage our portfolio property managers to consider diversity during the supplier selection process, and we will use the survey to begin tracking the businesses with which we partner with.

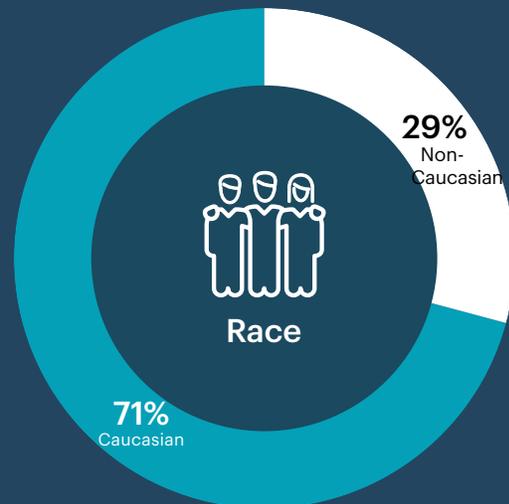
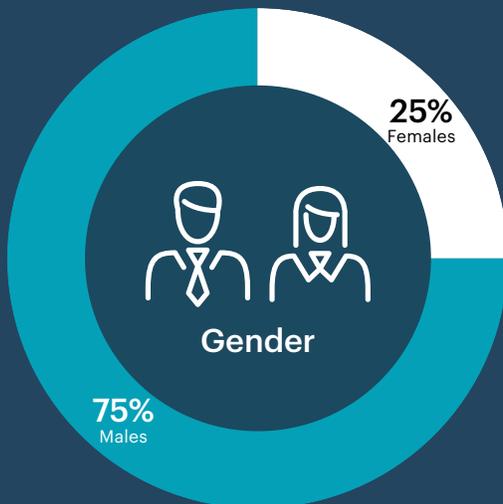


## Our Workforce

### Employee Overview



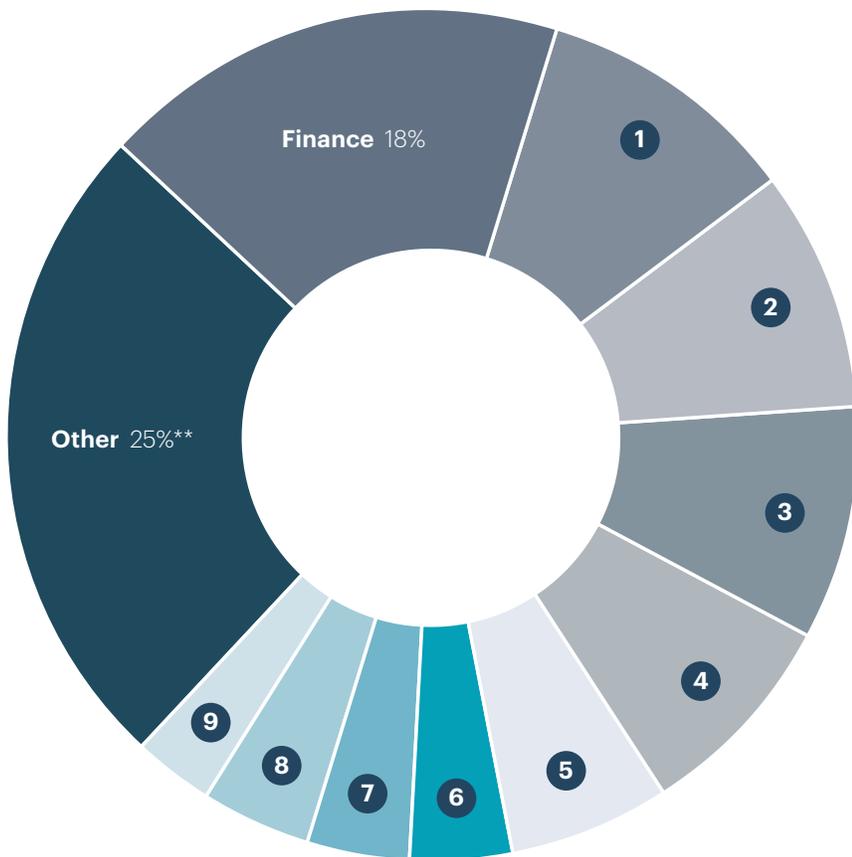
### Officer Overview



# Our Tenants

At KBS, we are proud of the properties, amenities and services we offer our tenants. We keep a close watch on market trends to better anticipate the amenities and options of greatest interest to our tenants. Through ongoing tenant engagement, including surveys, on-site events and our quarterly newsletter, we're able to enhance our properties and ensure a high level of satisfaction. Considering the impact tenants can have on environmental performance, our response-focused approach will be key to achieving our ESG strategy.

## Tenant Breakdown by Industry (by annualized base rent)\*



- 1 Real Estate, Rental and Leasing 10%
- 2 Legal Services 9%
- 3 Management Consulting Services 9%
- 4 Computer Systems Design and Related Services 8%
- 5 Professional, Scientific and Technical Services 6%
- 6 Healthcare and Social Assistance 4%
- 7 Information 4%
- 8 Insurance Carriers and Related Activities 4%
- 9 Transportation and Warehousing 3%

*Community engagement at the tenant level is imperative in order to have a successful leasing strategy.*

\*Annualized base rent represents annualized contractual base rental income as of December 31, 2022, adjusted to straight-line any contractual tenant concessions (including free rent), rent increases and rent decreases from the lease's inception through the balance of the lease term.

\*\*Other includes any industry less than 3.5% of total.

## Tenant Satisfaction

As part of our engagement approach, we hold town halls at most of our buildings to meet directly with our tenants and understand their unique requirements and needs. Our property management teams also meet with tenant representatives individually and conduct tenant satisfaction and feedback surveys to understand and address issues and determine future improvements. Our dedicated focus on engagement allows us to rapidly respond to our tenants' needs and has been a key driver behind our strong tenant satisfaction results in the Kingsley survey.



We distribute the Kingsley survey to our tenants to measure and track our tenants' levels of satisfaction with the property and services provided by KBS.

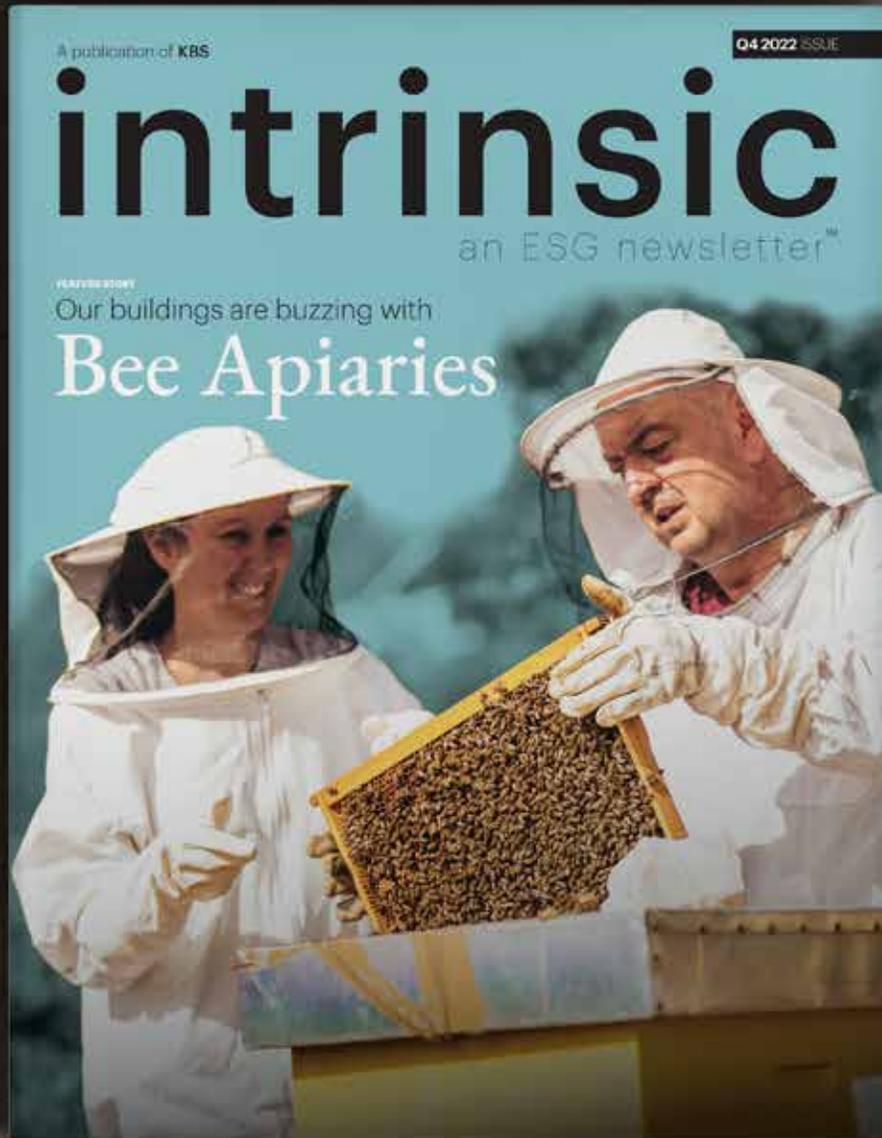
In 2022, 15 of our 17 KBS REIT III properties won the Kingsley Excellence Award.

This award recognizes properties that outperform the Kingsley Index™ industry benchmark for tenant satisfaction.

## SOCIAL IMPACT



# Tenant Sustainability Newsletter



In 2022, KBS launched Intrinsic, our quarterly sustainability newsletter for tenants. The newsletter provides tenants with updates on our ESG program, highlights the sustainability-related initiatives we are taking at each of our buildings and offers practical tips to improve energy, water and waste usage.

# Tenant Experience

SOCIAL IMPACT

We are continually enhancing our buildings to support the engagement, collaboration and happiness of our tenants. Based on the feedback from our tenants, we have focused on bringing the following key building amenities to our properties:



**Bicycle Storage**



**Car Care Centers**



**EV Charging Stations**



**Fitness Facilities**



**Meeting Rooms**



**Outdoor Spaces**



**Retail Shopping Options**



**Social Spaces**



**Wellness Rooms**

# Healthy Buildings

KBS is dedicated to the health and wellness of the tenants and visitors in the buildings we manage. In response to the COVID-19 pandemic, we immediately focused on creating a safe work environment for our tenants by providing them with healthy indoor work environments. We set a goal to have 100% of our buildings earn the UL Verified Healthy Building Mark for Indoor Air and are proud to announce that we successfully achieved this goal during 2022.

For buildings to earn this verification, each property must undergo a rigorous process through UL's Verified Healthy Building Program. This consists of desktop audits, on-site visits (including visual inspections and performance testing) and laboratory testing to evaluate the range of building space conditions. Our properties undergo additional monitoring twice a year to continuously confirm excellent indoor air quality performance to maintain the UL verification.

*Our goal is to achieve 100% UL healthy air certification across our entire portfolio.*



**18 Properties**  
8,431,274 SF



**1 Property**  
254,599 SF

In addition to Healthy Building certifications, we've implemented renovations at our properties to provide eco-friendly amenities for tenants, such as modernized HVAC systems and bipolar ionization that can sanitize indoor air more effectively as well as building apps that activate touch-free entrances and elevators. We use "green" cleaning products at all our buildings, which prevents toxic chemicals in conventional cleaning products from being released in our buildings. This creates a safer environment for tenants, visitors, employees and janitorial workers. Our properties also adhere to green construction standards that include low-VOC products and demolition waste recycling.



# Sweetening the urban landscape with a taste of honey.

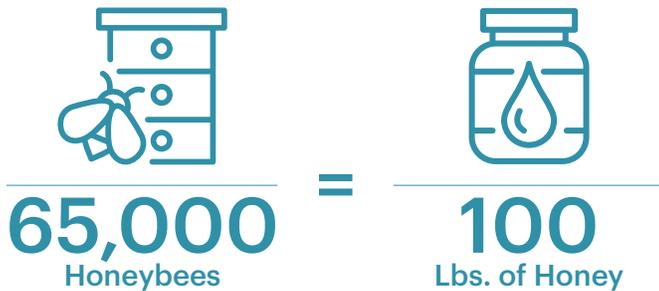
CASE STUDY

While the fusion of sights, sounds and culture play a big role in drawing people into cities to live, work and play, the downside can mean fewer touch points with the natural world. One approach we've taken to integrate nature back into the urban dynamic is with bee apiaries. Here's the buzz.

## Bee Apiaries

In recent years, KBS has implemented and expanded an urban beekeeping program in the form of rooftop and building-adjacent apiaries to some of our current KBS REIT III and separate account portfolios. The program is part of a greater effort to integrate facets of nature where they'll benefit the well-being of tenants and the ecosystem.

Honey Production



The contribution of just one or two beehives is significant. One beehive can host as many as 65,000 honeybees, which produce roughly 100 pounds of honey per year. Bees also pollinate the surrounding flora, helping flowers and vegetation to thrive.

KBS' urban apiary program is maintained by beekeeping professionals who work in partnership with the Building Owners and Managers Association (BOMA.org) to ensure it is professionally managed and that safety standards are maintained.

The hives stay in place year-round, and beekeepers manage operation of the hives to make the experience of having apiaries on-site worthwhile for tenants. In the fall, honey is harvested; at most properties, KBS gives



## Going the Distance

Pictured from the rooftop of 60th South Sixth in Minneapolis, MN, honeybees fly up to 3 miles from their hives to retrieve nectar and pollinate flowers.

tenants jars of honey that the bees produce. Many apiaries even have regular beekeeping workshops as well as webpages, such as [MyHive.alveole.buzz](http://MyHive.alveole.buzz).

Although return on investment for this program is complex to measure, the return in environmental benefits cannot be overstated. KBS and its property managers measure ROI by the level of good-natured engagement tenants have with their busy *Anthophila* cohabitants.

# Our Community

SOCIAL IMPACT

During 2022, we prioritized supporting six organizations through our volunteering and philanthropy initiatives. We also had our first official company wide volunteer day in 2022 where we contributed 152 volunteering hours across KBS.

## KBS Veterans Affiliation (Orange County Veterans Initiative)

KBS advocates for veterans because we believe that those who have served our country deserve our support and recognition for their sacrifices and commitment to protecting our freedoms. For these reasons, in 2011, KBS partnered with different real estate organizations and helped establish the Orange County Veterans Initiative (OCVI). We are both founding partners and sit on the board of the OCVI.

The initiative aligns donors, businesses and community leaders to focus on three critical areas of need for veterans: transitioning to civilian life, employment readiness and job skills and health with an emphasis on mental health needs. Moreover, KBS makes an annual donation of \$25,000 toward the initiative. It is our hope to honor and provide veterans with opportunities and programs to succeed in their civilian lives.

## Our Workforce

Wreaths Across America is a nonprofit that honors fallen U.S. soldiers by coordinating wreath-laying ceremonies at Arlington National Cemetery and in over 3,400 locations in all 50 states, at sea and abroad for Christmas. Held on December 17, 2022, volunteers from KBS gathered at Arlington National Cemetery to place live balsam wreaths on veteran headstones as a demonstration of respect, gratitude and remembrance.

Since 2016, KBS has helped sponsor more than 38,200 wreaths. The fundraising campaign runs during the month of November. A \$15 donation sponsors one wreath, with 100% of proceeds going directly to Wreaths Across America. This year, KBS raised \$30,210 and made a matching contribution of 1,511 wreaths.

“We are proud to continually support Wreaths Across America in their mission to remember fallen U.S. veterans, honor those who serve and teach future generations about the value of freedom,” said Marc DeLuca, KBS CEO and regional president for the, Eastern United States. “Thank you to our generous tenants and employees whose contributions allow us to pay tribute each year.”



# Coast to coast, we rally around community support and growth.

CASE STUDY

In 2022, volunteerism played a burgeoning role in KBS' culture and community engagement. It is our belief that giving of ourselves makes a positive impact on our own health, happiness and outlook. Last year, KBS inaugurated Volunteer Day, a company-sponsored opportunity during which our dedicated colleagues in Newport Beach, CA, Washington, D.C., and New York, NY, logged an impressive 152 hours of volunteer work. Here are just a few examples of how their Volunteer Day was spent:

## Beach Cleanup

In the summer of 2022, KBS employees from Newport Beach gathered at the Balboa Peninsula for California Coastal Cleanup Day, a statewide event organized by the California Coastal Commission (CCC). Joining thousands of other volunteers to help gather debris and litter along the Golden State's beautiful coastline, Team KBS collected more than 35 pounds of refuse from around iconic Balboa Pier.

The CCC estimates that 80% of ocean trash originates from land-based sources, and Cleanup Day resulted in preventing over 26,000 pounds of trash from impacting our ocean. It was a great day for volunteers — and an even better day for California beaches.

## Animal Welfare

According to the Animal Welfare League of Arlington (AWLA), nearly 2,800 cats, dogs and small companion animals were brought into their care from shelter and rescue partners just last year. And while the League's exemplary staff is the heart and soul of their success, the AWLA admits that volunteers are crucial to their mission: to improve the lives of animals and people.

KBS team members in the Arlington area have taken the AWLA's need for volunteers to heart by generously giving of themselves. David Jenkins is just one of the people who helped clean cages at AWLA. "I've always had a soft spot for animals," admits David. "It does my heart good to help both the AWLA staff and the animals in their care."



## Empowering Our Employees

For Beach Cleanup Day, KBS employees collected more than 35 pounds of refuse from around iconic Balboa Pier in Newport Beach, CA.

## The Bowery Mission

In 2022, KBS joined 6,600 fellow volunteers at The Bowery Mission in New York to prepare and serve meals for the homeless and hungry.

The Mission relies on volunteers to continue their life-transforming work. Without outside assistance, The Bowery Mission simply could not fully meet the needs of the marginalized individuals who rely on the Mission to sustain themselves and help get back on their feet.



# Governance

# Corporate Governance

## KBS Executive Committee

In December of 2022, we established the KBS Executive Committee as part of our strategic decision to strengthen governance and oversight. Chaired by our President and Chairman Charles J. Schreiber Jr., the committee represents KBS' highest level of governance responsible for setting the overall direction of the company. Specifically, the committee provides us with leadership, strategic direction and high-level management.

Comprised of a small group of senior leaders, the Executive Committee is appointed to act on behalf of and within the powers granted by the chairman of the company, regardless of title. By way of law, officers are often required to be a part of the committee. The Executive Committee members were selected by KBS' president and chairman and include a diverse group of members chosen based on their leadership abilities, business judgment, drive, emotional intelligence and integrity.

## Goals of the KBS Executive Committee

- The committee must provide an environment where complicated business decisions can be addressed and resolved.
- The committee needs to be a decision-making entity.
- The committee must be made up of individuals who can provide different analytical points of view and reason.
- The committee must act in the highest degree of confidentiality and integrity.

To aid in the decision-making process, Executive Committee members are provided a monthly agenda to voice ideas and concerns related to the business interest of KBS, its partners, clients and KBS REITs.

*The Executive Committee provides leadership, strategic direction and high-level management for the firm.*



## Corporate Governance (continued)

### KBS Officers

Prior to December of 2022, KBS officers were the highest governance body responsible for corporate governance and oversight. KBS officers consist of the Executive Committee and key members of management who carry out the day-to-day operations of the business (19 executive members and 4 nonexecutive members). As divisional leaders within KBS, the officers represent our various internal and external stakeholder groups and bring considerable expertise within their domains to the management and oversight of KBS. All KBS officers are appointed by the managing member and oversee specific business functions based on their background and expertise. In partnership with the Executive Committee, the officers will continue to play an important role in the governance of KBS and be responsible for managing our day-to-day business operations.



# ESG Oversight

During 2022, KBS formalized our approach to ESG strategy and oversight by establishing two new dedicated oversight and management functions: a Green Team and an ESG manager. Our CEO, Green Team and ESG manager share responsibility for ESG decision-making and oversight of management's implementation of ESG initiatives.

In April of 2022, KBS appointed Apaulo Malloy to lead the ESG department as ESG manager. The Green Team was then established to represent stakeholders across multiple departments, including ESG, Compliance, Asset Management, Human Resources, Marketing and Communications and IT. The team is comprised of several KBS officers and is responsible for overseeing and advancing KBS' environmental, social and governance policy and strategy. The team continuously convenes throughout the year to discuss active and future initiatives.

A third-party consultant was also hired by KBS to assist with developing our approach to sustainability and ESG. The ESG manager along with the third-party consultant developed KBS' ESG strategy and policy, which were reviewed by the Green Team and approved by the CEO and impacted KBS officers.

As of December 2022, the newly formed Executive Committee is responsible for the ongoing oversight and approval of KBS' sustainability strategy. In alignment with the strategy and policy, the ESG manager will drive all ESG initiatives at the corporate and property levels, and along with the Green Team, is responsible for guiding and advancing the CEO and Executive Committee's knowledge of sustainability through ongoing engagement and reporting.

The ESG manager and Green Team are also responsible for identifying and managing KBS' sustainability-related impacts and engaging with internal and external stakeholders to ensure KBS' sustainability agenda is comprehensive, actionable and in line with our stakeholders' expectations. The ESG manager will track progress against our sustainability goals and work in collaboration with the Green Team to annually review and update our ESG strategy and policy, with the Executive Committee providing the final approval.

*The ESG manager and Green Team are also responsible for identifying and managing KBS' sustainability-related impacts and engaging with internal and external stakeholders to ensure KBS' sustainability agenda is comprehensive, actionable and in line with our stakeholders' expectations.*



## Green Team



**Apaulo Malloy**

ESG Manager



**Marc DeLuca**

CEO and Regional President,  
Eastern U.S.



**Rachel Umipig**

Chief Compliance Officer



**David Zamudio**

Executive Vice President,  
Human Resources



**Ryan Butala**

Vice President,  
Communications and  
Brand Strategy



**Chris Kiernik**

IT Director

## The Green Team Council

KBS started the Green Team Council in 2022 to represent the voice of our employees when designing future ESG employee initiatives and events. The Green Team Council is comprised of volunteer KBS team members who meet periodically with our ESG manager to discuss, design and agree on all corporate-level ESG initiatives for our employees. Last year the Green Team Council facilitated our annual Earth Day event, company wide volunteer activities and a Christmas Toy Drive.

## Governance Policies and Ethics

At KBS, our reputation rests on stringent values and an unparalleled commitment to business ethics. For three decades, KBS and our employees have maintained the highest standards of integrity and ethics. We take pride in creating a culture in which everyone acts out of personal responsibility and accountability for protecting our business and our clients. Ethics and integrity form the foundation of our core values, and all decisions are made with an “Integrity Comes First” approach.

# Our Core Values



## INTEGRITY COMES FIRST

Improving the lives of our tenants and communities starts by challenging our colleagues to maintain the highest ethical standards.



## RELATIONSHIPS MATTER

Cultivating equitable relationships with our tenants, investors and partners profits everyone. Each decision is made with people at the center.



## EXCEED EXPECTATIONS

Success for KBS cannot be measured until we have exceeded the expectations of our tenants, investors and partners.

## KBS Code of Ethics

The KBS Global Ethics and Compliance Program is led by our chief compliance officer (CCO). The program and its policies are outlined in our Code of Ethics,\* which sets the foundation for our business and governs the business practices adhered to by the KBS Executive Committee and all KBS employees.

KBS is registered with the SEC and by law, therefore, has a fiduciary duty to act in the best interests of our clients. We take our ethical responsibilities seriously and do not tolerate any violations of our Code or any acts of bribery and corruption in our business.

Incorporated into our Code of Ethics, our fiduciary duties include placing the interests of our clients first. We comply with federal securities laws and all other laws and rules applicable to KBS (including but not limited to the Anti-Money Laundering Act, political contributions rules, the U.S. Foreign Corrupt Practices Act and pay-to-play rules). We avoid taking inappropriate advantage of KBS' position. We abide by fair dealing practices ensuring the company and employees will not seek competitive advantages through unethical or illegal business practices (including but not limited to bribery, payoffs to induce business or breaches of contracts by others). All third-party vendors are vetted prior to onboarding.

The KBS CCO is accountable for the oversight and implementation of the Code and independently tests adherence to the SEC compliance requirements. Adhering to compliance with our Code and SEC requirements includes independently vetting and reviewing political contributions, potential insider trading, potential money laundering and bribery/corruption as well as marketing and advertising misrepresentation pursuant to SEC rules, conflicts of interest, and OFAC and IRS TIN/Name matching of vendors.

*\*The Code of Ethics is reviewed and updated when necessary by the CCO. Updates to the Code are generally triggered with any regulatory changes as it relates to our business model and when the CEO is notified of any amendments.*



## Our Policies

KBS has policy commitments in place covering responsible business conduct and the human rights of our employees.\* KBS' responsible business conduct policies are found in our Code of Ethics and Compliance Manual. KBS' human rights policies are found in our Employee Handbook and cover employee safety, workplace violence, confidentiality, accommodations for victims of crime or abuse, drug and alcohol rehabilitation accommodation, wages and hours and employee benefits. Our policies are aligned to SEC requirements, Investment Advisor Act of 1940, ISO 14001, NIST Cybersecurity Framework, and all applicable federal, state and local laws. These policies are validated and approved by the applicable KBS department head, who is accountable for the oversight and implementation of each of their respective policies.

## Public Policy

### Political Contributions

In the U.S., federal law prohibits corporations from contributing to candidates, and in line with this, our company's general policy is that we will not make any political contributions to any person who is an incumbent, candidate or successful candidate for elective office of a governmental entity. In line with regulations, employees are permitted to make certain de minimis political contributions on a per-official/per-election basis without violating the pay-to-play rule.

### Direct Engagement

Select KBS employees may engage with government or regulatory officials as part of their roles, and we are committed to high ethical standards in these relationships. Our approach to government interaction is outlined in the KBS Compliance Manual, and approval is required from the CCO prior to any employee soliciting a government entity to become a client or investor. We do not tolerate bribery or corruption in our business dealings; similarly, interactions with all foreign government officials are aligned to the Foreign Corrupt Practices Act.

### Supply Chain Management

Our supply chain is comprised of suppliers and vendors of goods, services and equipment for our office-based operations and for supporting our property management activities. KBS' policy is to conduct initial and ongoing due diligence in line with SEC guidance on the service providers utilized using a risk-based approach incorporated into our dedicated vendor risk management platform. All legal contracts with material business partners include fair dealing and anti-bribery and corruption provisions to ensure our business partners are acting in accordance with our Code of Ethics.

*All legal contracts with material business partners include fair dealing and anti-bribery and corruption provisions...*

\*Our policies apply to all KBS employees and our business partners (via contractual agreements) as appropriate and are not published externally (aside from the Privacy Policy, found at [https://kbs.com/wp-content/uploads/2021/03/Privacy\\_Policy\\_6124-O.pdf](https://kbs.com/wp-content/uploads/2021/03/Privacy_Policy_6124-O.pdf)). Our policies are periodically updated as required, and all policy amendments are promptly communicated to our employees and applicable business partners.



### Annual Compliance Reviews

KBS undergoes an annual compliance review pursuant to SEC Rule 206(4)-7 to determine whether the company's policies and procedures are reasonably designed and implemented to prevent violation of federal securities laws and are effectively operating to prevent compliance problems. The rule requires this report to be delivered and any findings to be reviewed with the KBS CEO. As a best practice, KBS engages a qualified independent compliance consultant to conduct the annual review. The 2022 review did not identify any material deficiencies.

### Responsible Marketing

KBS utilizes marketing and advertising to engage with consumers on the topics that matter to them and communicate about our products and services. We make sure our products are clearly explained and honestly marketed so our customers can make informed decisions and choose products and services that are most beneficial to them. We have practices and training in place to ensure fair treatment of customers and alignment with SEC rules governing investment advisor marketing.



## Our Policies (continued)

### Grievance and Whistleblower Mechanisms and Protections

KBS has a zero-tolerance policy for corruption, bribery, extortion or harassment in the workplace. We do not authorize, tolerate or participate in any business practice that does not comply with our business policies, human rights policies and applicable laws.

We take the above policies and laws very seriously; therefore, any employee who comes forth regarding a suspected violation will be treated with the highest level of confidentiality and utmost discretion. To foster a safe environment for our employees, we have a formalized confidential process to report grievances or concerns related to responsible business conduct, which is detailed in our Employee Handbook.

All grievances are reviewed and managed by Human Resources, and any concerns related to responsible business conduct are managed by the CCO. An investigation and interview process will be conducted, and all findings and recommendations will be evaluated and approved by the CEO. The Executive Committee will also be notified of any critical grievances or substantiated concerns related to business conduct. If KBS determines that unlawful harassment or a grievance has occurred, effective remedial action will be taken in accordance with the circumstances involved. In 2022, there were no critical grievances reported.

In accordance with applicable state and federal law, KBS prohibits retaliation against an employee for reporting any incidents of harassment or perceived harassment or for participating, testifying or assisting in any investigation proceeding or hearing conducted either by KBS or any government enforcement agency. In addition to the KBS internal procedure, employees are made aware that additional support can be received from the federal Equal Employment Opportunity Commission (EEOC) and the California Department of Fair Employment and Housing (DFEH), who will investigate and prosecute complaints of unlawful harassment in employment.

KBS has a strict policy around whistleblower protections that supports employees to safely report any concerns or suspected violations of the Code of Ethics and prohibits retaliation against employees who make such reports.

*KBS has a strict policy around whistleblower protections that supports employees to safely report any concerns or suspected violations of the Code of Ethics.*

## Our Policies (continued)

GOVERNANCE

### Business Continuity & Resilience

In the wake of the COVID-19 pandemic, business continuity and resilience continue to be front of mind for KBS and our stakeholders. We maintain a formal Business Continuity Plan and Disaster Recovery Plan to ensure our critical business functions can continue during and after any significant business disruptions. The plans outline our approach to safeguarding our employees and properties, promptly recovering and resuming operations, protecting our data and communicating with our customers. We perform annual disaster recovery tests to ensure we are prepared for any potential business disruptions and that our employees are fully equipped to work remotely in a secure environment.

*In the wake of the COVID-19 pandemic, business continuity and resilience continue to be front of mind for KBS and our stakeholders.*



## Our Policies (continued)

### Cybersecurity & Data Privacy

In the course of our business, we collect customers' personal information and transmit sensitive data across networks. Our transparent, compliant and ethical collection and use of data is key to earning and maintaining trust. In response to the growing volume and sophistication of cybercrimes globally, we continually invest in proactively maintaining the security of our networks to mitigate potential security risks or breaches.

We are committed to following comprehensive cybersecurity protocols that ensure compliance with legal and regulatory requirements governing the protection of personal information in all the jurisdictions in which KBS operates. In keeping with the National Institute of Standards and Technology (NIST) Cybersecurity Framework, we have developed a multifaceted approach to managing potential security risks that includes a formal set of policies and procedures in place that govern access to our technology and information assets; an ongoing monitoring program that includes continuous vulnerability scans, employee training on cybersecurity topics and prevention mechanisms, periodic reviews of access rights across the organization and vendor due diligence and management via our Vendor Risk Management Platform; and a mandate for all employees and contractors to complete an annual attestation confirming compliance with our Information Security Policy.

Our approach to cybersecurity is overseen by the KBS Cyber Governance Committee. The committee is comprised of our Information Technology and Executive Management teams and meets quarterly to oversee our cybersecurity risk management process. In the event of a breach, KBS has formal incident response procedures and has maintained cyber insurance covering the company, KBS REITs and other funds since 2015.

During 2022, there were no complaints of breaches of customer privacy, data leaks, data theft or loss of customer data.



# Stakeholder Engagement

In the course of doing business, members of the KBS team engage with a wide range of stakeholders who influence or are affected by our business activities. These stakeholders may include employees, clients, REIT shareholders, tenants, suppliers, vendors, and communities.

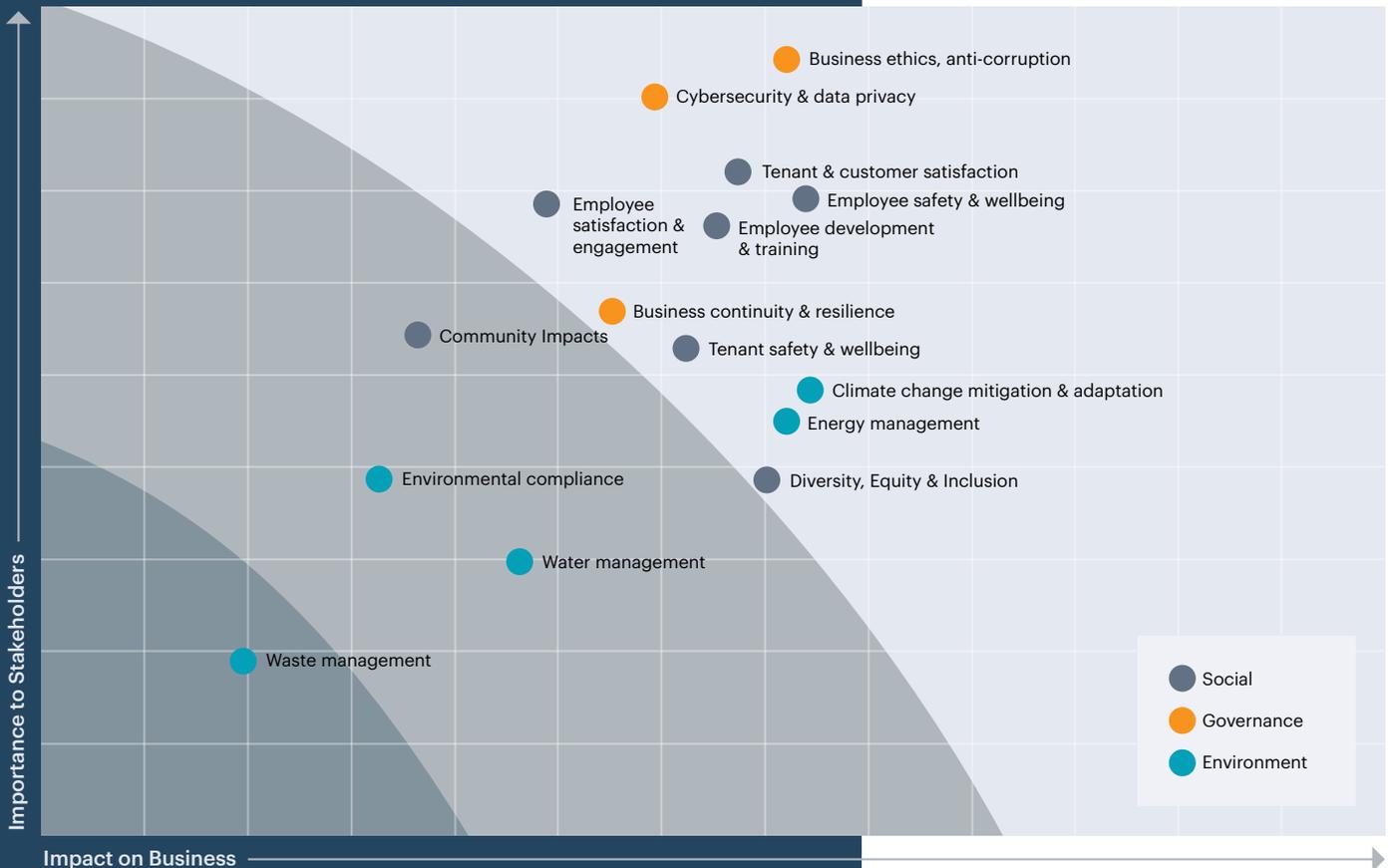
Stakeholder	How We Engage	Key Topics
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Webcasts hosted by KBS senior management to provide an update on the business and address questions</li> <li>• Publication of 10-K, 10-Q and other reports</li> <li>• Dedicated investor relations team</li> <li>• Written correspondence and other communications</li> </ul>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Business ethics and integrity</li> <li>• Customer satisfaction</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employee engagement survey</li> <li>• Quarterly internal newsletter</li> <li>• Quarterly business-wide meetings</li> <li>• Training programs and support</li> <li>• Annual performance reviews</li> <li>• Employee wellness programs</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and well-being</li> <li>• Business ethics and integrity</li> <li>• Employee development and training</li> <li>• Environmental compliance</li> <li>• Cybersecurity</li> </ul>
<b>Tenants</b>	<ul style="list-style-type: none"> <li>• Tenant town halls</li> <li>• On-site office hours</li> <li>• Email communications</li> <li>• Surveys</li> <li>• Quarterly newsletter</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and well-being</li> <li>• Business ethics and integrity</li> <li>• Tenant engagement</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Ongoing philanthropy</li> <li>• Volunteering activities</li> <li>• Mentorship programs</li> </ul>	
<b>Vendors</b>	<ul style="list-style-type: none"> <li>• Vendor due diligence surveys</li> <li>• Vendor risk management platform</li> <li>• Ongoing meetings and calls</li> <li>• Contractual T&amp;Cs</li> </ul>	

# Materiality Assessment

KBS performed its first materiality assessment in 2022 in accordance with the 2021 Material Topics Universal Standard. As part of the materiality assessment, KBS consulted industry guidance from the Global Reporting Initiative (GRI), the Global Real Estate Sustainability Benchmark (GRESB) and the Sustainability Accounting Standards Board (SASB). KBS also conducted interviews and surveys with the KBS executive leadership team, KBS REIT III Board members, employees, clients, tenants and asset managers. This consultation was used to identify the economic, environmental and social issues as they pertain to our business and stakeholders. The material topics were reviewed by the KBS Green Team and CEO and approved for inclusion in our ESG strategy and policy.

The matrix framework shown below maps the material environmental, social and governance opportunities and risks KBS faces today. KBS will develop goals and management controls to address those that are deemed most material.

*KBS consulted industry guidance from the Global Reporting Initiative (GRI), the Global Real Estate Sustainability Benchmark (GRESB) and the Sustainability Accounting Standards Board (SASB).*





# GRI Index

# GRI Content Index

<b>Statement of use</b>	KBS has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not Applicable

## GRI 2: General Disclosures

	<b>Disclosure</b>	<b>Response</b>	<b>Omissions</b>
<b>2-1</b>	Organizational details	a. KBS Capital Advisors LLC b. Nature of ownership is single member LLC and legal form is LLC c. 800 Newport Center Dr., Suite 700 Newport Beach, CA 92666 United States of America	
<b>2-2</b>	Entities included in the organization's sustainability reporting	Pages 2, 6	
<b>2-3</b>	Reporting period, frequency and contact point	Page 2 Publication Date: June 30, 2023	
<b>2-4</b>	Restatements of information	None, this is KBS' first ESG report	
<b>2-5</b>	External assurance	This report has not been externally assured	
<b>2-6</b>	Activities, value chain and other business relationships	Pages 6, 8-9, 17, 23, 27	
<b>2-7</b>	Employees	Pages 17, 20, 22	
<b>2-8</b>	Workers who are not employees	Page 17	

## GRI Index (continued)

	Disclosure	Response	Omissions
<b>2-9</b>	Governance structure and composition	Pages 22, 32-34	<p>The disclosures related to independence and significant positions/commitments of our Officers and Executive Committee are not applicable as these are employees and not an independent board of directors.</p> <p>The tenure of our Officers has not been reported since the Executive Committee has replaced the Officers as KBS' highest governance body as of December 2022.</p>
<b>2-10</b>	Nomination and selection of the highest governance body	Pages 32-33	
<b>2-11</b>	Chair of the highest governance body	Pages 32, 36	
<b>2-12</b>	Role of the highest governance body in overseeing the management of impacts	Pages 34-35, 42-43	
<b>2-13</b>	Delegation of responsibility for managing impacts	Pages 32, 34-36	
<b>2-14</b>	Role of the highest governance body in sustainability reporting	Pages 2, 34, 43	

## GRI Index (continued)

	Disclosure	Response	Omissions
<b>2-15</b>	Conflicts of interest	Pages 36, 38	
<b>2-16</b>	Communication of critical concerns	Page 39	
<b>2-17</b>	Collective knowledge of the highest governance body	Page 34	
<b>2-18</b>	Evaluation of the performance of the highest governance body		Information Unavailable – The KBS Executive Committee was formed in December 2022 therefore the evaluation process is still under review and not yet implemented.
<b>2-19</b>	Remuneration policies		Information Unavailable - As an SEC Registered Investment Advisor, KBS is not required to disclose executive compensation on our filings with the SEC, therefore this information is not available to be reported externally.
<b>2-20</b>	Process to determine remuneration		Information Unavailable - As an SEC Registered Investment Advisor, KBS is not required to disclose executive compensation on our filings with the SEC, therefore this information is not available to be reported externally.
<b>2-21</b>	Annual total compensation ratio		Information Unavailable - As an SEC Registered Investment Advisor, KBS is not required to disclose executive compensation on our filings with the SEC, therefore this information is not available to be reported externally.
<b>2-22</b>	Statement on sustainable development strategy	Page 4	

## GRI Index (continued)

	Disclosure	Response	Omissions
<b>2-23</b>	Policy commitments	Pages 11, 21, 27, 35-39	
<b>2-24</b>	Embedding policy commitments	Pages 18, 35-39	
<b>2-25</b>	Processes to remediate negative impacts	Page 39	
<b>2-26</b>	Mechanisms for seeking advice and raising concerns	Page 39	
<b>2-27</b>	Compliance with laws and regulations	KBS had no significant instances of non-compliance with laws or regulations as defined by no fines, charges or sanctions incurred by KBS.	
<b>2-28</b>	Membership associations	Page 29	
<b>2-29</b>	Approach to stakeholder engagement	Pages 20, 23-26, 29-30, 42-43	
<b>2-30</b>	Collective bargaining agreements	KBS follows state and federal labor laws, but it does not have collective bargaining agreements in place with its employees. However, KBS has an arbitration clause and an “opt-out” option in its employment contracts	

## GRI Index (continued)

### GRI 3: Material Topics

	Disclosure	Response	Omissions
<b>3-1</b>	Process to determine material topics	Page 43	
<b>3-2</b>	List of material topics	Page 43 Climate Change Mitigation, Energy Management, Employee Safety & Wellbeing, Employee Satisfaction & Engagement, Employee Development & Training, Tenant Safety & Wellbeing, Tenant Satisfaction, Diversity, Equity & Inclusion, Business Ethics & Anti-Corruption, Business Continuity & Resilience, Data Privacy & Cybersecurity	

### Specific Standard Disclosures

Material Topics	GRI Standard	Disclosure	Response	Omissions
<b>ENVIRONMENTAL</b>				
Climate Change Mitigation	GRI 3: Material Topics	3-3	Management of material topics	Pages 11-14, 34
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Pages 11, 13
		305-2	Energy indirect (Scope 2) GHG emissions	Pages 11, 13
Energy	GRI 3: Material Topics	3-3	Management of material topics	Pages 11-14, 34
	GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	Page 13

## GRI Index (continued)

Material Topics	GRI Standard	Disclosure	Response	Omissions	
<b>SOCIAL</b>					
Employee Safety & Wellbeing	GRI 3: Material Topics	3-3	Management of material topics	Pages 11, 17-19, 27	
	GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	Pages 17-19	
Employee Satisfaction & Engagement	GRI 3: Material Topics	3-3	Management of material topics	Pages 17-21, 37	
	GRI 401: Employment 2016	402-2	Benefits provided to full-time Employees that are not provided to temporary or part-time employees	Pages 17-19	
Employee Development & Training	GRI 3: Material Topics	3-3	Management of material topics	Pages 18-21	
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 18	KBS does not currently track average mandatory training hours completed across the organization broken down by gender or employee category in our human resources system.
		404-2	Programs for upgrading employee skills and transition assistance programs	Pages 18-19	
		404-3	Percentage of employees receiving regular performance and career development reviews	Page 19	

# GRI Index (continued)

Material Topics	GRI Standard	Disclosure	Response	Omissions	
<b>SOCIAL (CONTINUED)</b>					
Tenant Safety & Wellbeing	GRI 3: Material Topics	3-3	Management of material topics	Pages 11, 26-28	
	GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Pages 26-27	
Tenant Satisfaction	GRI 3: Material Topics	3-3	Management of material topics	Pages 23-26, 28	
Diversity, Equity & Inclusion	GRI 3: Material Topics	3-3	Management of material topics	Page 21-22	
	GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 22	

Material Topics	GRI Standard	Disclosure	Response	Omissions	
<b>GOVERNANCE</b>					
Business Ethics & Anti-Corruption	GRI 3: Material Topics	3-3	Management of material topics	Pages 35-39	
	GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		This risk has been assessed and the results are confidential.
		205-2	Communication and training about anti-corruption policies and procedures	Pages 18, 36-37	
		205-3	Confirmed incidents of corruption and actions taken	There were zero instances of corruption.	

## GRI Index (continued)

Material Topics	GRI Standard	Disclosure		Response	Omissions
<b>ENVIRONMENTAL (CONTINUED)</b>					
Business Continuity & Resilience	GRI 3: Material Topics	3-3	Management of material topics	Page 40	
Data Privacy & Cybersecurity	GRI 3: Material Topics	3-3	Management of material topics	Page 41	
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 41	

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