

KBS

2023

Sustainability Report



About This Report

Scope

This ESG sustainability report describes KBS' approach, performance, and achievements in relation to its 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.

Timeframe

This report covers activities from January 1, 2023, through December 31, 2023, and includes data that is primarily focused on KBS' corporate sustainability performance and the sustainability performance of the properties managed 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 the client portfolio of properties.

Unless otherwise noted, all data is as of December 31, 2023. 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 stakeholders, which includes investors, tenants, and employees, with an overview of KBS' sustainability and ESG efforts. KBS believes that offering greater transparency will help our stakeholders form a more educated understanding of our accomplishments and goals.

For any questions or comments regarding this report, please contact Apaulo Malloy, KBS' ESG Manager, at esg@kbs.com.

Publication date: June 27, 2024

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% emission reduction in five 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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Sustaining Performance & Our Common Mission

Welcome to the KBS Sustainability Report. We all know progress is impossible without change and change for the better means more when it's done together. As one of the largest owners and operators of premier commercial real estate buildings in the nation, KBS has an enormous opportunity to effect environmental, social and governance (ESG) change for the benefit of many.

A major key lies in transitioning from short-term objectives to a long-term strategy by embedding ESG factors at the core of our business objectives.

KBS' first goal is to achieve a 5% greenhouse gas (GHG) emissions reduction by 2025. Also, we have a target to increase KBS REIT III's waste coverage by 20% no later than 2026.

“ Our decisions shape the growth of local economies and investments. More than returns, it is the tangible difference we make in the lives of our investors, partners, and tenants that are the core of what makes KBS different. ”

All of this important work could not have been accomplished without our exceptional team of KBS employees, who respond to every challenge. They are the daily fuel that drives this company to make responsible investments that empower our tenants and investors. This report is a culmination of the extensive effort to offer investors a transparent lens into our business, its conduct, and endeavors.

At KBS, we are continuously in search of responsible and effective ways to add value through ESG. I am happy to report on some of our efforts.

In 2023, KBS successfully implemented an ESG data management platform, empowering us to monitor energy and water use, emissions, technical audits, building certifications, regulatory compliance and other relevant building projects at each of our properties. Now fully operational, this platform serves as the foundation of our ongoing monitoring and tracking of important ESG metrics.

Secondly, KBS achieved a significant milestone in our sustainability journey with the completion of our inaugural GRESB submission for KBS REIT III. This demonstrated KBS' continued commitment to ESG transparency. Moreover, KBS was recognized for its sustainability efforts with a GRESG Green Star designation. Unlike the GRESB Rating, which is a relative one, the Green Star accolade is based on absolute performance.

Furthermore, we've included additional information about the great progress KBS is making towards a more sustainable future.

As always, KBS is committed to the future of its communities, the environment and its stakeholders.



Marc

Marc DeLuca

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

Meet Rachel Umipig, Chief Compliance Officer, KBS Green Team Member

Introduction to Rachel

As chief compliance officer at KBS Realty Advisors, Rachel leads the oversight and management of the compliance program for the Advisors. She is primarily focused on ensuring adherence to federal and state securities regulations by the Advisors and employees, while maintaining and updating company policies and procedures.

Q: How does your role intersect with KBS' broader ESG initiatives?

Rachel: My position intersects with KBS' broader ESG initiatives in the following ways:

- 1. Strategic Advisory Role:** To identify emerging ESG regulations and provide strategic advice on integration into KBS' compliance program ensuring alignment with the Advisor's overall objectives.
- 2. Supporting Effective Compliance:** Oversight of regulatory requirements to help KBS maintain compliance with financial regulations and ESG standards.
- 3. Long-Term Focus:** To integrate over time applicable ESG factors on KBS' operations, mitigating risks and enhancing resilience.
- 4. Updating Compliance Framework:** To review and update policies and procedures, reflecting evolving ESG standards and best practices.

Q: Could you share some specific examples of how you have integrated environmental and social considerations into compliance processes or policies within KBS?

Rachel: KBS has implemented a comprehensive ESG policy that extends from its corporate office to the properties it manages, demonstrating a commitment to sustainability and responsible business practices across its portfolio. Additionally, at the corporate office level, KBS has incorporated diversity into its vendor procurement platform, by adding the ability to capture ownership information with the goal of supporting the growth of the following categories of diverse suppliers:

- Minority-owned Business Enterprises (MBEs)
- Woman-owned Business Enterprises (WBEs)
- Small Business Enterprise (SBE)
- LGBT-owned Businesses
- Disabled-owned Businesses
- Veteran-owned Businesses (VOBs)
- Service-disabled Veteran-owned Businesses (SDVOBs)
- Historically Underutilized Business

These initiatives highlight KBS' proactive approach to integrating ESG considerations into its compliance practices, contributing to long-term value creation and resilience.

Q: Looking ahead, what do you see as the most significant opportunities or priorities for integrating ESG considerations further into KBS' compliance practices and overall business strategy?

Rachel: Significant opportunities lie in transitioning from short-term objectives to long-term strategies of embedding ESG factors at the core of business operations.



KBS has implemented a comprehensive ESG policy that extends from its corporate office to the properties it manages...

Rachel Umipig
Chief Compliance Officer

KBS' Story

INTRODUCTION

Celebrating more than 30 years in the commercial real estate (CRE) industry, KBS was founded in 1992 by Donald Koll, Peter Bren and Chuck Schreiber, Jr., as a globally recognized private equity commercial real estate 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. KBS' focus resides on the acquisition and management of best-in-class assets situated in high performing office epicenters across the continental U.S.

Headquartered in Newport Beach, CA, with a regional office in Washington, D.C., KBS is one of the top commercial property owners in the country. Along with its affiliated companies, it has completed transactional activity exceeding \$44 billion on behalf of private and institutional investors worldwide. As of year-end 2023, it had \$5.5 billion assets under management, totaling more than 18 million square feet.

KBS is committed to the highest ethical standards and believes that improving the lives of its 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. Asset managers and investment analysts support them and are 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 KBS nurture and maintain strong, equitable business relationships with integrity while staying focused on ways to exceed the expectations of its stakeholders.



KBS Co-Founder
Charles J. Schreiber Jr.

KBS Achievements, Certifications, and Accolades

Green Star Designation

The GRESB Green Star recognizes Real Estate entities with a score higher than 50% of the points allocated to each relevant component. Unlike the GRESB Rating, the GRESB Green Star is a rating on absolute performance for which KBS was honored to have placed among the top real estate companies in the report.



29 Buildings
7,432,440 SF



10 Buildings
6,542,013 SF



12 Buildings
2,767,698 SF



10 Buildings
3,251,746 SF



1 Building
265,611 SF



2 Buildings
606,925 SF

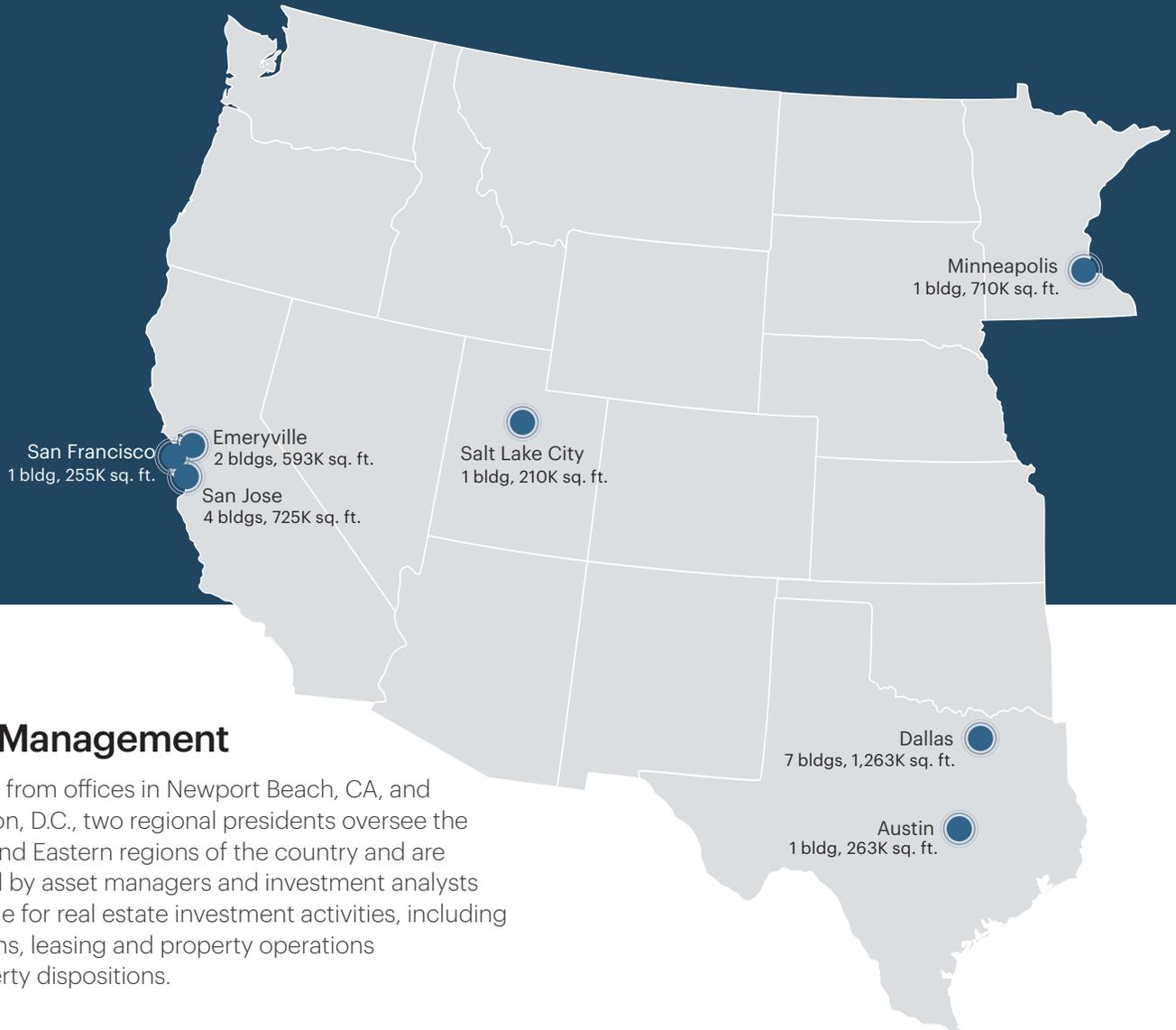


Accolades

- 
2023 Global Real Estate Investment Managers
Institutional Real Estate, Inc.
- 
2023 Top Commercial Property Owners
Commercial Property Executive
- 
2023 Commercial Real Estate's Best Places to Work
GlobeSt
- 
2023 Commercial Real Estate's Best Bosses - Marc De Luca
GlobeSt
- 
2023 Next Generation Award - Luke Hamagiwa
Connect CRE
- 
2023 Rainmaker - KBS Finance Team
GlobeSt
- 
2023 Top 150 Real Estate Investment Managers
IPE Real Assets
- 
2023 Companies that Care
Orange County Business Journal

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

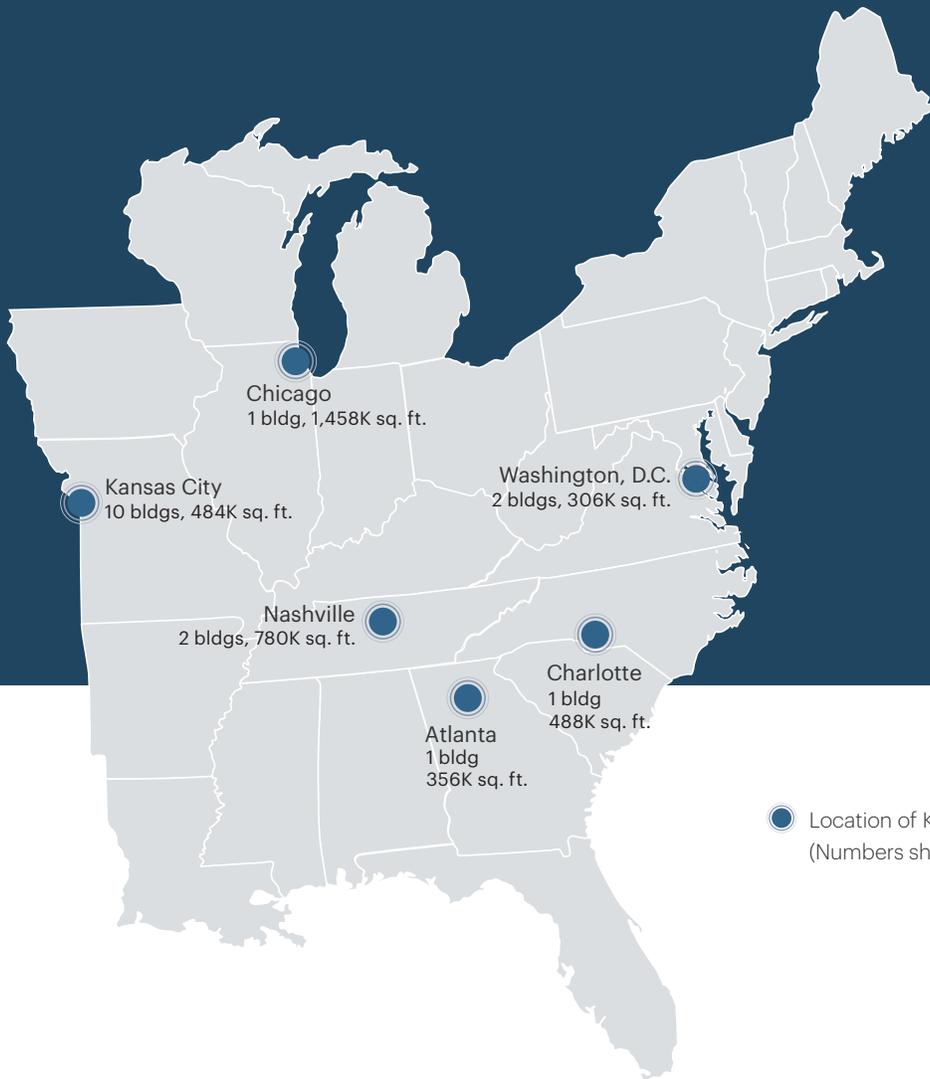
Buildings Under Management

13

Markets Across the United States

7.9

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

KBS' Approach to Climate Change

KBS recognizes the potential risk climate change may have on the properties it manages and the communities in which it operates. Therefore, KBS makes it a priority to adapt its properties to potential changes in the environment through concise energy, water, and waste management programs. KBS believes the greatest environmental impact that can be achieved is through monitoring and reducing its energy use and carbon emissions. This is done through a dedicated energy efficiency and reduction program that is supplemented with an increased focus on ensuring its properties receive ENERGY STAR® or LEED certifications where possible. KBS pursues environmental and wellness-related certifications as part of the precautionary principle approach followed in its business and through the operation of its buildings. These certifications assist in establishing practices that may potentially avoid negative environmental and health-related risks and impacts.

KBS set a first goal of achieving a 5% greenhouse gas (GHG) emissions reduction by 2025. Through continuous monitoring and the deployment of energy reduction initiatives across our portfolio properties, we have reduced our emissions by 2.98% from our baseline year of 2021, and are on target to achieve our 5% reduction by 2025.

5% 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 set an initial goal* of achieving a 5% GHG emissions reduction in 5 years. We are pleased to announce that we are on target to achieve this goal, with a total reduction in portfolio emissions of 2.98% to date. Our goal covers both the emissions under our direct control and the on-site emissions generated by our tenants in the properties we manage. We will continue to track our progress and strive for further reductions.

Steps to Achieve Our Emissions Reduction Goal

To achieve our emissions reduction goal, KBS will continue to prioritize the following initiatives to maintain and further our environmental commitments to a low-carbon future:

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

We have reduced our emissions by 2.98% from our baseline year of 2021, and are on target to achieve our 5% reduction by 2025.

*The 5% emissions reduction goal is based on a baseline year of 2021. KBS continues to review its 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.

Assurance

To ensure the accuracy and reliability of our environmental data, KBS engaged a third-party provider to conduct independent, external assurance for the quantitative components of our sustainability reporting in accordance with AA1000AS v3 Type 2 to a moderate level against adherence to the AA1000 Accountability Principles Standards (2018) of inclusivity, materiality, responsiveness, and impact alongside the criteria outlined in the GHG Protocol Corporate Standard. This assurance process encompassed an extensive range of key metrics, including our reported values for greenhouse gas (GHG) Scope 1 and Scope 2 emissions, total energy, total water, and total waste for calendar years 2022 and 2023.

The third-party assurance provider, UL Solutions, is independent from KBS and its stakeholders in reaching an impartial assurance conclusion. UL Solutions' assurance team has been researching, standardizing, and validating corporate ESG data since 2019 and has the relevant professional and technical knowledge, and experience to conduct assurance to the AA1000 standard. While other divisions of UL Solutions may provide services to KBS, UL Solutions keeps certain activities of its divisions separate from each other to preserve the independence and objectivity of their respective activities. As a result, UL Solutions has established policies and procedures to maintain the independence of the team engaged in this project and members of this team did not participate in the preparation of the reported values included in KBS' 2024 GRESB assessment and Sustainability Report.

A materiality threshold of 5% was used, reflecting KBS' commitment to transparent and robust reporting practices. The results of this exercise determined that KBS has established appropriate data collection, management, calculation, and quality control processes. In accordance with the assurance observations and recommendations, KBS will continue to implement thorough data quality control measures, with a focus on tracking and recording data anomalies, variances, and gaps for historical reference.

Our highest governance body, the Executive Committee, and the CEO were engaged in the selection process for our assurance partner. The ESG Manager and third-party ESG consultant were actively engaged throughout the assurance process.

New Acquisitions

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

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

Environmental Impact (continued)

Tracking Progress

In 2023, KBS successfully implemented an ESG data management platform which allows the monitoring of energy use, water use, emissions, technical audits, building certifications, regulatory compliance, and other relevant building projects at each property. This platform serves as the foundation to monitor and track all relevant ESG metrics.

Additionally, in 2023 a significant milestone was reached by completing the inaugural GRESB submission for KBS REIT III. This submission demonstrates KBS' continued commitment to ESG transparency, and the outcome of the assessment allowed KBS REIT III to achieve the Green Star designation.

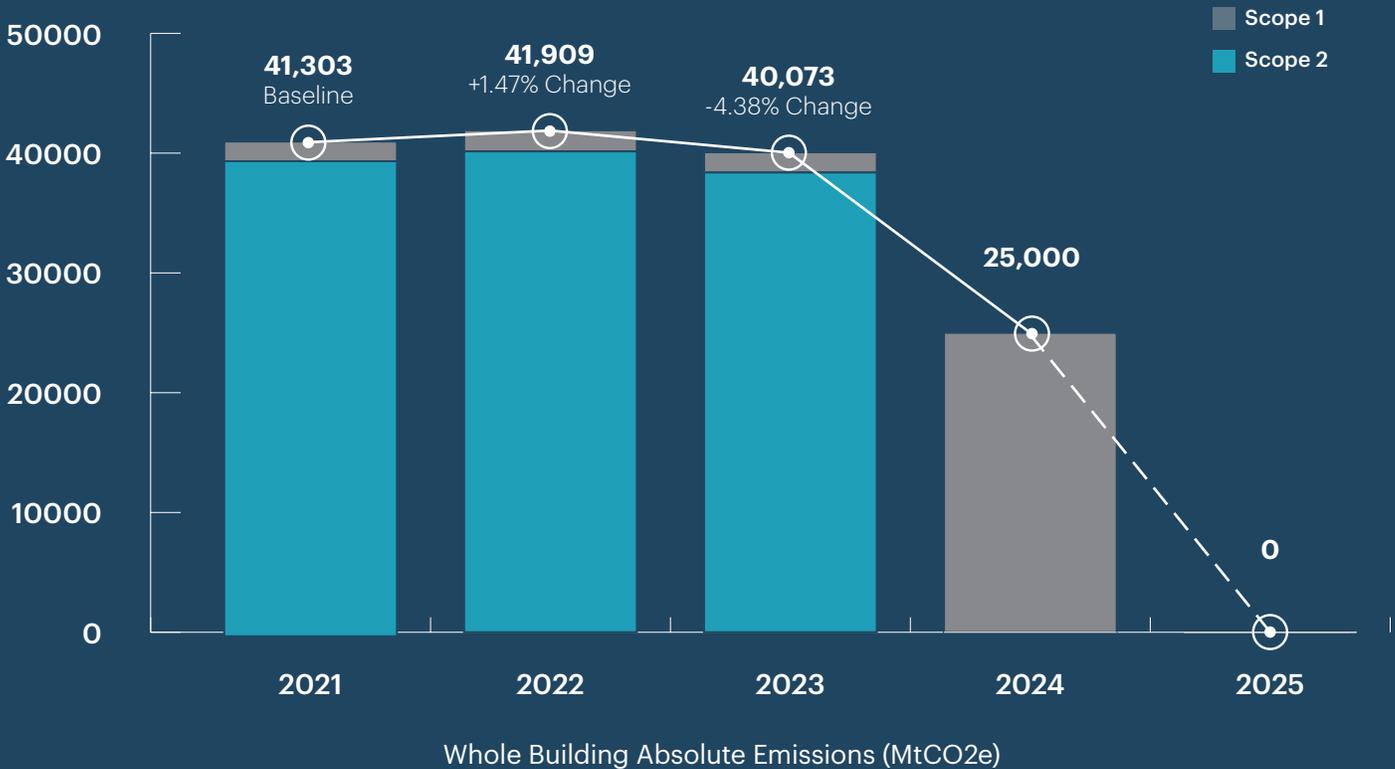
KBS continues to leverage the combination of GRESB's Green Star accolade and Peer Comparison Ranking as key yardsticks for achieving even greater success.



Apaulo Malloy
ESG Manager



2023 Emissions Performance

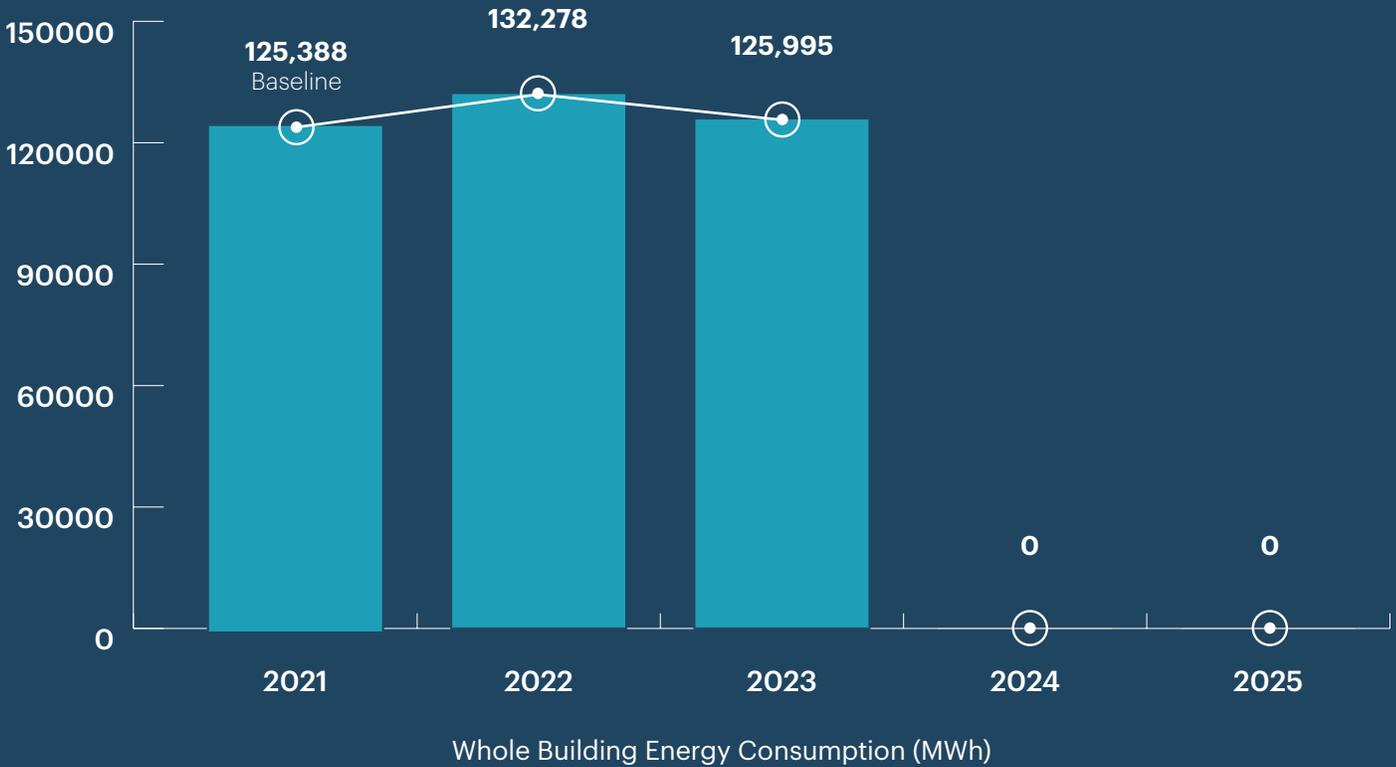


KBS monitors and benchmarks all primary sources of GHG emissions at the asset level for its client portfolio of properties in absolute units of metric tons of carbon dioxide equivalent (MtCO_{2e}). The 100-year Global Warming Potential (GWP) values from the IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report are used to calculate CO_{2e}, and we follow the Operational Control method of the GHG Protocol to develop Scope 1 and 2 emissions inventories. Our reported emissions for 2022 have been updated as of year-end 2023, due to our data technology platform updating their emissions factors sources to reflect the new 2022 Emissions & Generation Resource Integrated Database (eGRID) data which was released January 2024.

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 includes both landlord and tenant emissions. We utilize the market-based methodology for calculating our Scope 2 emissions.

Environmental Performance (continued)

2023 Energy Performance



In 2023, KBS saw a **4.75% decrease** in like-for-like energy consumption from 2022 levels in client portfolio of properties. This is the second year that KBS has benchmarked energy and emissions data. KBS will continue to use this data to take informative action to improve performance in the coming years. Properties showing significant increases in energy usage will be a focus to ensure operational best practices are implemented, and where equipment might require replacement and where implementation of high-efficiency upgrades might be necessary.

Environmental Certifications

ENVIRONMENTAL IMPACT

 **9 out of 34 buildings are ENERGY STAR® Certified**

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

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

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

**Some properties have multiple LEED certifications across the various rating systems.*



Sixty South 6th
Minneapolis, MN

Understanding the needs of the environment and tenants.

Recycling Programs

Recognizing the importance of effective waste management programming, in 2023, UBS Tower implemented two key recycling programs aimed at reducing total waste, diverting waste from landfill, and promoting sustainable practices throughout the building.

Single Stream Recycling

In May 2023, the property launched its single stream recycling program, building upon earlier efforts initiated in 2017. Partnering with the existing waste hauler, we introduced single stream recycling containers to facilitate the collection of mixed recyclables, including paper, cardboard, metal/aluminum, and plastics.

This streamlined approach simplified the recycling process for tenants and encouraged greater participation and adherence to the building's recycling guidelines. To optimize the program's effectiveness, recycling containers were strategically placed throughout tenant spaces and common areas, accompanied by enhanced communication and engagement activities.

Electronics Recycling

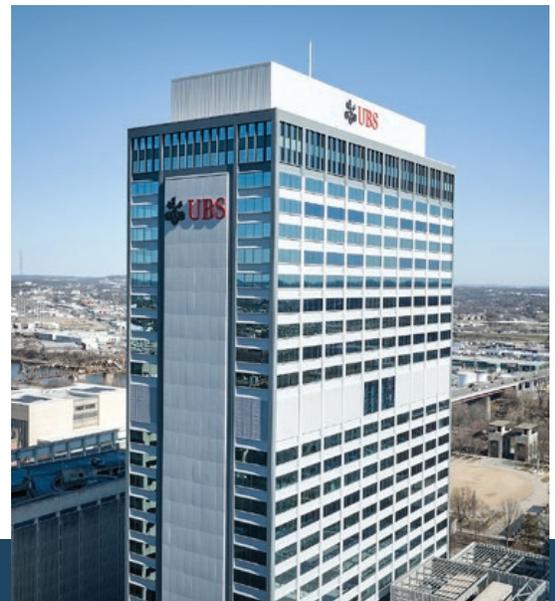
Partnering with a recycling organization that specializes in E-Waste, ITAD, and data management solutions, UBS Tower hosts annual events to facilitate the secure and responsible disposal of electronics. The process of each event involved placing collection bins across the building common areas and tenant floors, as well as distributing educational materials and electronic notifications to raise awareness and encourage participation during the collection period.

Outcomes

Since its inception, the single stream recycling program has achieved an impressive average diversion rate of 59%, indicating a significant reduction in waste sent to landfills. Additionally, the program has yielded benefits beyond environmental impacts with an anticipated cost savings of \$6,000 annually through reduced waste service.

In 2022, the E-Waste events successfully diverted 2,346 pounds of electronics, with a significant portion originating from a single tenant prior to move-out. This trend continued in 2023, with 502 pounds of electronics collected.

KBS, and UBS Tower, recognize the value of each of these programs to promote responsible waste management practices, underscoring commitment to the environment and tenants.



About UBS Tower

UBS Tower, a Class A Office Tower in Nashville, TN, is a dominant fixture on the city's skyline and one of the most recognizable and centrally located landmarks. The property was built in 1972, with significant enhancements in recent years that have restored the property to one of Nashville's best-in-class buildings. On-site amenities include Jeff Ruby's Steakhouse, retail, a tenant lounge and coffee bar, fitness center with locker rooms, conference facilities, and a renovated outdoor plaza with seating.

A blue-tinted photograph of two women in business attire sitting at a table with a laptop, engaged in a conversation. The woman on the right is gesturing with her hands while speaking. The background shows a modern office environment with large windows and other people working.

Social Impact

Social Impact

The People

At KBS, our mission speaks to the power of collaboration, conducting business with integrity and a devotion to nurturing and promoting an inclusive workplace. KBS considers its employees to be its most valuable asset. Each employee of the KBS team is integral to the success as a business, which is why priority is given to strong benefit programs demonstrating gratitude to the employees. Efforts are made to create an inclusive culture where team members feel supported and appreciated. Commitment to the employees is demonstrated by continuous training and development programs, competitive compensation packages and a holistic approach to wellness.

Health & Wellness

There is nothing more important than the health, safety and well-being of the employees and their families. Taking a holistic approach, three distinct pillars of support are provided in an effort to make a positive impact: **mental well-being, medical, and financial.**

To ensure a healthful and safe environment, formal green-cleaning policies are in place with the janitorial and cleaning vendors. An effort is made to diligently 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 challenges for all employees and dependents; bereavement leave and paid holidays.

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



Social Impact (continued)

SOCIAL IMPACT

Mental Well-being (continued)

A number of incentive programs, such as LiveFit, Vitality and Calm, have been implemented to encourage healthy living and mental well-being among employees. The LiveFit program reimburses employees up to \$50 per month for participating in physical or mental well-being related activities or programs. Through Vitality, employees can accrue points by engaging in wellness activities, which can then be redeemed for gift cards and health promoting accessories. The Calm app provides employees and their dependents with access to meditation content supporting mental health and relaxation.

Medical Benefits

Employees are at the heart of everything. Therefore, a comprehensive benefits package is offered to employees that includes health, dental and vision insurance, life, disability, and workers' compensation insurance, pet insurance, dependent care assistance, 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 is why several tech-based well-being benefits have been introduced, including telehealth and online mental counseling options through LiveHealth Online, offering free 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.

Financial Benefits

Full-time employees can participate in the 401(k)-retirement plan, unemployment compensation insurance and company-wide finance seminars with financial advisors. In 2023, we saw a 1.037% increase in participation compared to 2022.

Development & Training

KBS fosters a culture of promotion from within the organization and is dedicated to supporting the ongoing development of its employees. Continued investment is made in training and education, providing employees with in-person and virtual training sessions, employee-led learning opportunities, tuition reimbursement, support for employee certification programs and quarterly business-wide meetings, some of which include team building events.

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)

Development & Training (continued)

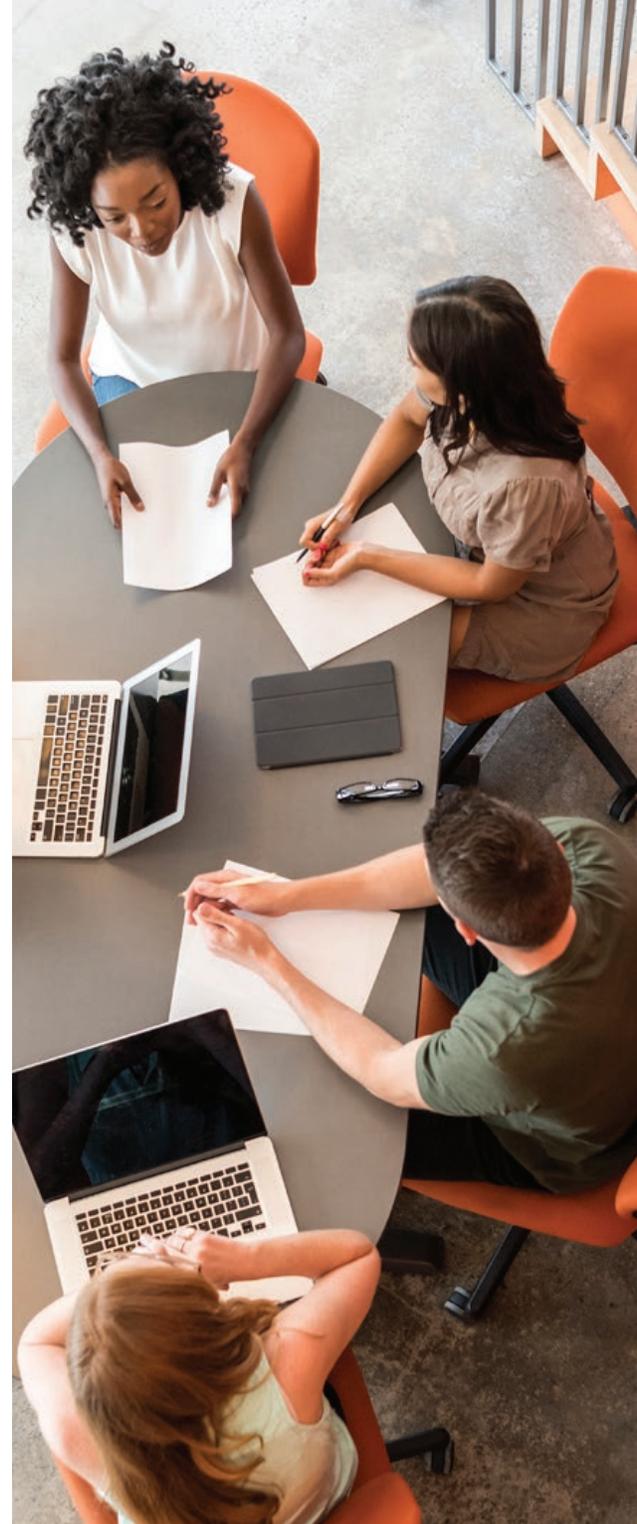
Traditionally, employees have focused on mastering their roles within their respective departments. However, KBS believes that fostering a culture of cross-training not only enhances resilience within KBS and its various departments but also presents valuable opportunities for personal and professional development of the employees. Recognizing the importance of versatility and adaptability in today's dynamic workplace, in 2023 KBS piloted a program aimed at promoting intradepartmental cross-training among its employees. In addition, KBS plans to develop an internal leadership training program by 2025 to include dedicated courses to support employee professional growth. The expansion of KBS' internal training program underscores its commitment to providing team members with the tools and opportunities they need to thrive in today's changing business landscape.

In addition to the cross-training programming, KBS has a comprehensive web-based compliance training program for its employees that is aligned with its governance policies and covers AML, anti-bribery and corruption, conflicts of interest, SEC registered policies, KBS' approach to outside business affiliations and vendor due diligence. The average number of all KBS training hours undertaken per employee during 2023 was 18 hours.

Other Employee Benefits

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

- **Allstate Identity Protection**, which provides credit monitoring, near real-time alerts and customized emerging fraud notifications.
- **Travel Assistance Program** provides help for employees and their families during travel, primarily with medical emergencies.
- **Medicare Advocacy Services.**
- **"Lunch & Learn"** programs focused on employee led topics that cover topics such as wellness and mental health, financial health, community, environment, charity.
- **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 all offices.
- Ergonomic furniture and workstations at all offices.
- Employees work half-days on Fridays, during the summer, to promote work-life balance.



Annual Performance Reviews

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

Social Impact (continued)

SOCIAL IMPACT

Recognizing Our Team Members

Through the Employee Award of Excellence program, high-achieving members are recognized and celebrated each quarter. Department Managers and Executive Committee Members review all nominations and vote on a top performer for the period. The selected employee is awarded a generous gift and featured in our quarterly internal newsletter.

Employee Engagement Survey

To understand employee workplace satisfaction, KBS distributes an employee engagement survey. Employee satisfaction assessments are conducted on an ongoing basis to ascertain whether KBS is delivering relevant amenities, benefits, training, and development opportunities that support employees' mental, physical, social, and financial wellness. KBS believes the success of its efforts are demonstrated by the long tenures of many of its employees. As of December 31, 2023, there were 79 full-time permanent employees, and the average tenure of employees was approximately 10 years.

As part of a larger health and well-being commitment to the employees, KBS plans to develop an employee health and well-being needs assessment. This assessment will provide measurable outcomes aimed at enhancing employee overall satisfaction and engagement.

KBS invests in continued training and development of its 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 employees are empowered and developed, in order to advance team members within the organization. KBS values the uniqueness of each individual and respects each individual's innate creativity and self-expression. KBS believes that diverse backgrounds, skills, and experiences help drive innovation that will ultimately better serve all stakeholders.

In 2023, community outreach efforts were exemplified by the dedication of KBS employees, who collectively volunteered 310 hours of their time across a variety of service organizations. From beach cleanups to supporting animal shelters and local schools, team members consistently step up to address the various needs within the local communities. Additional initiatives in 2023 included participation in the Susan G. Komen "MORE THAN PINK Walk, Race for the Cure" and Wreaths Across America.

To better support and maintain a diverse, equitable and inclusive work culture at KBS, DEI efforts include enhancements to employee training programs to include in 2023, two new training modules on harassment and hostile workplaces. KBS continues to periodically review its 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 providing equal employment opportunities while complying with all federal, state, and local laws. KBS is committed to maintaining a work environment 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. KBS is dedicated to the fulfillment of its 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

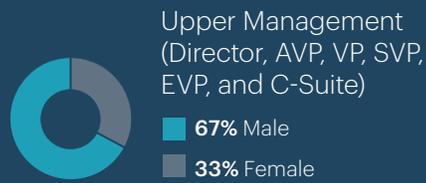
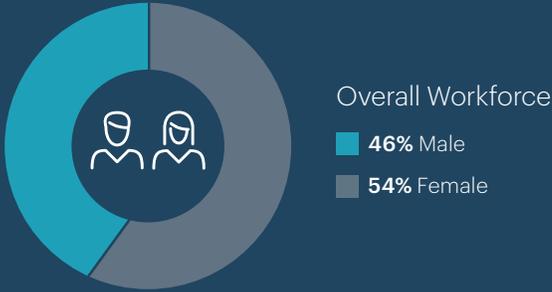
At the portfolio level, KBS annually sends its property managers a supplier diversity survey with the goal of fostering an inclusive, equitable and diverse supply chain. KBS encourages its portfolio property managers to consider diversity during the supplier selection process and utilize the survey to monitor the businesses it partners with for supplies and services. In 2023, KBS achieved an impressive 100% response rate from the survey.

As of December 31, 2023, 11.95% of the corporate suppliers entered into KBS' third-party management platform were classified as diverse. Moreover, KBS has directed more than \$230,000 in spending across diverse suppliers. Capturing these metrics allows the organization to take a proactive approach to promoting diversity and inclusivity across its procurement process.

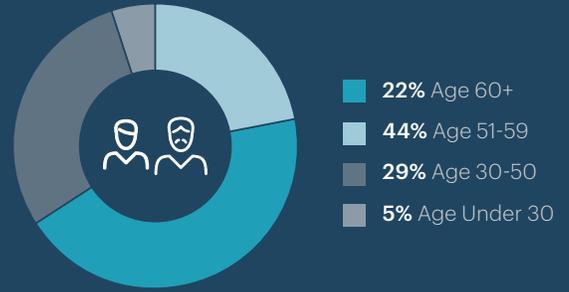
Diversity, Equity and Inclusion (continued)

SOCIAL IMPACT

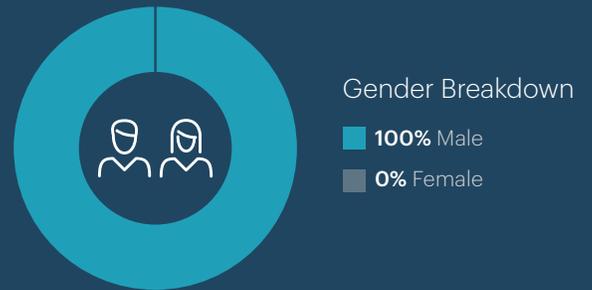
Workforce Gender Overview



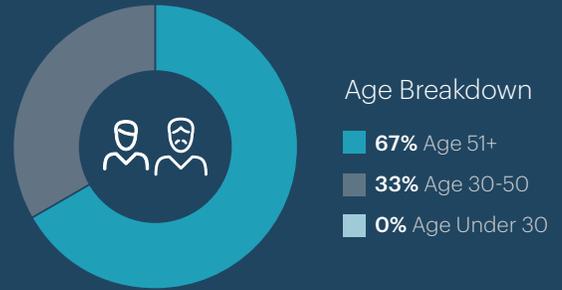
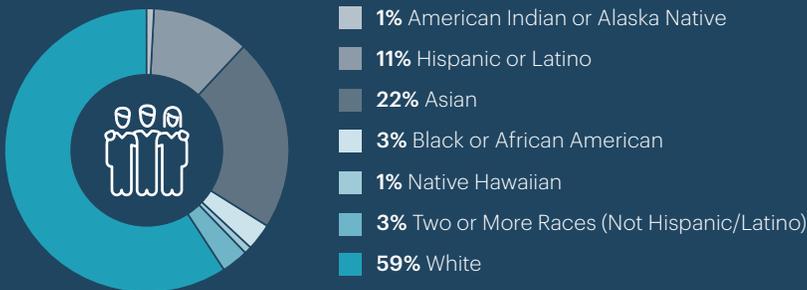
Workforce Age Overview



Executive Committee Overview



Workforce Race Overview

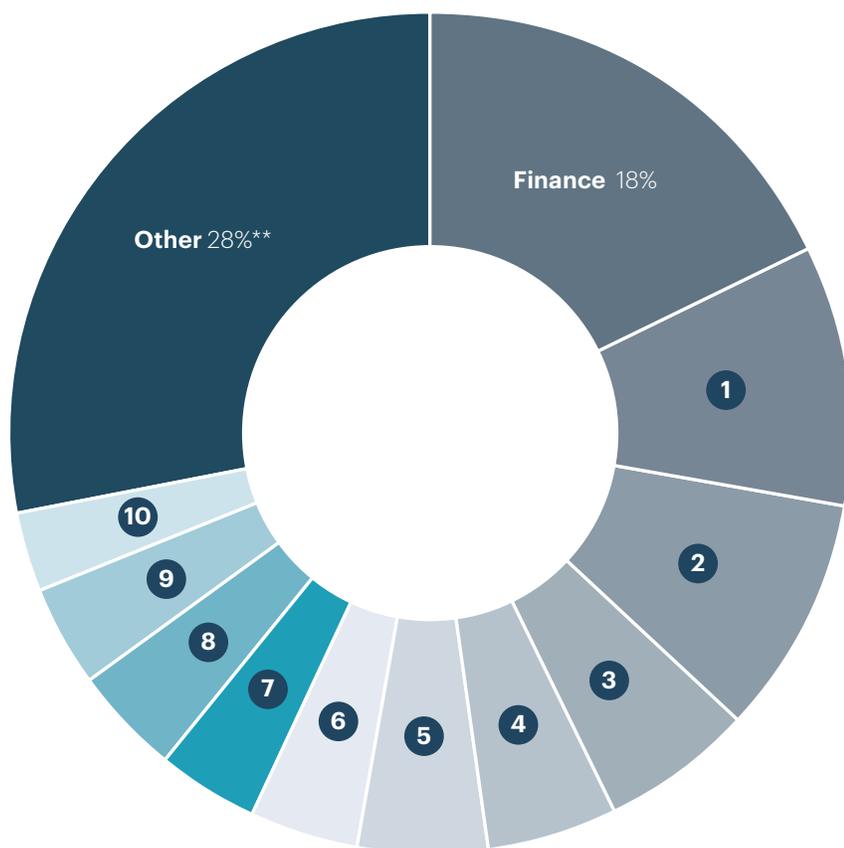


KBS Tenants

KBS takes pride in the properties, amenities, and services offered to its tenants. Market trends are monitored closely to better anticipate the amenities and options of greatest interest to tenants. Through ongoing tenant engagement, surveys, on-site events, and "Intrinsic," the KBS quarterly newsletter, KBS is better positioned to enhance its properties with the goal of achieving a high level of satisfaction and provide a positive tenant impact with ESG in mind.

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

Tenant Breakdown by Industry (by annualized base rent)*



- 1 Legal Services 10%
- 2 Real Estate, Rental and Lending 9%
- 3 Other Services (except Public Administration) 6%
- 4 Professional, Scientific and Technical Services 5%
- 5 Healthcare and Social Assistance 5%
- 6 Management Consulting Services 4%
- 7 Insurance Carriers and Related Activities 4%
- 8 Computer Systems Design and Related Services 4%
- 9 Communications Equipment Manufacturing 4%
- 10 Public Administration 3%

*Annualized base rent represents annualized contractual base rental income as of December 31, 2023, 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% of total.

Tenant Satisfaction

As part of KBS' engagement approach, management teams will meet with tenant representatives individually and conduct tenant satisfaction and feedback surveys to understand and address issues and determine future improvements. KBS' dedicated focus on engagement allows it to rapidly respond to tenants' needs and has been a key driver behind strong tenant satisfaction, which results are included in the Kingsley survey.

Intrinsic, mentioned earlier, is KBS' quarterly sustainability newsletter for tenants. The newsletter provides tenants with updates on KBS' ESG program, highlighting the sustainability-related initiatives taken at each building and offering practical tips to improve energy, water, and waste usage.

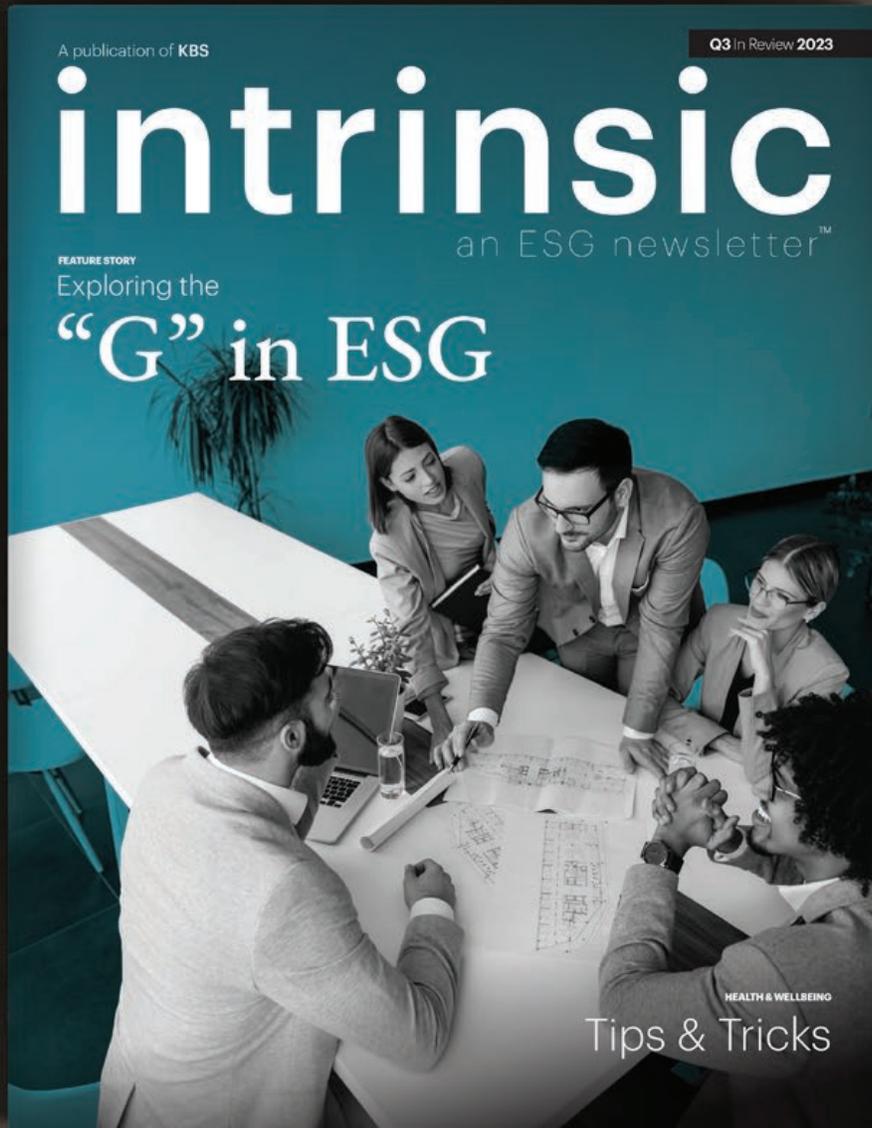


The Kingsley survey is distributed to tenants to measure and track tenants' levels of satisfaction with the property and services provided by KBS.

In 2023, 11 of 17 KBS REIT III properties won the Kingsley Excellence Award. This award recognizes properties that outperform the Kingsley Index™ industry benchmark for tenant satisfaction.



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

KBS continually enhances its buildings to support the engagement, collaboration, and satisfaction of its tenants. Based on the feedback from tenants, there has been a focus to bring the following key building amenities to certain properties:



Bicycle Storage



Car Care Centers



EV Charging Stations



Fitness Facilities



Meeting Rooms



Outdoor Spaces



Retail Shopping Options



Social Spaces



Wellness Rooms



Tenant Experience Showcase – Carillon

Carillon, a Class-A office tower located at 227 W Trade Street in Charlotte, North Carolina, exemplifies KBS’ commitment to enhancing the tenant experience through continuous improvements and modern amenities. A newly completed Town Hall Floor was delivered in August 2023, and features a mid-sized conference room, a phone room, and an open lounge area with water, ice, and coffee services. Adjacent to this, a dedicated wellness room offers a space for tenants to prioritize their mental and physical wellbeing. Tenants also benefit from access to a full conferencing center, a state-of-the-art fitness center, full locker rooms, and a café with healthy food options. Each of these property features in combination with the engagement programming provided by management, ensures a comprehensive and supportive environment for all tenants.

Healthy Buildings

KBS is dedicated to the health and wellness of the tenants and visitors in the buildings. As a commitment to create safe and healthy indoor work environments, KBS set a goal to have the majority of its buildings earn the UL Verified Healthy Building Mark for Indoor Air and are proud to announce that it successfully achieved this for over 90% of the properties during 2023*. 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. KBS properties undergo additional monitoring twice a year to continuously confirm excellent indoor air quality performance so to maintain the UL verification.

In addition to Healthy Building certifications, renovations have been implemented at properties in order 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. “Green” cleaning products are used at all buildings, which prevents toxic chemicals in conventional cleaning products from being released in the buildings. This creates a safer environment for tenants, visitors, employees, and janitorial workers. All properties also adhere to green construction standards that include low-VOC products and demolition waste recycling.



29 Buildings
7,432,440 SF



1 Building
265,611 SF

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

**While we successfully obtained this objective for our portfolio properties in 2023, two buildings undergoing disposition were not included in this target or the associated assessments.*

Elevating wellbeing in a human-centered high-rise

BOMA 360 Designation

In pursuit of the BOMA 360 designation, 515 Congress undertook a series of initiatives to elevate tenant satisfaction, enhance environmental sustainability, and prioritize social wellbeing for the building's tenants and local community.

Health and Wellbeing

In addition to a state-of-the-art on-site fitness facility, 515 Congress provides additional amenities to promote social and mental wellbeing. These include a wellness room for meditation, relaxation, and mental health support, personal training services, bike storage to promote alternative and active transportation, and access to green spaces in the shaded outdoor terrace.

Engagement and Collaboration

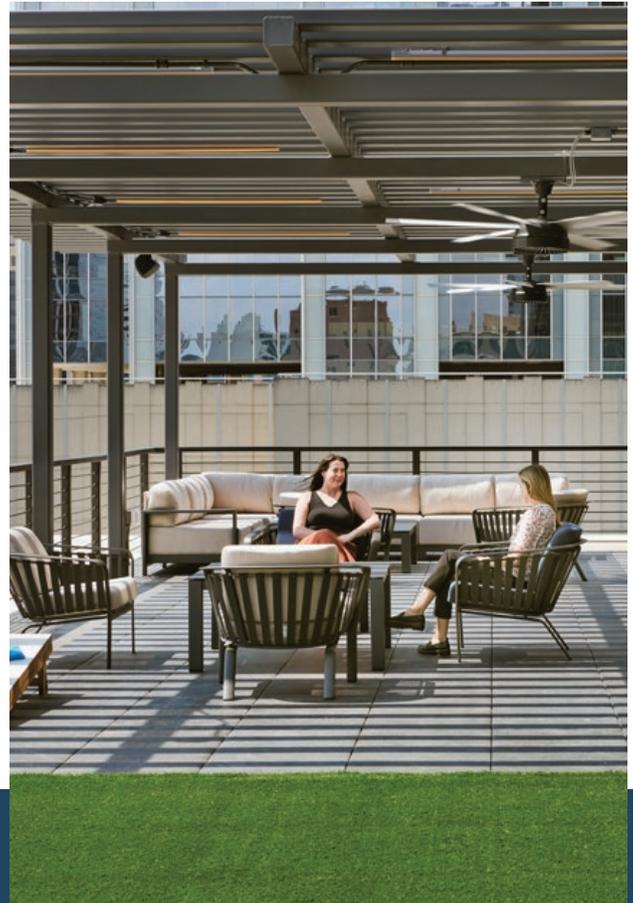
The building's design incorporates collaborative work areas and lounge spaces to facilitate collaboration. In addition, tenant engagement programming leads to increased social interactions and a stronger sense of community within the building.

Safety and Security

Ensuring the safety of 515 Congress' tenants is paramount. Surveillance systems, access controls, and regular drills and training sessions for emergency scenarios equip all occupants with the knowledge, skills, and resources to respond effectively in the case of emergencies.

Outcomes

515 Congress's commitment to excellence in building operations, environmental sustainability, and social wellbeing not only earned it the prestigious BOMA 360 designation, but also creates an inclusive workplace where all occupants can flourish. Through enhanced amenities, tenant engagement programs, and sustainable practices, the building realized elevated tenant satisfaction, stronger community bonds, and enhanced wellbeing.



About 515 Congress

515 Congress is a Class A Office Tower located in downtown Austin, Texas. The building features approximately 12,000 square feet of street-level retail and offers unobstructed views of the State Capitol, Hill Country, and downtown. On-site amenities include, but are not limited to, a fitness center, tenant lounge, and 10th floor outdoor patio. 515 Congress provides an ideal environment for a seamless work, play, and stay lifestyle.

During 2023, KBS prioritized supporting eight organizations through its volunteering and philanthropy initiatives. These organizations included: Working Wardrobes, Huntington Beach Humane Society, Orange County Coastkeeper, Walker Roosevelt Academy, Arlington Animal Welfare, Susan G. Komen, Operation Santa Clause, and Wreaths Across America. During KBS' annual companywide volunteer day, KBS boasted a 66% increase in participant hours.

KBS Community Engagement and Veterans Support Initiatives

In 2011, KBS partnered with different real estate organizations and helped establish the Orange County (OC) Veterans Initiative. KBS advocates for veterans because it believes that those who have served our country deserve our support and recognition for their sacrifices and commitment. The initiative aligns donors, businesses, and community leaders to focus on three critical areas of needs for veterans.

Beyond its commitment to the OC Veterans Initiative, KBS actively collaborates with a variety of organizations to support and enrich its communities. Through partnerships with local entities, KBS organizes clothing, school supply, pet, and toy drives to benefit those in need.

Wreaths Across America is a nonprofit that honors fallen U.S. soldiers by coordinating wreathlaying ceremonies at Arlington National Cemetery and in over 3,400 locations in all 50 states, at sea and abroad for Christmas. Held on December 16, 2023, 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. This year, KBS raised \$38,335 and made a matching contribution of 2,255 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 the generous tenants and employees whose contributions allow KBS to pay tribute each year."



Coast to coast, rallying around community support and growth

CASE STUDY

In 2023, employee volunteerism played a burgeoning role in KBS' culture and community engagement. It is believed that giving of ourselves has a positive impact on our own health, happiness, and outlook. Last year during KBS' Volunteer Day, dedicated colleagues in Newport Beach, CA, and Washington, D.C., logged an impressive 310 hours of volunteer work. Here are just a few examples of how their Volunteer Day was spent:

Beach Cleanup

In the summer of 2023, 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 45 pounds of refuse from around iconic Balboa Pier, a 22% year-over-year increase. 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. "This is the second year that we've volunteered, and I hope that we keep coming back" admits David. "It makes me feel good to work with the animals."



Empowering Our Employees

For Beach Cleanup Day, KBS employees collected more than 45 pounds of refuse from around iconic Balboa Pier in Newport Beach, CA.

Governance



KBS Executive Committee

Established in 2022, as part of KBS' strategic decision to strengthen governance and oversight, the Executive Committee, 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 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.

Members of the Executive Committee are annually evaluated by KBS' Chairman. The committee members have defined targets and are assessed on their leadership and efficiency performances.

Goals of the KBS Executive Committee

- To provide an environment where complicated business decisions can be discussed, addressed, and resolved.
- To discuss matters requiring a decision from different analytical points of view and reason.
- To ultimately make decisions on matters discussed.
- To 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.

KBS Officers

KBS officers consist of the Executive Committee and key members of management who conduct the day-to-day operations of the business (6 executive members and 19 nonexecutive members). As divisional leaders within KBS, the officers represent 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 play an important role in the governance of KBS and are responsible for managing the day-to-day business operations.



ESG Oversight

Our CEO, Green Team and ESG manager share responsibility for ESG decision making and oversight of management's implementation of ESG initiatives.

Apaulo Malloy leads the ESG department as ESG manager. The Green Team represents stakeholders across multiple departments, including ESG, Compliance, Asset Management, Human Resources, 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 ESG consultant hired by KBS continues to assist in KBS' approach to sustainability in ESG. Part of these activities in 2023 included the continued development and implementation of KBS' Environmental Management System (EMS), which was reviewed by the Green Team, and approved by the CEO.

The 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 sustainability goals and work in collaboration with the Green Team to annually review and update 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.



The Green Team Council

KBS' Green Team Council represents the voice of the employees when designing future ESG employee initiatives and events. The Green Team Council is comprised of volunteer KBS team members who meet periodically with the ESG manager to discuss, design, and agree on all corporate-level ESG initiatives for the employees. In 2023, the Green Team Council facilitated, among other company-wide volunteer activities, an annual Earth Day event, a Christmas Toy Drive, Pet Drive, School Supply Drive.

Governance Policies and Ethics

KBS' reputation rests on stringent values and an unparalleled commitment to business ethics. For three decades, KBS and its employees have maintained the highest standards of integrity and ethics. KBS takes pride in creating a culture in which everyone acts out of personal responsibility and accountability to protect its business and its stakeholders. Ethics and integrity form the foundation of KBS' core values, and all decisions are made with an "Integrity Comes First" approach.

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

KBS Core Values

GOVERNANCE



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 tenants, investors, and partners profits everyone. Each decision is made by the people at the center.



Exceed Expectations

Success for KBS cannot be measured until stakeholders' expectations are exceeded.

KBS Code of Ethics

The KBS' Compliance Program is led by the chief compliance officer (CCO). The program and its policies outline the Code of Ethics, which sets the foundation for 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 has a fiduciary duty to act in the best interests of its clients.

KBS complies 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.

KBS avoids taking inappropriate advantage of its position and abides 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).

The KBS CCO is accountable for the oversight and implementation of the Code of Ethics and monitors adherence to the SEC compliance requirements. Adhering to compliance with the Code of Ethics and SEC requirements includes independently vetting and reviewing political contributions, insider trading, money laundering and bribery/corruption as well as marketing and advertising misrepresentation pursuant to SEC rules.

**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.*



KBS Policies

KBS has policy commitments in place covering responsible business conduct and the human rights of its employees*, which these policies can be found in our Code of Ethics and Compliance Manual. KBS' human rights policies are found in the 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. KBS' 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 SEC's pay-to-play rule.

Direct Engagement

Select KBS employees may engage with government or regulatory officials as part of their roles, and the employee is held to a high ethical standard in these relationships. KBS' 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. Bribery and corruption are not tolerated in business dealings; similarly, interactions with all foreign government officials are aligned to the Foreign Corrupt Practices Act.

Supply Chain Management

KBS' corporate supply chain is comprised of suppliers and vendors of goods, services, and equipment for the office-based operations and for supporting 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 a dedicated vendor risk management platform.

In 2023, KBS formalized its property level supplier procurement attestation and tenant-fit guidelines to enhance commitment to responsible supply chain management across the portfolio. All legal contracts with material business partners include fair dealing and anti-bribery and corruption provisions to ensure business partners are acting in accordance with KBS' 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). 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 CEO. As a best practice, KBS engages a qualified independent compliance consultant to conduct the annual review. The 2023 review did not identify any material deficiencies.

Beneficial News and Insight

KBS delivers on its website what it believes is beneficial news and insight with a range of topics covering the current state of the commercial real estate industry, trends in the industry, ESG and diversity's positive impact on the industry, as well as articles and press releases on certain assets in the various portfolios, all reviewed with a fair and balanced approach, as required by the regulators.

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.



Public Policy (continued)

Grievance and Whistleblower Mechanisms and Protections

KBS takes into consideration both federal and state laws when establishing its corporate policies and procedures. As such, KBS' policy prohibits corruption, bribery, extortion, harassment, or any illegal practice that would violate human rights in the workplace.

Any grievance brought forth to the Human Resources Department is reviewed, managed, and treated with the highest level of confidentiality and utmost discretion. A formalized confidential process has been established for employees to report grievances or concerns related to any business conduct or practice. This process is detailed in the Employee Handbook.

Matters related to KBS' Advisory business conduct will be managed by the CCO with a thorough investigation. All findings and recommendations will be provided to the Executive Committee for review, evaluation, and determination on what course of action may be appropriate considering the findings and recommendations. If it has been determined that there was a violation, effective corrective actions will be implemented. No critical grievances were reported in 2023.

KBS' managed portfolios each have a whistleblower hotline that is independently managed by a third party. Issues reported on this hotline are directed to KBS' Internal Audit and the respective portfolio's Audit Chair. The hotline can be used by employees as well as external parties to report concerns and experienced or perceived misconduct. This is an important tool for ensuring that alleged illegal or unethical conduct is reported and immediately addressed. Under the Whistleblower Protection Act, all complaints are treated with the required confidentiality and KBS is committed to treating any employee who takes action/or participates in an investigation in a fair and respectful manner. This is emphasized in KBS' non-retaliation policy.

KBS prohibits retaliation against employees for reporting any incidents they deemed to be a violation to federal or state laws. In addition to being able to reach out to the Human Resources Department, employees are also made aware of additional support that can be provided by the Federal Equal Opportunity Commission (EEOC) and the California Department of Fair Employment and Housing (DFEH).

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

Business Continuity & Resilience

In the wake of the COVID-19 pandemic, business continuity and resilience continue to be front of mind for KBS and its stakeholders. KBS maintains a formal Business Continuity Plan and Disaster Recovery Plan to ensure critical business functions can continue during and after any significant business disruptions. The plans outline the approach to safeguarding the KBS employees and properties, promptly recovering, and resuming operations, protecting data, and communicating with the stakeholders. KBS performs annual disaster recovery tests to ensure readiness for any potential business disruptions and to ensure that 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.



Cybersecurity & Data Privacy

KBS is 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, KBS has developed a multifaceted approach to managing potential security risks that includes a formal set of policies and procedures in place that govern access to its 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 KBS' Information Security Policy.

KBS' approach to cybersecurity is overseen by the KBS Cyber Governance Committee. The committee is comprised of the Information Technology and Executive Management teams and meets quarterly to oversee the cybersecurity risk management process. In the event of a breach, KBS has formal incident response procedures and maintains cyber insurance.

To continue fortifying KBS' digital infrastructure, in 2023 KBS undertook cybersecurity enhancements to further bolster its digital defenses. KBS replaced wireless access points across two corporate offices and upgraded its firewalls for heightened protection. Additionally, it implemented a new backup storage solution to optimize disaster recovery protocols, enhance data redundancy, and streamline backup processes. KBS' Phish alert program now runs monthly for all users, increasing its readiness against cyber threats. KBS also improved its annual cybersecurity training to ensure employees are equipped with the knowledge and best practices in cybersecurity. These measures reflect the ongoing commitment to safeguarding digital infrastructure.

During 2023, 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 its business activities. These stakeholders may include employees, clients, REIT shareholders, tenants, suppliers, vendors, partners, and communities.

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

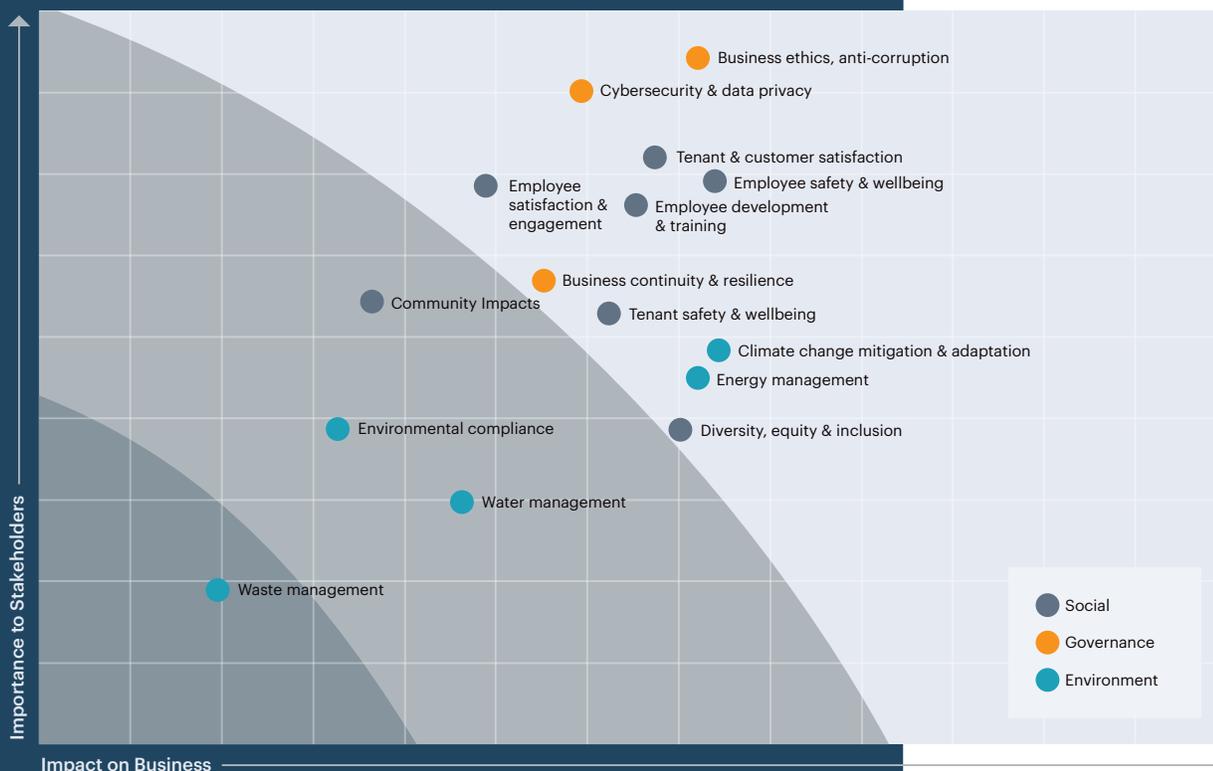
Materiality Assessment

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.

For this reporting period, KBS reviewed its material topics from the previous reporting period to account for changes in the impacts. The CEO, KBS Executive Committee and Green Team conducted a thorough review, and it was determined that as there were no changes to the organization’s activities and business relationships, therefore the material topics identified in 2022 still represent KBS’ most significant impacts.

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

Statement of use	KBS has reported in accordance with the GRI Standards for the period January 1, 2023, to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI 2: General Disclosures

	Disclosure	Response	Omissions
2-1	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 9266, United States of America	
2-2	Entities included in the organization's sustainability reporting	Pages 2, 6	
2-3	Reporting period, frequency and contact point	Page 2 Publication Date: June 27, 2024	
2-4	Restatements of information	Page 14	
2-5	External assurance	Pages 12, 37	The greenhouse gas (GHG) emissions, total energy, total water, and total waste data has been externally assured against the AA1000AS v3 Type 2 standard by an independent, third-party. Additional contents of this report have not been externally assured.
2-6	Activities, value chain and other business relationships	Pages 6, 8-9, 19, 25, 29	
2-7	Employees	Pages 19-24	
2-8	Workers who are not employees	Pages 19	

GRI Index (continued)

	Disclosure	Response	Omissions
2-9	Governance structure and composition	Pages 19, 34-37	<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>
2-10	Nomination and selection of the highest governance body	Pages 34-36	
2-11	Chair of the highest governance body	Pages 34-36, 38-39, 41	
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 36-37, 44-45	
2-13	Delegation of responsibility for managing impacts	Pages 34-37	
2-14	Role of the highest governance body in sustainability reporting	Pages 2, 36, 45	
2-15	Conflicts of interest	Pages 38, 40	
2-16	Communication of critical concerns	Page 41	
2-17	Collective knowledge of the highest governance body	Page 36	
2-18	Evaluation of the performance of the highest governance body	Page 34	

GRI Index (continued)

	Disclosure	Response	Omissions
2-19	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.
2-20	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.
2-21	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.
2-22	Statement on sustainable development strategy	Page 4	
2-23	Policy commitments	Pages 11, 23, 29, 37-43	
2-24	Embedding policy commitments	Pages 19, 23, 37-43	
2-25	Processes to remediate negative impacts	Page 41	
2-26	Mechanisms for seeking advice and raising concerns	Page 41	
2-27	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.	
2-28	Membership association	Page 31	
2-29	Approach to stakeholder engagement	Page 22, 25-28, 31, 44-45	
2-30	Collective bargaining agreements	KBS follows state and federal labor laws, but it does not have collective bargaining agreements in place with our 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
3-1	Process to determine material topics	Page 45	
3-2	List of material topics	Page 45 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
ENVIRONMENTAL				
Climate Change Mitigation	GRI 3: Material Topics	3-3	Management of material topics	Pages 11-16, 36
	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Pages 11, 14
		305-2	Energy indirect (Scope 2) GHG emissions	Pages 11, 14
Energy Management	GRI 3: Material Topics	3-3	Management of material topics	Pages 11, 14, 36
	GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	Page 14

GRI Index (continued)

Material Topics	GRI Standard	Disclosure	Response	Omissions	
SOCIAL					
Employee Safety & Wellbeing	GRI 3: Material Topics	3-3	Management of material topics	Pages 11, 19-22, 29	
	GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	Pages 19-21, 29-30	
Employee Satisfaction & Engagement	GRI 3: Material Topics	3-3	Management of material topics	Pages 19-22, 39	
	GRI 401: Employment 2016	402-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 19-21	
Employee Development & Training	GRI 3: Material Topics	3-3	Management of material topics	Pages 20-21	
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 21	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 20-21	
		404-3	Percentage of employees receiving regular performance and career development reviews	Page 21	
Tenant Safety & Wellbeing	GRI 3: Material Topics	3-3	Management of material topics	Pages 11, 28-29	
	GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Pages 28-29	
Tenant Satisfaction	GRI 3: Material Topics	3-3	Management of material topics	Pages 25-29	
Diversity, Equity & Inclusion	GRI 3: Material Topics	3-3	Management of material topics	Pages 23-24	
	GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 24	

GRI Index (continued)

Material Topics	GRI Standard	Disclosure		Response	Omissions
GOVERNANCE					
Business Ethics & Anti-Corruption	GRI 3: Material Topics	3-3	Management of material topics	Pages 37-41	
	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 20-21, 38-39	
		205-3	Confirmed incidents of corruption and actions taken	There were zero instances of corruption	
Business Continuity & Resilience	GRI 3: Material Topics	3-3	Management of material topics	Page 42	
Data Privacy & Cybersecurity	GRI 3: Material Topics	3-3	Management of material topics	Page 43	
	GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 44	

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