

July 1, 2024



**Corporate  
Sustainability and  
Resilience Policy**

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## INTRODUCTION

STAG Industrial, Inc. (“STAG” or the “Company”) recognizes the importance of embedding sustainability and resilience (“S+R”) practices into its strategy, philosophy, and operations. Our goal is to create long-term value for all stakeholders, including our employees and investors who expect responsible financial, social, and environmental stewardship, and for our tenants who rely on STAG to provide outstanding service in well-operated industrial facilities that allow them to effectively serve customers and communities. For these reasons, we have developed and will continue to align with the following S+R principles and policies.

## SUSTAINABILITY VISION STATEMENT

Our primary responsibility as a fiduciary is to maximize risk adjusted returns for our investors. As such, we recognize that there are S+R related implications to every decision we make as a real estate operating company, including in how we assess risks and opportunities related to S+R. STAG is in alignment with the UN Global Compact’s definition of sustainability that states, “**Corporate sustainability is a company’s delivery of long-term value in financial, environmental, social and ethical terms.**” By aligning with this definition, we strive to operate our properties efficiently and with innovative solutions that lower operational costs, reduce our environmental impacts, and promote satisfaction and wellbeing of our stakeholders. The Company’s continued commitment to S+R practices creates long-term value for our stakeholders and the environment, while serving our business objectives.

## SUSTAINABILITY PRINCIPLES

STAG’s sustainability mission is to drive enhanced financial, environmental, social and ethical performance for the benefit of all stakeholders, including our partners, tenants, investors, employees and the communities in which we live, work, and invest. The pathway to achieve our sustainability mission is rooted in the following principles:

- **Integration:** Embed and integrate S+R practices designed to enhance portfolio performance into STAG’s daily operations, developments, investments, and business decisions.
- **Impact:** Drive positive impact across the company while mitigating risk and creating long-term value for stakeholders, including our tenants, investors, employees, partners, and the communities in which we work.
- **Integrity:** Conduct business with integrity, respect, accountability, reliability, and excellence, earning the right to be a preferred provider of modern industrial warehouse and distribution facilities and partner of logistics-related operating companies.

As we move forward in our sustainability journey, our actions will be guided by these principles to ensure continuous improvement and long-term success.

# SUSTAINABILITY AND RESILIENCE POLICY

## ADOPTION AND OVERSIGHT

The following S+R Policies have been developed in accordance with the Company's sustainability mission and principles and serve as our guide to embedding practical strategies that support our business and investment strategies and add value to our day-to-day business operations.

The Company's Board of Directors has delegated to its Nominating and Corporate Governance Committee the power to:

- Review and assess reports concerning the Company's sustainability and resilience risk oversight and management, corporate social responsibility and related governance reporting.
- Review and recommend Company policies and practices concerning sustainability, resilience, human rights and social responsibility, including Company policies toward tenants, communities and vendors.
- Review and monitor Company performance metrics concerning environmental sustainability, human rights, social responsibility and corporate governance matters.

To support the Nominating and Corporate Governance Committee, and in turn the Board of Directors in their oversight function, the Company has a management-level Corporate Responsibility Committee, comprised of employees in varying roles within the Company, tasked with adopting, implementing and enforcing the Company's sustainability, corporate responsibility and resilience policies and practices.

STAG adopted this Corporate Sustainability and Resilience Policy ("Policy"), effective July 1, 2024. This Policy is maintained by the Company's General Counsel and reviewed on a regular basis by the Corporate Responsibility Committee. Substantive revisions to this Policy may be approved by the Corporate Responsibility Committee, including the Company's General Counsel, in conjunction with general oversight by the Nominating and Corporate Governance Committee.

## SCOPE

This Policy applies to all business operations, including the operation, development and renovation of our existing property portfolio, target property acquisitions, supply chain, outsourced services, and activities at our corporate offices. In accordance with this Policy, we are committed to:

- Engage with internal and external stakeholders to solicit feedback about environmental, social, governance and resilience matters, including our performance relative to our S+R initiatives and opportunities for enhancement of such initiatives.
- Periodically report to the Nominating and Corporate Governance Committee and/or Board of Directors on performance relative to our S+R initiatives and key matters regarding the measuring and monitoring of climate-related risks and opportunities including climate scenario analyses results and mitigation strategies as necessary.
- Provide external periodic reports on our progress relative to S+R initiatives, commitments, goals and targets annually.

## ENVIRONMENTAL POLICIES

STAG's environmental policies aim to mitigate risk, improve operational efficiency, and reduce natural resource usage. These policies are applicable to building developments, acquisitions, tenant improvements, capital projects, operating budgets, and corporate operations. They will also be considered when selecting suppliers and procuring materials.

### Energy Management

STAG will work to reduce energy use and associated expenses of all buildings in which STAG has access to relevant data by monitoring consumption, utilizing energy efficient equipment when feasible, and incorporating appropriate energy management practices into daily operations.

Best practices and initiatives include, but are not limited to:

- Tracking and benchmarking energy data in ENERGY STAR Portfolio Manager (ESPM) wherever STAG has access to relevant data.
- Providing, or supporting tenants' completion of, regular preventive maintenance of all HVAC equipment and building systems.
- Incorporating design and operating efficiencies in capital expenditures, budgets, and business plans;
- Replacing interior and exterior light bulbs with LED when feasible.
- Supporting greater efficiencies for tenant improvements by providing guidance via STAG Tenant Improvement Guidelines.
- Conducting regular technical assessments to identify energy efficiency opportunities.
- Reviewing opportunities for both on- and off-site renewable energy, and incorporating renewable energy projects when practical, cost-effective and consistent with tenant demand.
- Tracking and complying with all energy efficiency and benchmarking legislation implemented across jurisdictions in which STAG operates.
- As of the date of this Policy, STAG's portfolio houses over 30 megawatts (MW) of photovoltaic power, which is not directly offsetting the applicable building's energy use as the off taker for the renewable energy generated is typically the utility and/or community solar program. We are investigating means of offsetting demand at our buildings.

### Greenhouse Gas (GHG) Management<sup>1</sup>

A significant portion of GHG emissions from logistics properties is generated from the electricity usage exclusively controlled by tenants. However, STAG engages with tenants to help them address their energy usage by supporting measurement and management of GHG emissions.

Best practices and initiatives may include, but are not limited to:

- Tracking and managing GHG emissions associated with tenant energy consumption in ESPM via energy efficiency measures, when possible and when STAG has access to the relevant data.

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<sup>1</sup> GHG Emissions are to be calculated based on industry standard methodology and will generally cover Scope 1 & Scope 2 emissions as defined by the Greenhouse Gas Protocol.

- Conducting renewable energy opportunity assessments for properties to evaluate and consider on- and off-site prospects.
- Employing, or supporting tenants' deployment of, on- or off-site renewable energy opportunities as recommended by assessments, particularly where they provide one or more of the following:
  - Renewable energy at- or below-tariff.
  - Potential roof rent.
  - Community solar solutions, which reduce GHG emissions as well as provide potential economic and resiliency benefits.

## Water Management

STAG will work to reduce water consumption and associated expenses through monitoring consumption of buildings in which STAG has access to relevant water utilization data and by utilizing water efficient equipment when feasible. Within STAG's large portfolio of industrial buildings, STAG only has operational control for water consumption and discharge at our two corporate offices. The following points pertain to STAG's corporate water profile and efforts to support tenants with water use reduction:

- STAG's direct water consumption is that of typical office operations of a similar size.
- STAG does not have any wastewater discharge.
- STAG's positively impacts water consumption via engagement with our corporate office building's landlord representatives.
- Where tenants express interest in water efficiency and conservation, STAG will work to support improvements and water use and waste reduction.
- 100% of water utilized is from withdrawn water sources.

## Waste Management

STAG will work to reduce landfill waste through implementing waste management practices at our corporate offices and purchasing recycled content or zero waste materials for construction and capital projects when feasible. STAG will also support tenant recycling and waste reduction efforts through engagement. Within STAG's large portfolio of industrial buildings, STAG only has operational control of waste at our two corporate offices. The following points pertain to STAG's corporate waste profile:

- STAG's non-hazardous waste is that of a typical office tenant. Both of STAG's landlords have recycling programs in the buildings that we occupy, which STAG continues to support.
- STAG does not have activities that generate hazardous waste.
- STAG does not have any activities that include the emissions of VOCs or hazardous air pollutants.

## Building Materials

STAG strives to provide properties that support and enhance the health and wellness of tenants and employees. As such, we will work to avoid the use of materials that are known to adversely impact human health and the environment, while encouraging tenants to uphold these standards.

Best practices and initiatives may include, but are not limited to:

- Seeking to avoid any use of materials with known toxic ingredients, such as asbestos, formaldehyde, volatile organic compounds, ash, cadmium, mercury, lead, arsenic, and phthalates.
- Using sustainability-certified and low environmental impact materials during new construction and redevelopment initiatives whenever practical, based on, but not limited to, the following standards: Forest Stewardship Council (FSC), Rainforest Alliance; Floorscore, Sustainable Forestry Initiative (SFI), Green Seal and Greenguard.
- Purchasing local materials and importing local fill when practical and feasible.
- Constructing new assets to US Green building Council's Leadership in Energy & Environmental Design (LEED) standards when feasible.

## Biodiversity & Habitat

For new developments, STAG will assess environmental risks associated with the natural habitat of the applicable land, including risk mitigation and costs related to:

- Identifying soil and water characteristics, including contamination levels, restoration possibilities and mitigation needs, to mitigate risks posed to the environment and surrounding communities.
- Analyzing land topography to avoid removal of native material, where practical, in order to prevent environmental disturbance.
- Understanding the biodiversity and natural habitat of each site, including endangered species evaluations, in order to minimize disruption and maximize preservation opportunities.
- Complying with all local jurisdiction requirements for each site, including, but not limited to environmental impact studies, and noise and traffic pollution analyses.

## Climate Resilience

STAG recognizes the changing climate poses both risks and opportunities for our business. As such, we understand the importance of resilience to managing and reducing potential climate-related risks associated with our property investments, developments, and operations. We include climate resilience considerations in our investment decisions to understand the impact of climate risks so that we can better leverage opportunities, optimize adaptability, and protect our assets.

In our commitment to understanding and mitigating the associated climate-related physical and transitional risks for our portfolio while leveraging associated opportunities to drive long-term value, STAG identifies and addresses climate-related risks and implications as follows:

- **Understanding and mitigating climate-related physical risks**, or the short- and long-term effects on our buildings caused by extreme weather events. STAG conducts regular, periodic climate risk assessments on the portfolio and will also conduct climate risk assessments as a best practice for all new property acquisitions.

- **Understanding and mitigating climate-related transitional risks**, which include the potential costs of transitioning to a low-carbon economy, fines for not meeting increasing building performance legislation requirements, loss of market share due to changing consumer demand, and costs associated with nascent low-carbon technologies. STAG will regularly assess these risks as well and actively monitor energy-related legislation and technologies.

With climate risks identified, STAG is committed to integrating climate resilience into the performance of our portfolio. Best practices and initiatives may include, but are not limited to:

- Developing a climate resilience program to evaluate and map potential climate risks by conducting high-level climate risk scenario analysis for current portfolios and future acquisitions.
- Proactively addressing climate-related ordinances and other similar local, regional and state resilience requirements to include upholding practices outlined in the “Energy Management” and “Water Management” sections above (e.g., ongoing benchmarking of energy and water performance data).
- Engaging in a relationship with a climate resilience assessment provider to evaluate individual assets and overall portfolio over time.
- Developing and integrating asset-level climate resilience guides to provide direction and expertise throughout the portfolio and for corporate operations (being deployed beginning in 2024).
- Engaging with property and portfolio-level insurance providers to ensure that climate-related risks and opportunities are adequately included in STAG’s coverage and premiums.

## SOCIAL POLICIES

### Fairness, Opportunities and Perspective

STAG is committed to fostering and preserving a fair, diverse and welcoming culture while providing growth opportunities as our human capital is the most valuable asset we have. We embrace employee differences in age, color, ethnicity, family or marital status, gender, gender identity or expression, language, national origin, physical ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status and other characteristics that make our employees unique. STAG is dedicated to paying employees a fair and living wage for the work that they provide.

STAG’s employee initiatives are applicable but not limited to our practices and policies on:

- Recruitment and selection
- Compensation and benefits
- Professional development and training
- Promotions, transfers, and professional growth
- Social and recreational programs



We focus on developing a work environment that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work-life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote and provide opportunities for the less advantaged.

All STAG employees have a responsibility to treat others with dignity and respect at all times. Employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at Company-sponsored events. All employees are also required to attend appropriate trainings to enhance their knowledge and fulfill this responsibility.

Any employee found to have exhibited inappropriate conduct or behavior towards others may be subject to disciplinary action. Employees who believe they have been subjected to discrimination that conflicts with the Company's policies and initiatives should, and are highly encouraged to, contact human resources.

## **Employee Safety**

STAG is committed to providing a safe workplace for all employees. We recognize that all employees have the right to work in a safe and healthy environment, consistent with the Occupational Safety and Health Act and other applicable legislation.

Our Company is committed to making every reasonable effort to eliminate the hazards that cause accidents and injuries to our employees. This includes but is not limited to ergonomic checks and adjustments, and employee workplace features (desk, chair etc.) as needed to maintain employee safety. We will also seek to be transparent in our performance with STAG employees and track workplace injuries as needed or appropriate.

## **Employee Performance and Career Development**

The long-term success of STAG is contingent upon the talent and commitment of our employees. STAG is committed to supporting our team's performance and career development and strives to provide a culture of learning, growth, and performance excellence. STAG will foster this culture through establishing performance objectives and efforts to support employee performance and career development.

Best practices and initiatives may include, but are not limited to:

- Encouraging employees to engage in relevant training opportunities, including formal training sessions and participation in conferences.
- Funding the cost of training materials and professional certification, where applicable, for personnel.

- Encouraging community service as supported by STAG’s Charitable Action program.
- Conducting regular employee performance evaluations to ensure alignment with business objectives and increase objectivity as it relates to regular remuneration, promotions, bonuses, etc.

## Employee Health and Wellbeing

STAG strives to create a desirable work environment that encourages health and wellness for our employees.

STAG recognizes the importance of good nutrition, regular physical activity, and reduced sedentary time in the prevention of chronic disease and the maintenance of health and wellbeing. As such, we are committed to creating a workplace environment and culture that support and encourage regular physical activity and facilitating active participation in a range of initiatives that promote increased physical activity, reduced sitting time, and healthy eating options.

Best practices may include but are not limited to:

- Ensuring stairwells are easily accessible (well-lit, adequately ventilated, etc.).
- Supporting reduced sitting time through available standing height tables / desks or workstations, removing waste bins from individual desks to a central location to encourage movement, and providing software reminders for staff who sit for long periods of time.
- Encouraging participation in sports teams, group fitness activities and / or fitness challenges.
- Encouraging walking meetings such as “camera-off” calls so that participants can get physical activity while they meet.
- Providing relevant informational materials related to health and well-being, such as posters or brochures.
- Providing healthy food and drink options.
- Installing water bottle filling stations.
- Providing reduced cost fitness membership opportunities, i.e., through a gym partnership.

## Tenant and Supplier Health and Wellbeing

The impact of the built environment on human health has become an important aspect of sustainable high-performance buildings. STAG understands this impact and is committed to developing, owning, and managing properties that meet and exceed healthy building standards and create extraordinary environments. Further, STAG and its partners are committed to supporting our tenants and suppliers in their sustainability, safety, health, and wellness goals at key points in their tenancy such as during the leasing process, property management check-ins, regular property inspections and tenant engagement efforts.

## Community Engagement

STAG understands the impact that stakeholders have on our business and operations. We are committed to engagement with our key stakeholders to facilitate two-way interaction and provide transparency of

our programs and progress, particularly around our S+R efforts. Through this engagement, we aim to drive performance and strengthen our relationships.

Best practices and initiatives may include, but are not limited to:

- Engaging early and often in the development process—from planning through construction and operations—to develop and maintain positive and productive relationships.
- Involving stakeholders in identifying issues that are material to our business.
- Providing transparency to our stakeholders through annual corporate and S+R reporting.
- Giving back to the community by creating jobs and contributing to the local economy, including through long-term commitments to support multiple organizations through STAG’s Charitable Action Committee.
- Providing paid time off to participate in charitable efforts.
- Corporate charitable engagement, including donation-matching programs like DonorsChoose, and contribution of employee time and donated money as a company.

## GOVERNANCE POLICIES

A cornerstone of STAG’s business philosophy is strong corporate governance, high ethical standards, and professional responsibility. Underlying all business activities is a focus on staying true to our core values of integrity, respect, collaboration, performance and maintaining a customer centric approach to our business. We take pride in our efforts towards transparency with our stakeholders, diligent compliance with laws, regulations, and industry standards, and an uncompromising commitment to STAG’s Code of Conduct and Ethics and [Human Rights Policy](#).

To ensure compliance and adherence to the STAG Policy and Procedures Manual, government regulations, and industry standards, STAG employees are required to participate in training or otherwise receive policy reminders that cover:

- Business ethics, including misuse of material non-public information, outside business activities, gifts and entertainment
- IT and cybersecurity, including electronic communication
- External communications, including media, marketing, and advertising
- Whistleblower protection

STAG does not contribute its corporate funds to the campaigns of elected political officials or candidates or to registered political committees. STAG also does not use its corporate funds to engage lobbyists. STAG also seeks to implement a corporate governance framework that provides appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest. The Company maintains policies that prohibit bribery and other improper payments to public officials consistent with the U.S. Foreign Corrupt Practices Act. STAG values its reputation as an organization that conducts business with honesty and integrity.