



# INDUS

INDUS REALTY TRUST

# 2022-2023

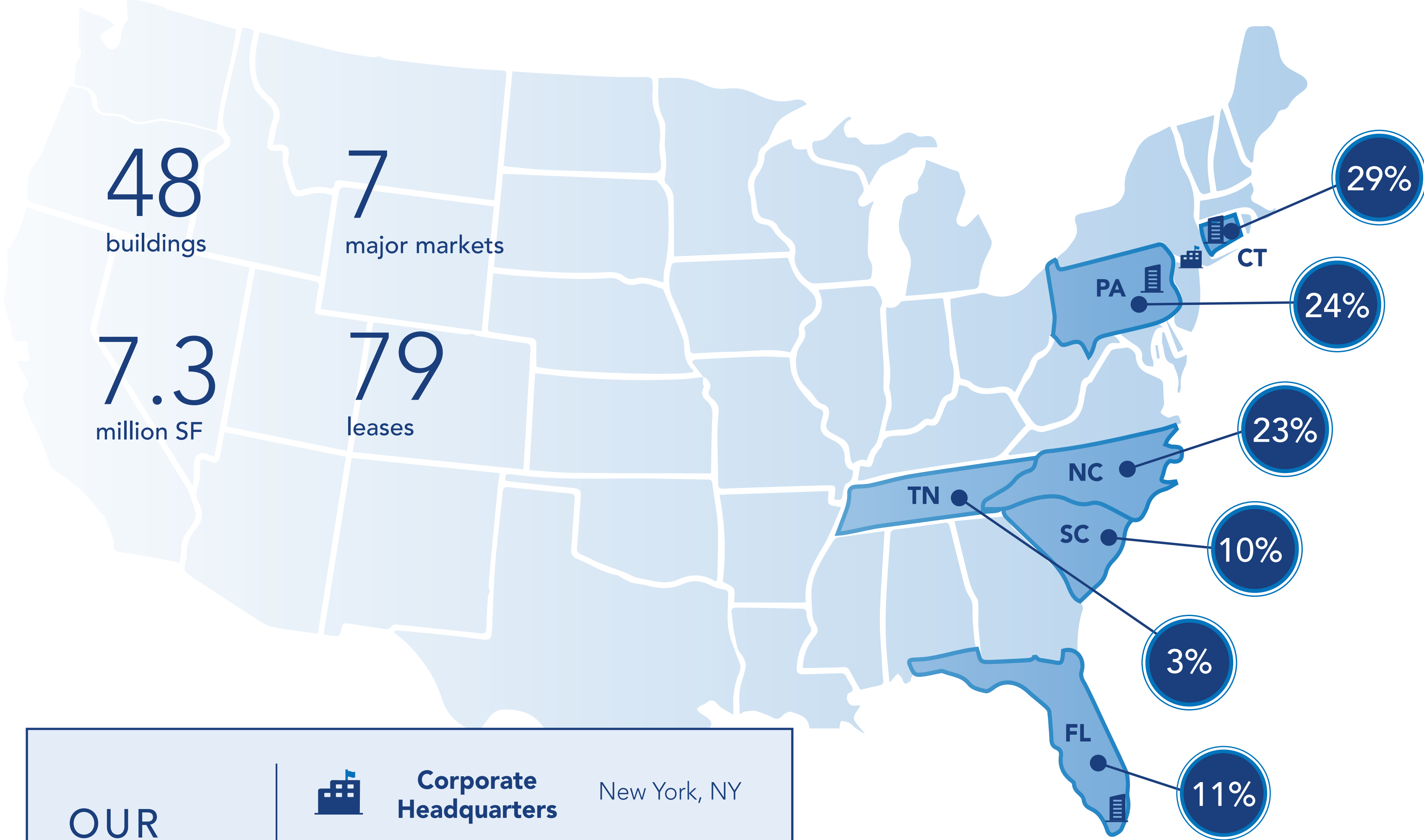
## ESG REPORT

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# ABOUT INDUS



48  
buildings

7  
major markets

7.3  
million SF

79  
leases

OUR OFFICES		<b>Corporate Headquarters</b>	New York, NY
		<b>Regional Offices</b>	Bloomfield, CT Exton, PA Miami, FL

INDUS Realty Trust, Inc. (“INDUS”, “the Company” or “we”) is a real estate company engaged in developing, acquiring, managing, and leasing high-quality industrial and logistics properties. We are a growth-oriented industrial/logistics real estate company focused on select high-growth, supply constrained markets.

Our high standards are evident in our modern logistics portfolio of over 7 million square feet located in the Lehigh Valley, Charlotte, Greenville-Spartanburg, Nashville, Charleston, Central and Southern Florida, and Hartford markets.



All data as of December 1st, 2023.

Note: South Carolina includes both Charleston and Greenville-Spartanburg markets.

# A MESSAGE FROM OUR CEO

Dear Stakeholders,

It is with immense pride that INDUS issues this inaugural ESG report – which is a testament to our team's dedication to advancing environmental sustainability across our portfolio and in the daily operations of our business. The good that we do for the environment, our employees, and our tenants goes hand in hand with the value that we create in our business. Some of our key accomplishments in 2022 and 2023 year to date include:

- **Received approval to install and commenced construction of solar panels on the rooftops of two of our buildings in CT**, which expect to generate approximately 1 MW (AC) of renewable energy.
- **Formally rolled out our LED Energy Efficiency Program (“LEEP”) for tenants.** With 58% of our industrial/logistics portfolio square footage illuminated by LED lighting as of December 31, 2022, we anticipate reaching 78% by the end of 2023.
- **Received Green Lease Leader “Silver” status in 2022 and improved to “Gold” status in 2023**, demonstrating our leadership in green leasing practices.



- **Signed both the CEO Action for Diversity & Inclusion pledge and UN Women’s Empowerment Principles.** Becoming signatories for both organizations reflects our Company's core values and commitment to champion diversity, gender equality, and the rightful advancement of women in the workplace.
- **Received Best Companies Group – Great Employers in Connecticut award for 2023** based on a third-party Employee Survey taken at the end of 2022.
- **Participated in our first and second GRESB reporting seasons in 2022 and 2023**, and meaningfully improved our scores year over year in both the Standing Investments and Development Benchmark.

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“Promoting an environment that draws upon our employees' diverse backgrounds, experiences and perspectives, strengthens our organization and positions us for greater success.”

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- **Established our first volunteer, employee-run committee, the Employee & Community Engagement Committee**, that focuses on improving the health and well-being of our people, our tenants and the communities in which we operate.

We hope you take the time to read our first ESG report to better understand the many ways in which we are committed to expanding our environmental and social impact within our communities. We continually are focused on enhancing our ESG initiatives and welcome your feedback. Lastly, I am thankful for the INDUS team and its pursuit of excellence as we continue to build towards a better future.

Sincerely,

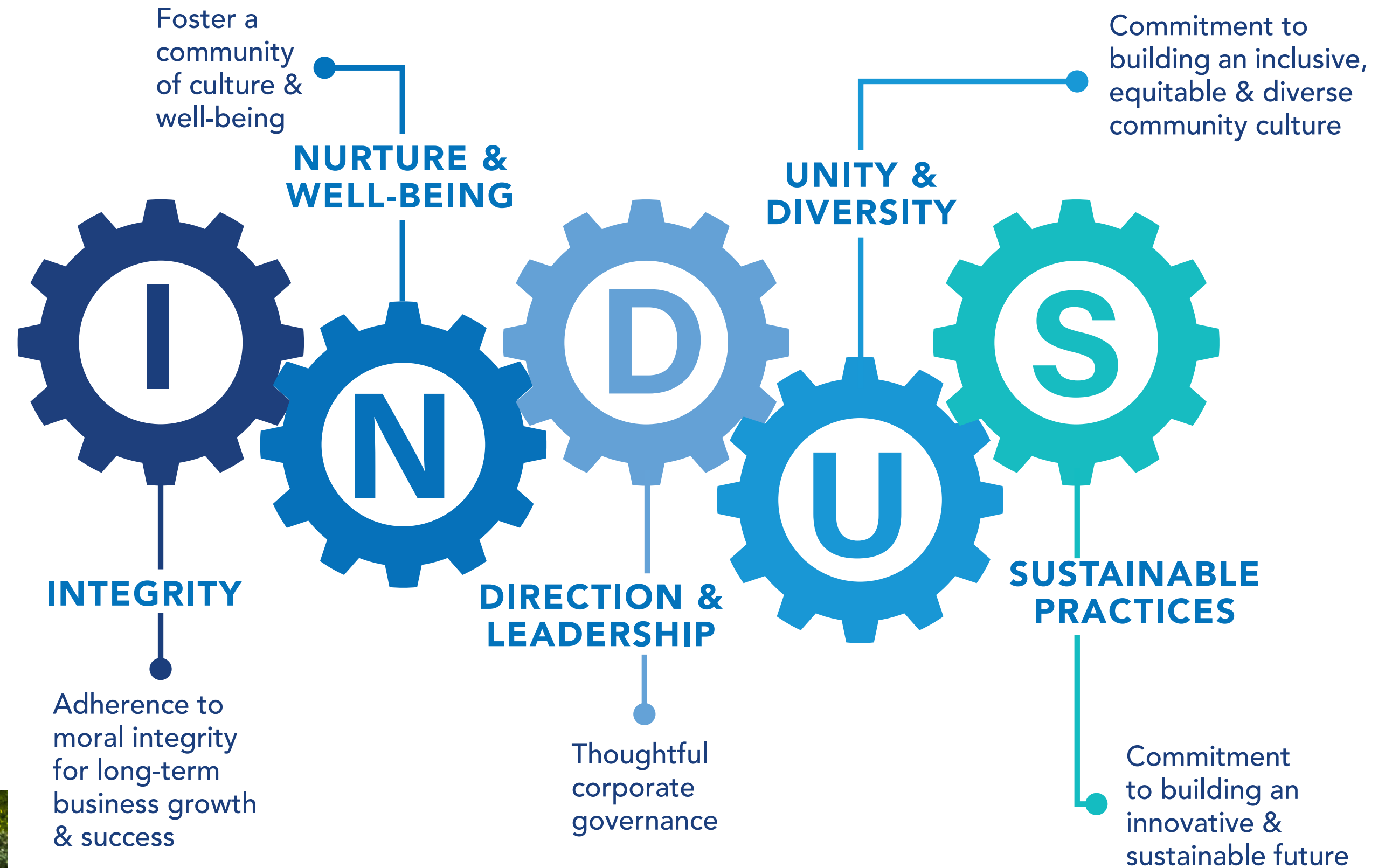
Michael Gamzon, President & CEO

# OUR PRIORITIES

At INDUS, we are devoted to fostering employee well-being, increasing tenant satisfaction, and contributing positively to the communities where we have a footprint.

In 2022, we opened a new corporate office in Bloomfield, Connecticut, where the majority of our employees work. The office was built and developed by our own team and was designed to reflect feedback from our employees and incorporate a human-centric work environment. We also expanded our employee benefits and created our first employee-run committee, all of which contributed to why we received the Best Companies Group 2023 Best Companies in Connecticut award.

Our top-tier management standards and long-standing prioritization of tenant experience are evidenced by our strong tenant satisfaction and retention rates. We seek to create an environment that encourages long-term relationships with a thoughtful approach for managing and measuring environmental impact while meeting the varied demands of our tenants and customers. That's why in the beginning of 2023, we launched our tenant-only portal to enhance our tenant engagement experience.



## TENANT SATISFACTION

Our commitment to our tenants is evidenced by the results of our 2022 tenant satisfaction survey.

# 92%

of tenant respondents reported that their overall satisfaction with management was "Excellent" or "Good".

# AFFILIATIONS & ACHIEVEMENTS

Although this is our first ESG report, we already have formed relationships with leading organizations in the ESG space for data collection, reporting and best practices.

In the years preceding this report, we've diligently:

- Established data collection for utility consumption across our portfolio
- Implemented and executed green leasing standards
- Adopted new policies across the ESG spectrum
- Expanded our ESG team
- Enhanced our employee benefits
- Advanced community and stakeholder engagement efforts
- Earned recognition for our workplace culture and green leasing standards
- Made further commitments to diversity, equity, and inclusion at our company

Though we've made great accomplishments, we are still in the early innings of a global movement. We view the progress that we've made to date as planting a seed, and we will continue to educate ourselves on the best ways to support the growth and harvest the benefits of environmental sustainability as an integral part of our business practices.

In the meantime, we're proud to share our commitments and achievements thus far as we partner and work with other leading organizations in the ESG realm.



CONNECTICUT BEST PLACES TO WORK INITIATIVES



GRESB REPORTING MEMBER



2023 GREEN LEASE LEADER - GOLD



ISS GOVERNANCE SCORE OF 2



ENERGY STAR PROFILES FOR ALL INDUS PROPERTIES

# Nareit

NAREIT REAL ESTATE SUSTAINABILITY COUNCIL MEMBERS SINCE 2022



UN WOMEN'S EMPOWERMENT PRINCIPLES SIGNATORY

CEO **ACT!ON** FOR DIVERSITY & INCLUSION

CEO ACTION FOR DIVERSITY & INCLUSION SIGNATORY

# OUR GOALS & PURPOSE



- Implemented Charitable Donation Matching Program
- One PTO day per year for employees to use for volunteering efforts of their choice
- Corporate volunteer days at CT Foodshare and with local land trusts
- Donate to local community organizations in regions where we do business



- Implemented wellness reimbursement program
- Redesigned our Bloomfield, CT office to support wellness
- Established Employee & Community Engagement Committee
- Received Great Employers to Work for in Connecticut award from Best Companies Group for 2023



- Goal to achieve 50% women and/or self-identifying minorities in corporate office positions over time
- As of 12/31/2022, women and/or a self-identifying minority make up 33% of INDUS' employees
- Became signatories of the UN Women's Empowerment Principles and CEO Action for Diversity & Inclusion



- To conserve water, all new developments feature best practices for irrigation and landscaping based on local climates and municipal regulations
- Install low flow technology for faucets and toilets
- Goal to increase data collection efforts on water usage

# SUSTAINABLE DEVELOPMENT GOALS



- For each new development starting in 2022, we have committed to the installation of at least one L2 or higher EV charging station
- In 2023, we began to install solar panels in Connecticut
- All newly developed buildings are designed to have load bearing capacity to accommodate solar panels on roofs



- As of 12/31/2022, 58% of INDUS' industrial/logistics square footage was covered by LED lighting; 78% by year-end 2023
- Rolled out LED Lighting Energy Efficiency Program (LEEP) to tenants
- All new developments will feature 100% LED lighting by default



- Develop and maintain hiring and management practices that promote racial equality
- All open positions must interview diverse candidates
- Goal to achieve 100% employee participation annually in Diversity Training



- Continue investments in community amenities with new development projects, such as improved roads & infrastructure as part of the development process, access to public transit, and addition of public green spaces
- 740 acres sold, donated, or repurposed for preservation and solar uses over the Company's history

# ENVIRONMENTAL IMPACT

At INDUS, adapting our business to the changing environment is an important part of how we operate. This includes our sustainable design and construction policy as well as our ability to bring sustainability initiatives to our tenants. In order to do our part to mitigate the impact of global temperature rises and climate change, we hope to set targets aimed at reducing our carbon emissions in the future.





# OUR PROGRESS IN SUSTAINABILITY

## RENEWABLE ENERGY

Through our data collection efforts, we estimate that electric consumption is likely the largest generator of emissions at INDUS' properties. In an effort to address this, one of the initiatives we focused on in 2022 was pursuing paths to generating renewable energy. With respect to renewable energy, in 2022 we signed an agreement with a solar developer to install and operate **solar panels** at two of our properties in Connecticut. We estimate that the arrays across both buildings will generate approximately 1 megawatt (AC) of renewable power once completed. In order to continue to expand the solar footprint across our portfolio, we've revised our design and construction policy to ensure that all of our new developments will have the ability to accommodate solar panels.



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In 2023, we received the Green Lease Leaders Gold award. We're proud to have made progress from the Green Lease Leaders Silver award that we received in 2022.

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## ENERGY EFFICIENCY INITIATIVES

We have implemented our first energy-tracking platform through **Measurabl** and **Redaptive**. By onboarding our tenants to the Measurabl platform, we're making strides in tracking energy usage at our buildings, with the goal of finding ways to reduce such usage over time. Alongside Measurabl, we've created **ENERGYSTAR** profiles for our properties. Also, as part of our green leasing efforts, we've made a commitment to disclose our ENERGYSTAR scores to our tenants when requested.

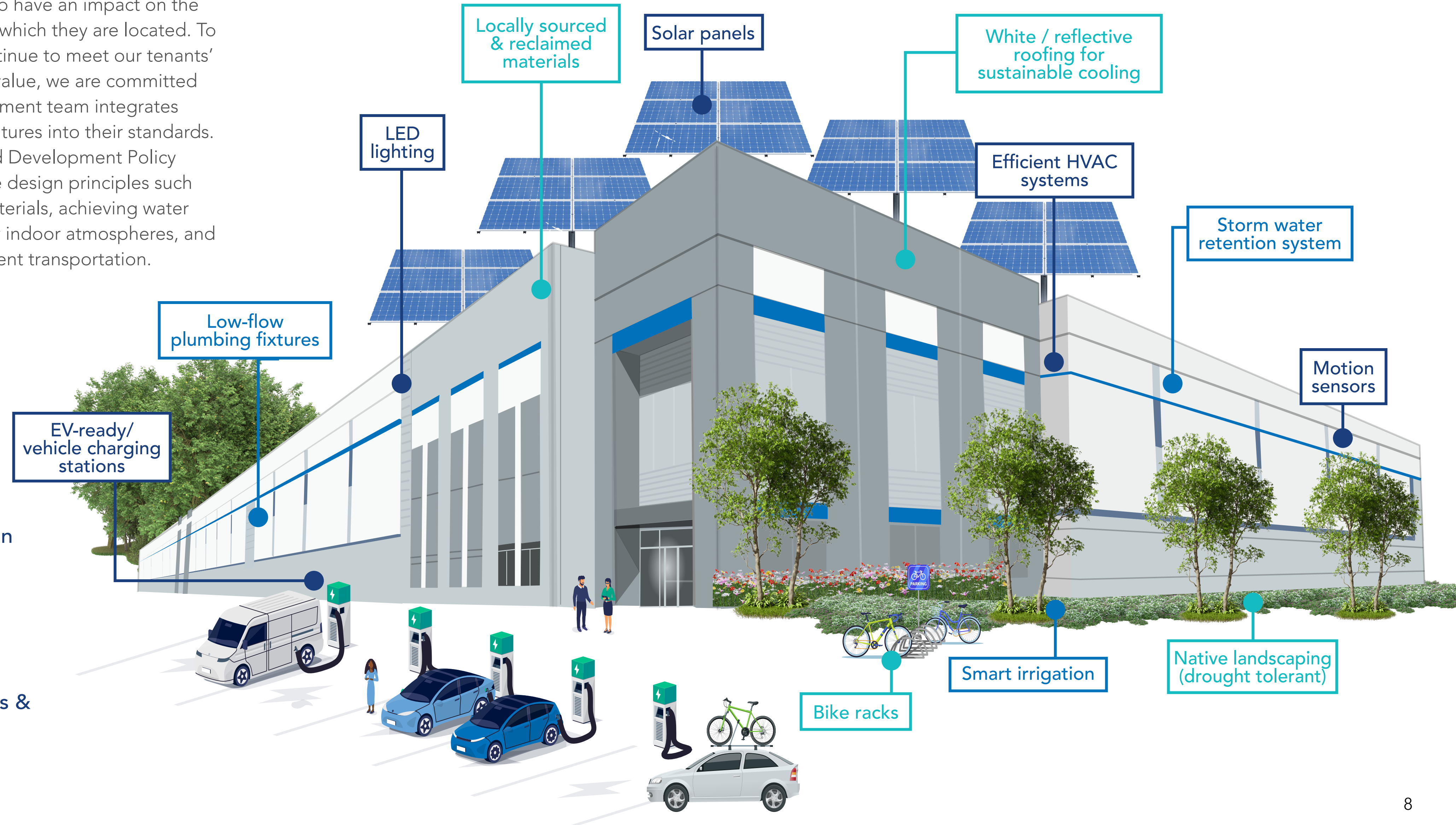
## PROGRESS & LEADERSHIP IN ESG INITIATIVES

In 2022, we added a team member dedicated to ESG as a path towards progressing our ESG strategy and initiatives.

# SUSTAINABLE BUILDING DESIGN

Our sustainable building designs and features help tenants reduce energy use, water consumption and utility costs.

Our industrial/logistics properties not only provide essential services to our customers, but also have an impact on the environment and communities in which they are located. To ensure that our buildings will continue to meet our tenants' evolving needs and have lasting value, we are committed to ensuring that our own development team integrates innovative, sustainable design features into their standards. Our Sustainable Construction and Development Policy focuses on promoting sustainable design principles such as sourcing local or reclaimed materials, achieving water efficiency, promoting high-quality indoor atmospheres, and adapting to support energy-efficient transportation.



Energy Conservation



Water Conservation



Sustainable Features & Design

# BRINGING SUSTAINABILITY TO OUR TENANTS

We're always looking for new ways to help our customers improve their efficiency and encourage sustainable operations. In our 2022 Tenant Survey, the vast majority of our tenant respondents indicated that energy efficiency was one of the most important property level features to their respective companies.

To this end, we launched our [LED Lighting Energy Efficiency Program \("LEEP"\)](#) in 2022 for all our tenants.

Through LEEP, any tenants with at least three years of remaining term on their leases can elect to have INDUS provide a turnkey installation of new LED fixtures to reduce energy consumption and operating costs of their workspaces, while also improving the health and wellbeing of those working at the sites. Lease amendments incorporating the work for LED lighting upgrades also provide INDUS an opportunity to address data collection gaps by incorporating green leasing language. As of December 31, 2022, approximately 58% of our portfolio square footage was illuminated by LED lighting, and we've

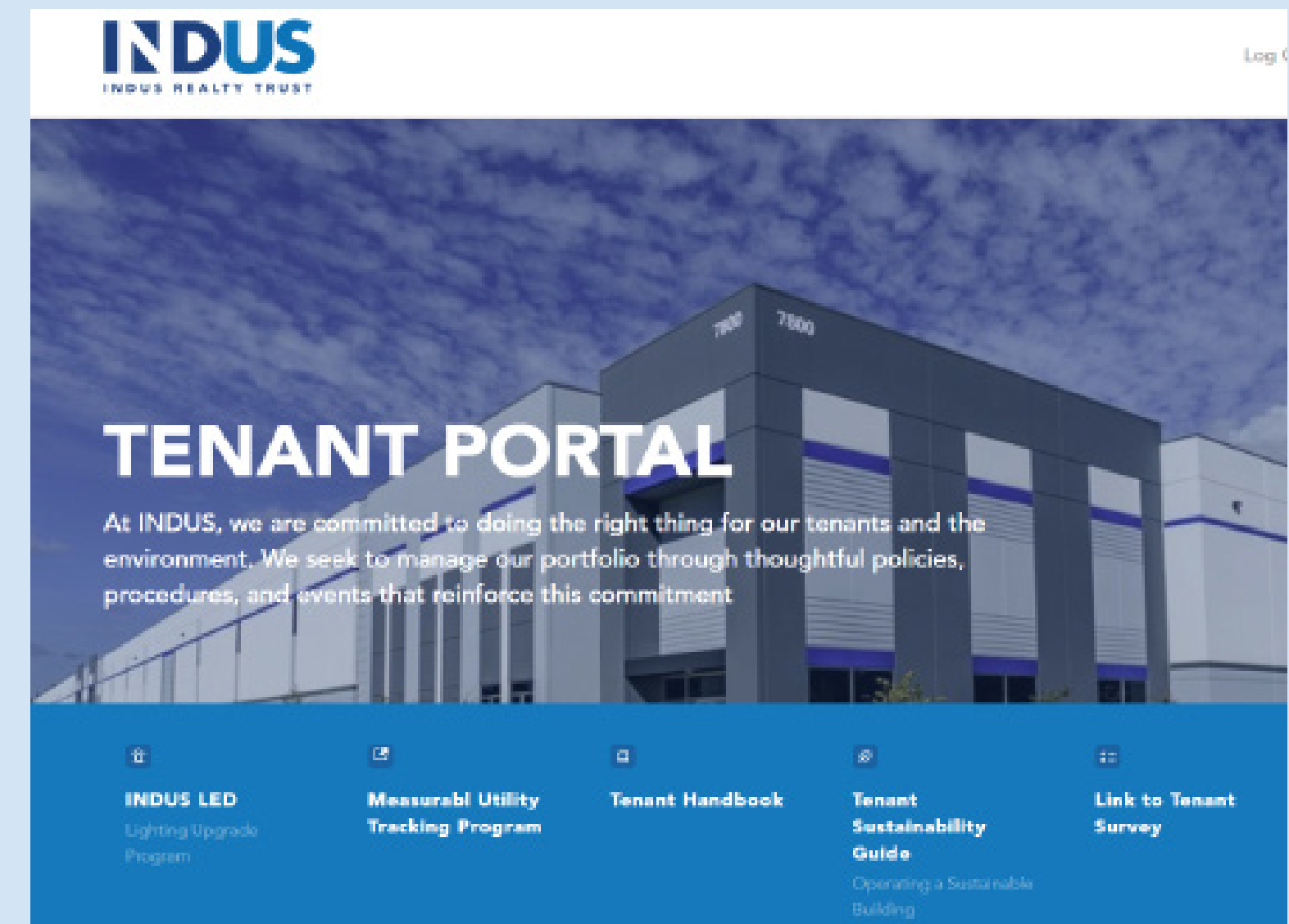
In our 2022 Tenant Survey, 72% of our tenant respondents said that sustainable building operations are "Important or "Very Important" to them.



**REDAPTIVE**<sup>®</sup>

reached our goal by increasing our LED square footage to 78% of our portfolio at the end of 2023.

72% of our tenant respondents in our 2022 Tenant Survey said that it would likely benefit their sustainability initiatives to have a utility tracking platform and refuse data. Through the implementation of Measurabl, a third-party sustainability management software, we are able to offer our tenants access to a tracking software for their utility data in a user-friendly platform. As of December, 2022, INDUS had energy data coverage for 19% of its floor area (by square footage) tracked through the Measurabl platform.





# SOCIAL RESPONSIBILITY

The relationship that we have with our people is critical to our company's culture. As such, we have made it a priority to bolster the health and well-being of our employees by implementing new corporate policies and opening our new Connecticut office, where the vast majority of our employees work. We also made commitments to support diversity, equity, & inclusion at INDUS, while establishing new ways to enhance employee and community engagement.

# EMPLOYEE HEALTH & WELL-BEING

At INDUS, we pride ourselves on a culture of kindness that emphasizes the importance of our employees' diversity of experiences.

In September 2022, INDUS opened a new corporate office in Connecticut designed by our in-house development team. Developed sustainably and featuring recycled materials, our new office is intended to better support employee connection and well-being.



At INDUS, our people are the reason we can operate at high levels, so it's no surprise that we seek to cultivate an environment that supports their well-being, fosters collaboration and rewards performance. We pride ourselves on our low turnover and long employee tenure, and believe that our positive relationship with employees is a competitive advantage to INDUS.

## OUR HEALTHY WORKSPACE FEATURES

- ✓ Lactation room designed to provide a comfortable and secure space for nursing mothers
- ✓ Ergonomic workstations equipped with adjustable desks
- ✓ Floor-to-ceiling windows that bring an abundance of natural light, reducing the need for artificial lighting and heating
- ✓ Light sensors to improve energy efficiency
- ✓ Filtered water and access to healthy snack options
- ✓ Modern work lounge and enclosed outdoor area



## HEALTHY PEOPLE - STRONGER ORGANIZATION

Our comprehensive employee benefits and programs include:

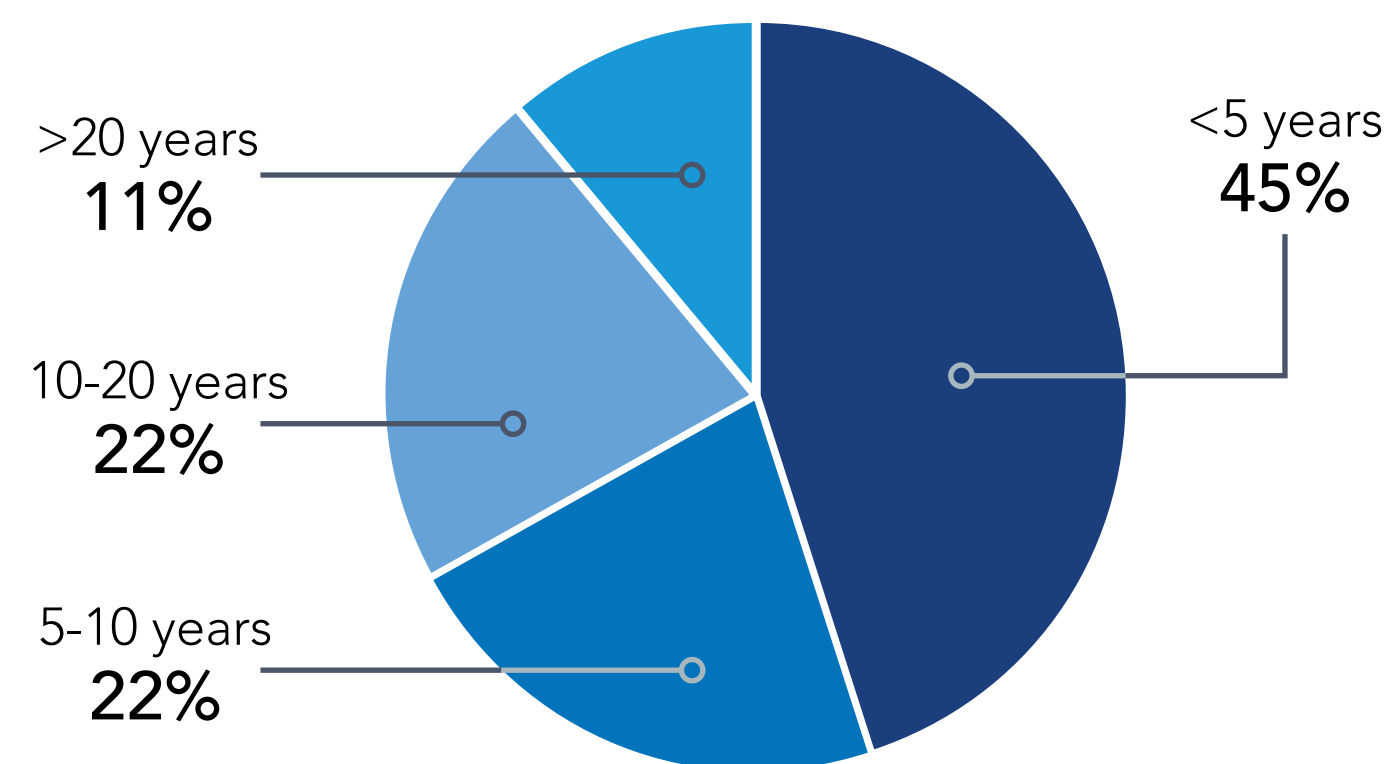
- 401(K) with employer match
- Tuition reimbursement for the pursuit of higher education and additional learning opportunities
- Competitive PTO policy in addition to floater days and paid holidays
- Up to 16 weeks paid parental leave
- Flexible work arrangements to promote a work-life balance
- Up to 2 paid hours off to vote
- Medical, life, dental and vision insurance (including telemedicine)
- Short and long-term disability insurance
- Health Savings Account (HSA) with company match
- Wellness reimbursement program to encourage activities that positively impact quality of life
- Company-sponsored volunteer time
- Charitable donation match to encourage employee giving

# DIVERSITY, EQUITY & INCLUSION

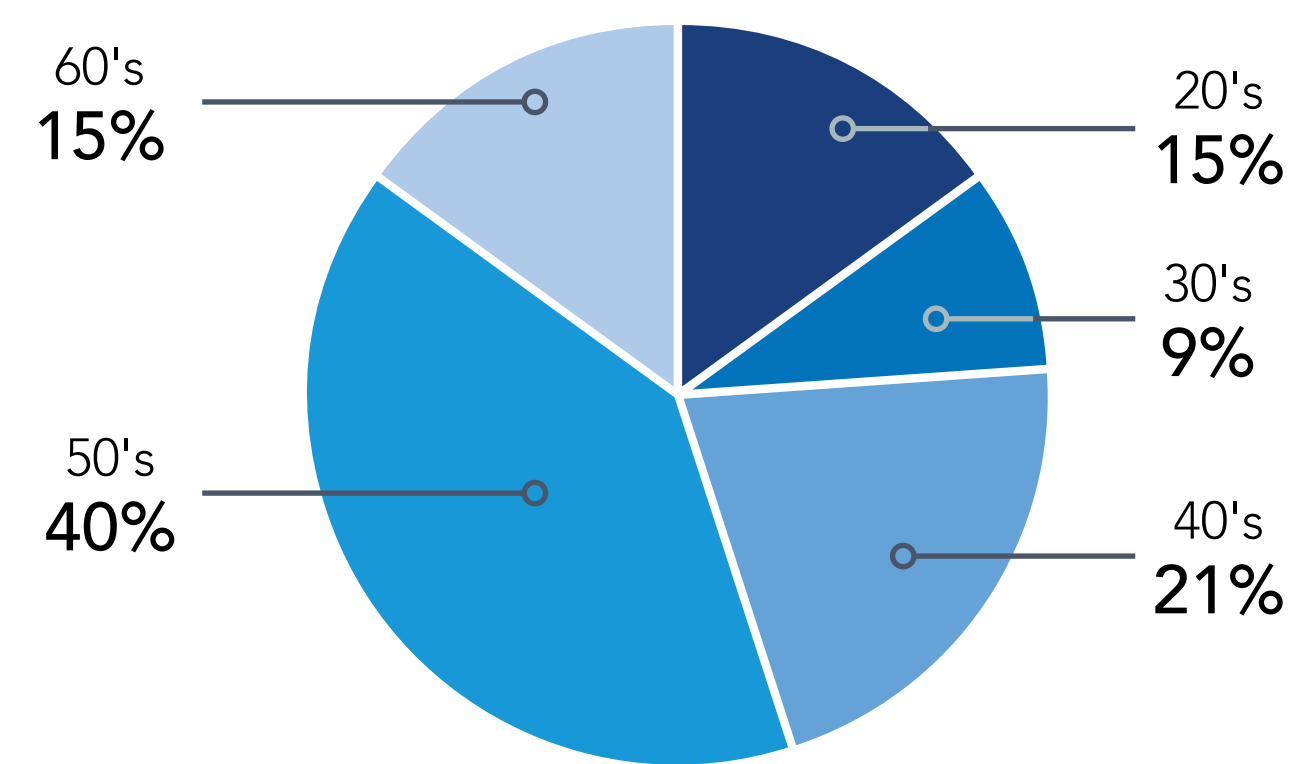
Encouraging diversity, equity, and inclusion are integral to our company's values and success. Our dedication to promoting an environment that celebrates diversity and inclusion is clear in the commitments we've made:

1. In 2022, we achieved 100% employee participation in annual Diversity training and Unconscious Bias training.
2. We joined other leading global organizations to become signatories of the [UN Women's Empowerment Principles](#) and the [CEO Action for Diversity and Inclusion](#) pledge.
3. We have a zero-tolerance policy towards discrimination or harassment of any form as outlined in our [Code of Business Conduct and Ethics](#).
4. We strive to increase gender balance and diverse representation in all positions, with a goal of reaching at least 50% women or other self-identifying minorities over time.

## EMPLOYEE TENURE



## EMPLOYEE AGE



All data as of December 31, 2022.

100%

Employee participation in annual DEI training

33%

Women and/or self-identifying minority employees

“

We are proud of the progress we have made at INDUS to date and will continue our efforts to advance diversity in our organization and empower our employees to build a culture that welcomes and learns from diverse perspectives.

”

**MICHAEL GAMZON**  
PRESIDENT & CEO



**CEO ACTION FOR DIVERSITY & INCLUSION**

# STAKEHOLDER ENGAGEMENT

We believe that active stakeholder engagement – including with employees, tenants, and our local communities – is an investment in INDUS’ future.

10.4  
Years average  
tenure

At INDUS, employee engagement has always been a priority. In addition to the regular check-ins we have with managers, our annual performance review process cultivates a space to actively discuss our employees’ goals and growth potential. In 2022, we participated for the first time in the Best Companies Group — Great Employers of Connecticut survey, and was one of six companies to receive the title of Great Employers in Connecticut for 2023 based on our results. Our management team also actively reviews employee survey results in order to take action to address our employees’ needs.

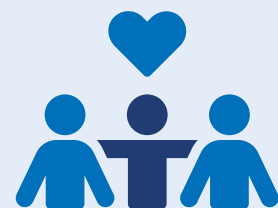
In addition to our employee engagement efforts, we engage with our tenants through regular communication between our property management team, leasing and sustainability teams. To further expand our tenant engagement efforts, in the beginning of 2023, we launched our tenant-only web portal featuring a variety of resources and helpful information for our tenants. We also conducted an in-house tenant survey in 2022 with a comprehensive evaluation process for our internal teams to review and act upon our tenants’ feedback.

97%  
Employee  
engagement  
agreement in our  
Best Companies  
Survey

In 2022, we established our **Employee & Community Engagement Committee (ECEC)**, created to enhance employee, tenant, and community health and well-being. Contributions include:



Monitor & improve employee satisfaction



Expand inclusion & diversity



Support charities & community groups



Plan employee, tenant, & community related activities

## EMPLOYEE SURVEY

INDUS received the Great Companies in Connecticut award by Best Companies Group. We are proud to have been recognized for our outstanding employee retention rate, which is a testament to our commitment to fostering a positive and collaborative work environment.

96%

Employee respondents expressed that they are proud to work for INDUS

96%

Employee respondents expressed their satisfaction with INDUS as their employer

100%

Employee respondents expressed their confidence in INDUS' leadership

## TENANT SURVEY

We surveyed our tenants at the end of 2022 to gauge their current demands and needs.

92%

Overall satisfaction is rated as "excellent" or "good"

92%

Overall satisfaction with property management is rated as "excellent" or "good"

72%

Sustainable building operations were "important" or "very important"

All data as of December 31, 2022.

# COMMUNITY INVOLVEMENT

Giving back to the communities in which we operate in has always been an essential part of INDUS' culture. Over time we have achieved this through preservation and donation of land parcels, volunteering, and contributions to local non-profit organizations.

Alleviating food insecurity in our local communities is one of the key areas in which we are committed to using our resources to make an impact. As part of an initiative to focus on reducing hunger in our local communities, INDUS systematically donates to local chapters of Feeding America and food banks to commemorate each new transaction completed.



## NURTURING A CULTURE OF GIVING

In November, 2022, INDUS partnered with Connecticut Foodshare for our corporate volunteer day. Our team members worked diligently to inspect and sort 37,500 pounds of produce for individuals and families in our local community. This opportunity allowed us to make a meaningful impact in the lives of those in need and exemplified our company's dedication to serving our community.



## OUR COMMUNITY CONTRIBUTIONS

**76%**  
of INDUS employees participated in our 2022 annual employee volunteer day

**740**  
acres of land donated and preserved for community use and/or solar over the Company's history

**\$2k**  
in matching contributions that INDUS offers per employee per year





# CORPORATE GOVERNANCE

Our Company's leadership is committed to upholding a high standard for the responsibility we have to our stakeholders. With robust oversight, an experienced management team, and strong policies in place, INDUS continues to conduct its business with integrity and transparency. Our reporting practices and Code of Conduct are examples that reflect our commitment to effective corporate governance.

# ETHICS AND POLICIES

Our Code of Business Conduct and Ethics (the "Code") provides guidance to mitigate risk and directs INDUS employees to conduct themselves with honesty and integrity in our everyday business practices. All INDUS employees are required to take our [Code of Conduct Essentials training](#) course every year. The Code outlines policies for compliance with laws and regulations, conflicts of interest, and employment practices. The Code reinforces the commitment we have for high ethical standards and risk management.

## HUMAN RIGHTS POLICY

We strive to respect and promote human rights in accordance with the UN Guiding Principles on Business and Human Rights. Our Human Rights Policy applies to INDUS as well as vendors with whom we do business. Our policy includes:

- Diversity & Inclusion
- Workplace Safety & Security
- Hiring, Work Hours, Wages & Benefits
- Freedom of Association and Collective Bargaining
- Forced Labor, Human Trafficking, and Child Labor
- Water Resources
- Training and Reporting for Employees

## SUPPLIER & VENDOR CODE OF CONDUCT

To ensure that INDUS cooperates with other organizations that uphold our ethical standards, our vendors, suppliers, contractors, and consultants are expected to abide by INDUS' Supplier & Vendor Code of Conduct. This includes compliance with regulations including:

- Business practices and compliance (anti-corruption, anti-bribery, gifts and entertainment, etc.)
- Human rights (human trafficking, child labor, etc.)
- Employment practices (labor and employment laws, non-discrimination, health and safety laws, etc.)
- Confidentiality and data protection (confidential information, data privacy, etc.)
- Sustainability and environmental stewardship (sustainable products and services, environmental laws and permits, etc.)



## WHISTLEBLOWER HOTLINE

In an effort to promote open channels of communication surrounding ethical issues, and to protect confidentiality, we encourage reporting violations of our Code of Conduct through the anonymous reporting platform on our website. We also provide a designated Ethics Hotline at 1-800-398-1496.

# RISK MANAGEMENT AND COMPLIANCE

## CYBERSECURITY

INDUS has both in-house and third party Information Technology (“IT”) support to monitor our technology and systems to ensure that our data is protected. We regularly update our network to upgrade our systems to uphold our cybersecurity standards. Some of our cybersecurity practices include:

- Implemented Ironscales email protection program in 2023 to identify potential phishing attacks
- Multi-factor authentication for all devices and INDUS’ Private Network – Windows log on and Microsoft 365
- Strict password policy (requiring changes every 45 days)
- Consistent monitoring on all devices and indicators of malware and ransomware activity
- Emergency plan for cybersecurity incidents
- Employee training for cybersecurity



**IRONSCALES**  
SAFER TOGETHER

## CLIMATE RISK

In February 2022, we engaged a third party to provide an assessment of the physical climate risks and opportunities in our portfolio. Based on climate models and environmental datasets, the assessment analyzed and scored each property across the following seven risk factors/hazards: earthquakes, floods, heat stress, water stress, hurricanes & typhoons, sea level rise, and wildfires. Each property in our portfolio received a score from 0-100 (percentile) for each hazard and was assigned a risk threshold, ranging from “no risk” to “red flag,” based on the score. For all properties included in the assessment, there was no single asset that scored above the 52nd percentile for average combined risk exposure across all risk/hazard categories. On a consolidated basis, our portfolio was considered to have no to low risk in the categories of sea level rise, earthquakes and flooding, and only a medium level of risk in the remaining categories of water stress, heat stress, wildfires and hurricanes & typhoons.

