



Responsible Investing Report

NOVEMBER 2025





Letter From The President

To our investors and partners,

When we began reporting on responsible investing, our objectives included reducing energy and emissions intensity, improving water efficiency and waste diversion, strengthening our community engagement, and embedding governance discipline throughout the investment cycle.

Guided by these commitments, we have continued to translate ambition into execution. This year, we focused on actions that deliver measurable results within our typical investment horizon while positioning the portfolio for long-term resilience in markets with increasingly stringent building performance regulations.

Our most consequential advancement was the continued transformation of our data into a strategic asset. In the first half of 2025, we expanded our sustainability dataset to cover asset-level metrics from 2019 through 2024, added ten properties to our Measurabl platform, and secured tenant permissions for direct utility data access. These steps closed key gaps, increased coverage, and gave our teams granular, real-time visibility into electricity, gas, and water consumption. With a more complete dataset, we refined how we track energy usage and emissions intensity at the asset-class level and aligned our methodologies to standard emissions factors. We are also in the early stages of deploying AI-enabled analytics to detect anomalies, correlate trends with occupancy and weather, and pinpoint the highest-return efficiency investments. This robust foundation enhances decision quality, supports regulatory compliance, and drives operational performance. We coupled data progress with targeted capital improvements that create environmental and financial value during our hold period. Our strategy is to prioritize high-impact upgrades – LEDs, low-flow fixtures, and building management system optimization – that pay back quickly and reduce operating risk.

We also continued to integrate sustainability considerations into acquisition diligence. Our refined process emphasizes bottom-line impacts, models compliance with emerging Building Performance Standards in cities such as Boston, New York, and Washington, D.C., and prices expected capital needs into underwriting. With energy demand rising – accelerated by the growth of AI and data centers – we view efficiency as a critical driver of value. By embedding energy data and compliance modeling into our investment workflows, we protect downside risk while preserving agility to capture upside within a short-duration strategy.

Our culture remains a durable competitive advantage. We expanded our firmwide learning agenda with a series of Lunch & Learn sessions covering topics from environmental remediation and mezzanine debt to cybersecurity and compliance best practices. We complemented technical

programming with communications training to cultivate a high-performance, resilient team. Finally, we continued to build a diverse talent pipeline through partnerships with Thrive Scholars, PREA's Sponsors for Educational Opportunities, and the Boston Summit, deepening our commitment to expanding access to careers in real estate.

We are proud to have been recognized again among the most charitable companies in Massachusetts. Beyond financial contributions through our matching gift program, our team volunteered time and leadership to organizations that strengthen our communities. Davis colleagues served on the board of Heading Home, including my tenure as board chair in 2022 and 2023, and supported record fundraising at the organization's annual Housewarming event. We joined programs such as Backpack Buddies and Cookies for a Cause, volunteered with the Esplanade Association, and helped raise funds for Make-A-Wish alongside partners in our industry.

Strong governance underpins our strategy. At the fund level, we track adherence to investment restrictions through a quarterly Governance Tracker and maintain active engagement with our LPACs. At the firm level, our Investment Committee – comprising our executive team, select voting members, and our Director of Responsible Investing – meets weekly and follows an approval framework to ensure rigorous assessment of investment, compliance, and responsible investing implications. We reinforce these processes through monthly reconciliations of IC minutes and votes, quarterly valuations led by portfolio management and finance, and recurring REIT meetings to confirm proper alignment with fund ownership. Our compliance program includes pre-clearance controls, affiliate transaction tracking, and periodic audits designed to uphold our fiduciary obligations and sustain best-in-class transparency.

We recognize the growing momentum of decarbonization policies and the economic implications of noncompliance. With enhanced data coverage, advanced analytics, and a disciplined approach to capital planning and diligence, we are positioned to navigate evolving regulation, reduce operating risk, and deliver attractive risk-adjusted returns. As always, we will report progress consistently, refine our methods as the data improve, and focus on actions that matter within our ownership window.

Thank you for your continued partnership and trust.

Sincerely,

Stephen Davis
President
Davis

Sustainability



Sustainability

OPERATIONAL EXCELLENCE

Our progress in environmental stewardship is rooted in strong fundamentals. The strength of our vertically integrated platform enables collaboration between our property management and asset management teams, allowing us to make both incremental and strategic decisions that drive meaningful improvements. Our relatively short-term investment hold period dictates that we focus our sustainability strategy on the most urgent and high-impact opportunities – those that deliver environmental and financial returns within our ownership window. This is evident in our consistent execution of core efficiency measures, such as upgrading to LED lighting, installing low-flow faucets, and fine-tuning building management systems. These foundational actions are now second nature to our teams and form the backbone of our sustainability strategy.

STRATEGIC CAPITAL INVESTMENTS IN EFFICIENCY

We continue to invest in targeted capital improvement projects that deliver both environmental and financial returns during our hold period. At 530 John Hancock Road (Taunton, MA), we replaced outdated rooftop cooling units with high-efficiency models that utilize modern refrigerants, significantly reducing both energy consumption and environmental impact. At 100 Minuteman Road (Andover, MA), we are upgrading a legacy chiller to a new, high-efficiency system, further advancing our decarbonization goals. The Union Trust Building in Pittsburgh now features LED fixtures throughout all common area bathrooms and exterior accent lighting, enhancing both energy efficiency and the building's visual appeal. By prioritizing these high-impact upgrades, we enable our sustainability initiatives to create measurable value for both our investors and the communities where we operate.

TRANSFORMING DATA INTO A STRATEGIC ASSET

Beyond physical upgrades, our most significant initiative this year has been the overhaul of our sustainability data infrastructure. In the first half of 2025, we expanded our data set to cover asset class metrics from 2019 through 2024; we also added 10 new assets to our Measurabl platform and closed key data gaps. By securing tenant permissions for direct utility data access, we now have granular,

asset-class-level insights that empower us to make more informed decisions. This robust data foundation positions us to comply with emerging Building Performance Standards in cities like Boston, New York, and Washington, D.C., where decarbonization mandates and financial penalties for noncompliance are becoming the norm.

LEVERAGING BIG DATA AND AI FOR ENHANCED DECISION-MAKING

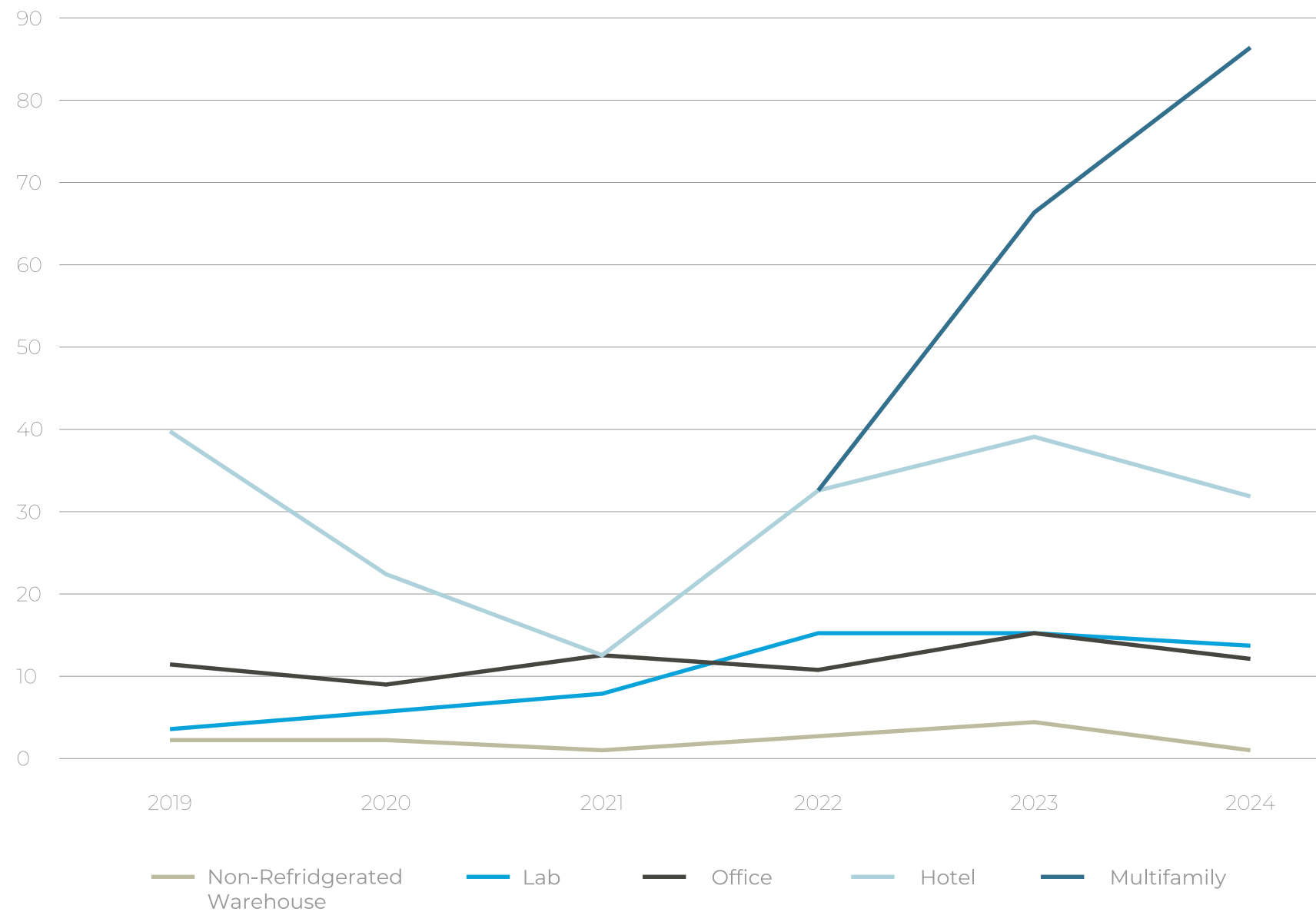
With our expanded data set, we are poised to unlock additional value through advanced analytics. We are in the early stages of deploying AI tools to analyze trends and identify opportunities that would be difficult to detect manually. These tools will soon allow us to pinpoint where capital investments are delivering the greatest energy savings, correlate emissions trends with occupancy and weather patterns, and quickly flag anomalies such as water spikes for immediate action. This data-driven approach further enhances our ability to optimize building performance and sustainability outcomes within our investment horizon.

INTEGRATING SUSTAINABILITY INTO ACQUISITION DILIGENCE

We are also refining our acquisition sustainability checklist to focus on bottom-line impacts and deal returns. As energy prices are expected to rise – driven in part by increased demand from AI and data centers – energy efficiency will become an even more critical driver of value. In markets with building performance standards, our updated sustainability diligence will consider compliance costs during due diligence to help ensure that our investments remain attractive to future buyers. By integrating energy data and compliance modeling into our acquisition process, we are positioning our portfolio for long-term resilience and value creation, even as we focus on delivering results within our typical hold period.

Water Usage

WATER USE INTENSITY (GAL/FT²/YR)

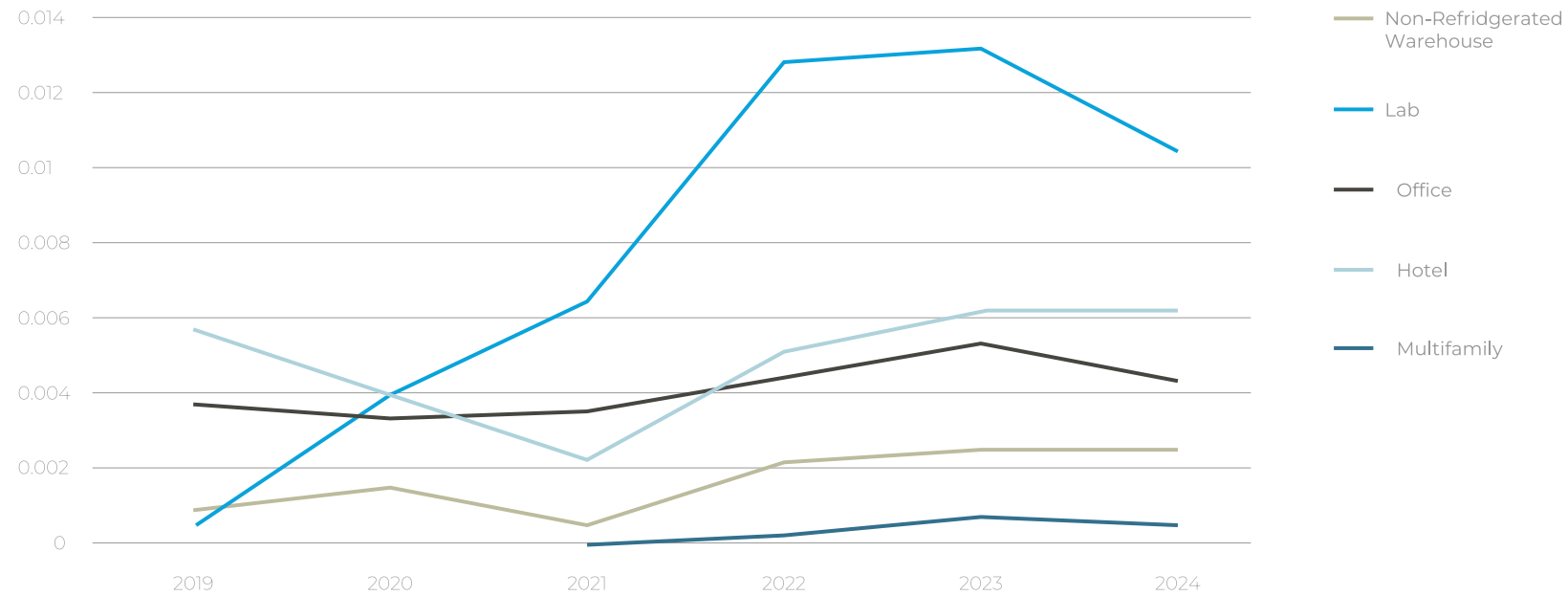


We continue to track our environmental performance against the reduction targets established at the outset of our sustainability program. In part because of year-over-year changes in occupancy and asset mix, we have given back some of our earlier gains in tracking toward our program goals for water-use reduction. Our results reflect higher water-use intensity driven by new lab activations, with efficiency measures only partially offsetting these impacts.

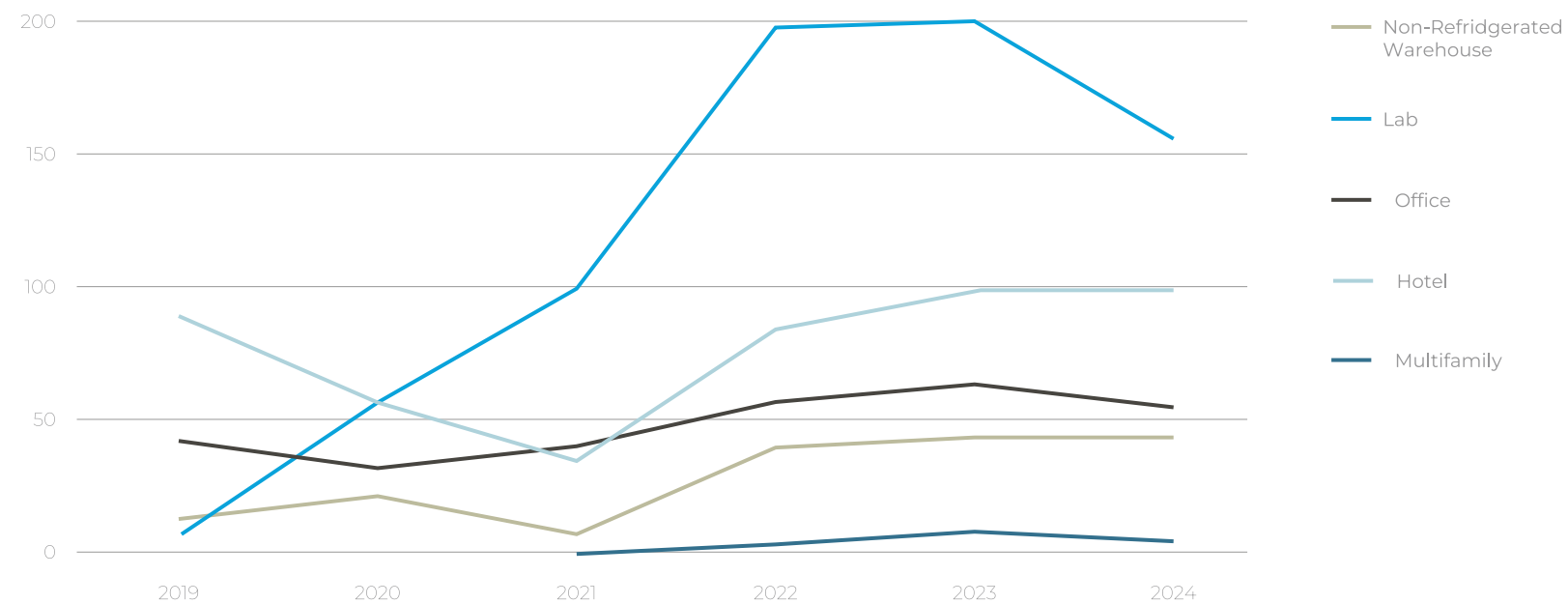
Trends in water use intensity have evolved as our portfolio and occupancy patterns have changed. While our hotels saw a sharp reduction in water use during the pandemic, usage has since normalized as travel and hospitality operations resumed. In our lab buildings, water use intensity increased over the measurement period, driven by new lab occupancy at 900 Winter Street (Waltham) and 10 Wilson Road (Cambridge). Overall, we remain confident in our ability to meet our water-reduction target, with high-intensity assets being offset by efficiency gains in other property types.

Emissions & Energy Use

EMISSIONS INTENSITY (CO₂E/FT²/YR)



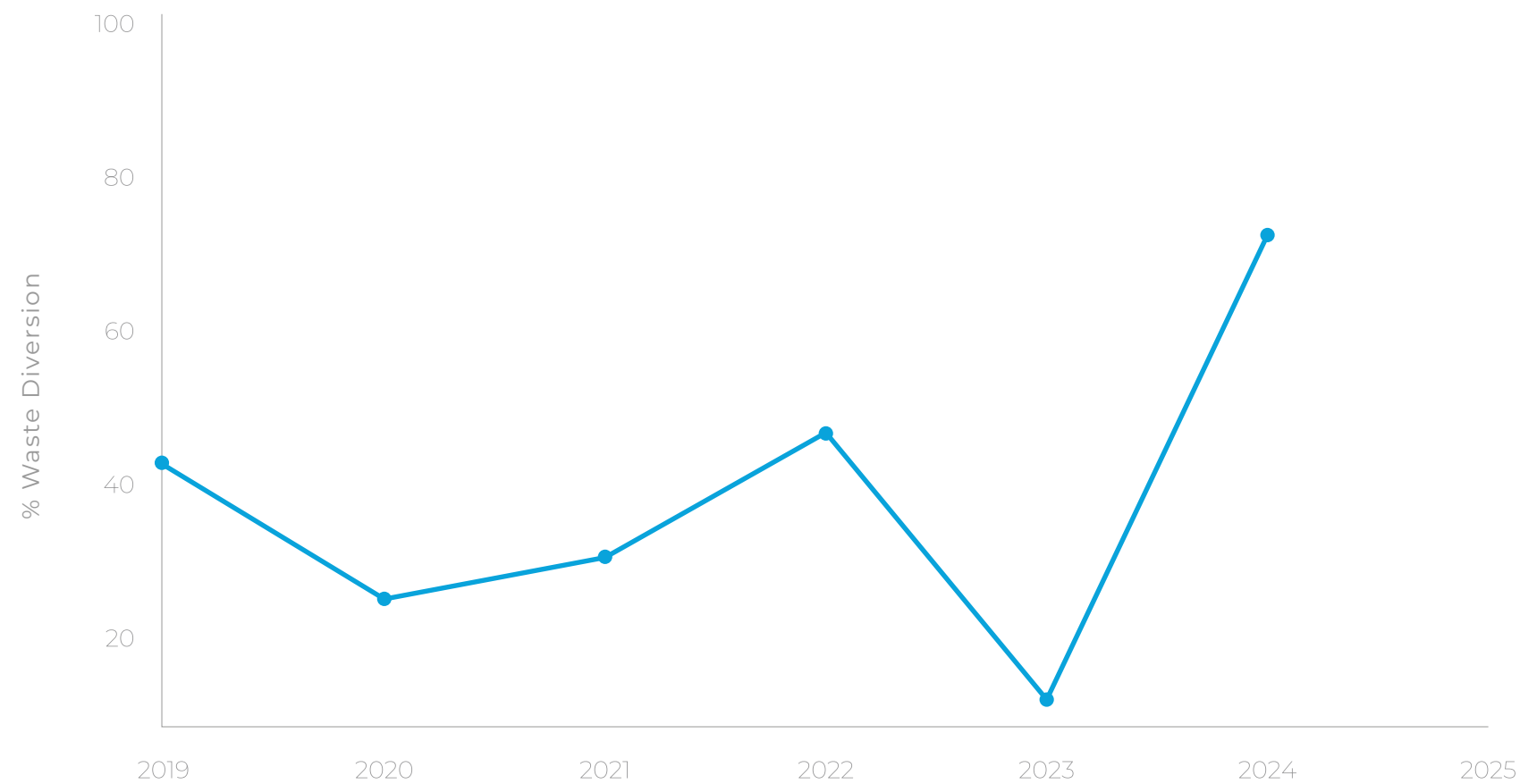
ENERGY USAGE INTENSITY (KBTU/FT²/YR)



Energy consumption and greenhouse gas (GHG) emissions are intrinsically linked, and our sustainability reporting framework reflects this connection with aligned tracking across both metrics. We source energy data directly from utilities, providing insights into electricity and natural gas usage across our portfolio. We then calculate associated GHG emissions using standardized emissions factors based on the type of energy consumed. The emissions and energy intensity charts demonstrate a clear correlation, and we continue to focus on measures that drive both metrics lower across the portfolio.

We measure energy consumption and GHG emissions against our established reduction targets. Our data show that, even as occupancy and operations have rebounded post-pandemic, we have maintained progress toward our goals. For example, hotel properties experienced a notable dip in consumption in 2021 due to pandemic-related reductions in occupancy and operations, followed by a rebound as travel resumed. Office properties experienced similar pandemic-related efficiency gains, which abated as employees returned to our buildings. In our labs, energy and emissions intensity rose significantly as we commenced new leases coming out of the pandemic.

Waste Diversion



We track waste diversion at the portfolio level rather than by asset class, enabling a comprehensive view of our performance and reflecting our operational insight that diversion rates are not meaningfully differentiated by property type. While data coverage gaps in 2023 temporarily impacted our reported diversion rate, enhanced data collection in 2024 – particularly with the inclusion of tenant data from 501 Grant Street (Pittsburgh) – has put us back on track. We are committed to continuous improvement in waste management and reporting accuracy.

Good Governance



Good Governance



Good governance underpins every aspect of our investment process and firmwide operations. Our governance framework ensures that we meet our fiduciary responsibilities, comply with applicable regulations, and remain accountable to our investors and stakeholders.

Oversight Structure



66 Galen St, Watertown, MA

Photo Credit: Chuck Choi

Governance at Davis is operationalized at both the fund and firm levels, reflecting our commitment to institutional rigor, transparency, and control. Governance responsibilities span our investment, legal, compliance, asset management, and finance teams to ensure alignment with fund mandates and regulatory requirements.

FUND LEVEL

Davis tracks governance at the fund level through a quarterly Governance Tracker, which monitors adherence to investment restrictions across all active funds. These restrictions include, for example, geographic and sector concentration limits, leverage thresholds, recourse caps, and key person provisions. We review each fund's compliance in conjunction with advisory board rights and limited partnership agreement (LPA) obligations, with the responsible internal stakeholders identified and held accountable for compliance.

Our Limited Partner Advisory Committees (LPACs), convened semi-annually for each fund, are a cornerstone of our investor engagement and oversight. These meetings, chaired and documented by our Chief Compliance Officer, provide a forum for transparent review of fund- and asset-level performance and provide a forum to address LP concerns and governance issues. Between LPAC meetings, we send proactive notifications to LPAC members regarding matters requiring their vote or approval.

As a component of fund governance, Davis ensures that, at the asset level, we retain key control and decision-making rights through structuring of joint ventures and operating agreements. This governance control is essential to safeguarding our investors' interests and is reviewed as part of Investment Committee.

Oversight Structure

FIRM LEVEL

At the firm level, our Investment Committee (IC) is the governing body for material investment-related decisions. IC includes the entire executive team as well as certain non-executive voting members and the firm's Director of Responsible Investing, ensuring that investment, compliance, and responsible investing implications are considered as part of transaction decisions.

IC meets weekly in formal sessions, where proposed actions – ranging from capital commitments and refinancings to material contracts and sales – are rigorously evaluated and voted upon. The IC process includes a two-stage approval mechanism:

- Preliminary Investment Committee – For early-stage consideration of new opportunities and approval of diligence spending.
- Final Investment Committee – For binding approvals after thorough due diligence, including responsible investing considerations and conflict disclosures.

Davis distributes all IC memoranda and minutes to IC members, and we archive these materials consistent with best practices for information retention.

Review Mechanisms



Davis reinforces our governance processes through a series of recurring operational checkpoints:

- We undertake monthly reconciliation of IC minutes and votes ensures transparency and accuracy in decision records.
- We conduct quarterly asset valuations, culminating in an approval meeting led by our Chief Portfolio Management Officer and Chief Financial Officer, with documentation provided by the Chief Compliance Officer.
- We convene quarterly REIT meetings – comprising representatives from legal, asset management, and finance – to review real estate investment trust (REIT) considerations and ensure proper alignment with fund ownership.

Compliance Infrastructure



Davis maintains a robust compliance program tailored to meet the regulatory requirements for a registered investment advisor (RIA) with the U.S. Securities and Exchange Commission (SEC). As part of this framework:

- We maintain a compliance watch list to identify conflicts of interest and insider trading. Employees are prohibited from trading restricted securities without pre-clearance from the Chief Compliance Officer.
- We track affiliate transactions and fee arrangements, and we disclose them annually to LPACs in accordance with LPA terms.

Our People



Company Culture



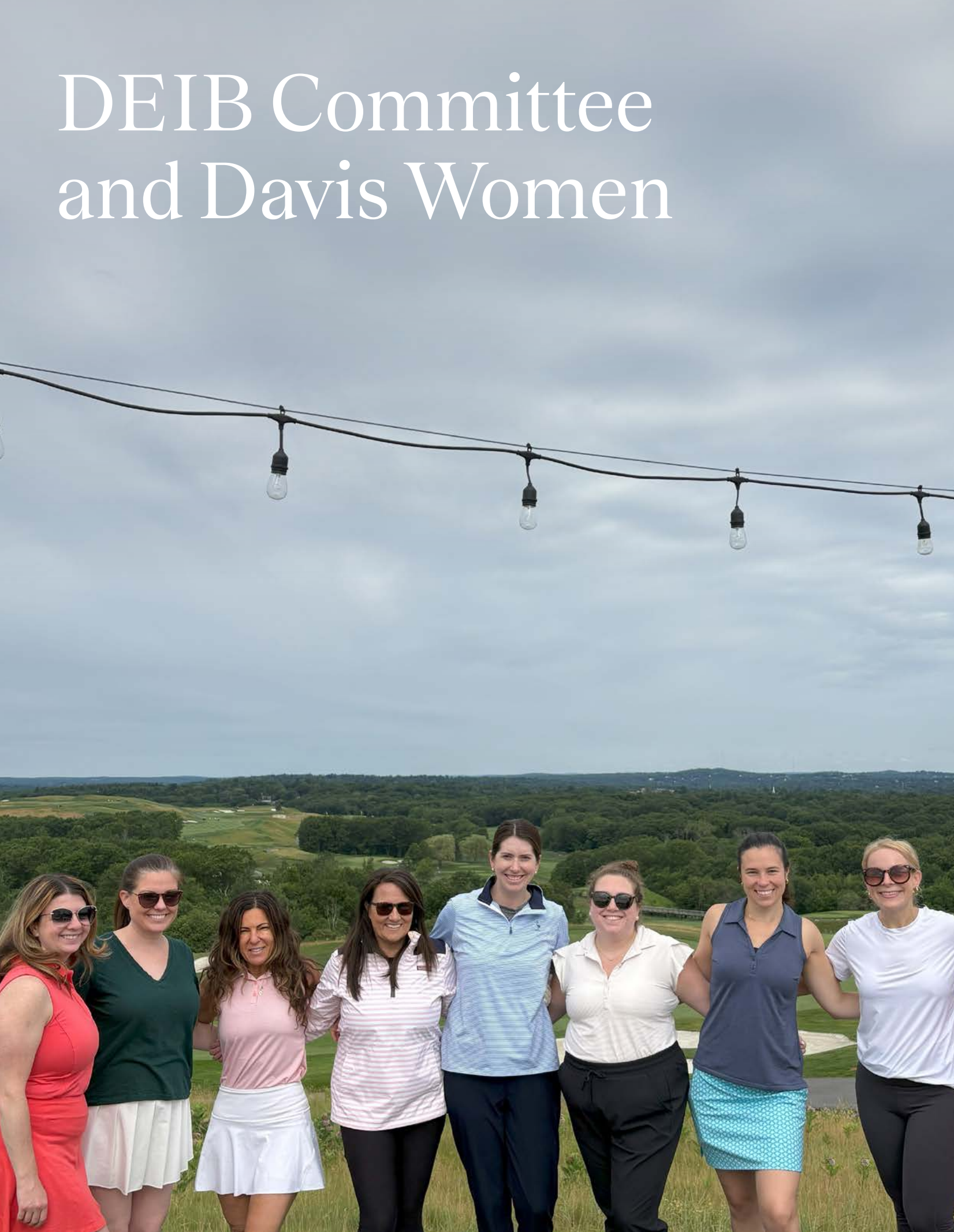
At Davis, we take deep pride in our company culture: collegial, hard-working, and focused on continuous improvement. Throughout the year, these principles drive the company calendar. We deepened our commitment to continuous learning by offering a series of Lunch & Learn sessions that combined the expertise of both internal leaders and guest speakers. These programs strengthened our technical understanding of complex topics such as loan workouts, mezzanine debt, and environmental remediation. We also trained our team for best practices in cybersecurity, compliance and audits.

Equally important, we expanded opportunities to build essential soft skills, providing training on best practices for managing and leading people, effective communication, and strategies to avoid burnout. By integrating technical depth with leadership and personal development, we continue to cultivate a well-rounded, resilient team prepared to meet the challenges of our industry.

Finally, we created opportunities for both new and longtime employees to connect more deeply with our culture and leadership. Through our bi-monthly Lunch with Leadership series, colleagues shared professional journeys and exchanged perspectives across departments. In addition, our annual Founder's Story event offered employees the chance to hear directly from Jon Davis about the experiences, values and guiding principles that have shaped the firm's nearly fifty-year journey. This tradition reinforces the enduring connection between several of Davis' core values – creativity, entrepreneurship, service, and collaboration – and the success we continue to achieve together. We believe that we can best engage our employees, and best serve our investors, by creating a work environment that welcomes new ideas and rewards professional growth.

Our employee-led and executive-sponsored Diversity, Equity, Inclusion and

DEIB Committee and Davis Women



Belonging (DEIB) Committee has focused increasingly on helping all employees feel that Davis is a place where they belong. Through the work of the DEIB Committee, we continue to promote an environment where all employees feel included, valued, and empowered to contribute fully to Davis' success.

The Committee continued to strengthen our culture by launching new initiatives and building on prior achievements. This year, the Committee facilitated eight (8) cross-disciplinary mentor matches, pairing employees at different levels of experience to set professional goals, expand perspectives, and advance career development across the firm.

We also partnered with Diversity @ Workplace to conduct an Inclusive Communication program, designed to help employees recognize barriers to effective dialogue and adopt proven practices that improve both internal collaboration and external relationships.

Our Davis Women affinity group remained a vital forum for professional development and peer support. Our goal is to empower women at Davis to be leaders in the workplace and to assert their voices in whatever room they are in. Davis Women is led by three chairs and plans quarterly events that recently included golf lessons, a book club, and peer mentoring circles on topics such as work-life balance, influencing without authority, and caring for children and parents. In addition, we were proud to send team members to the Massachusetts Conference for Women, broadening their networks and access to leadership development resources.

Giving



We are proud to have been named once again among the 100 most charitable companies in Massachusetts, alongside companies much larger in headcount. This is a reflection of the actions of our founder and CEO, Jon Davis, whose long record of giving establishes him as one of our state's most generous benefactors. However, our standing also derives from the kindness of our rank-and-file employees, who donated through the company's matching gift program to such worthy causes as Dana Farber Cancer Institute, Special Olympics, and Wreaths Across America.

We also gave generously of our time, with Stephen Davis, Sloan Elsesser and Mike Murphy all holding board positions at Heading Home, an organization that provides emergency shelter, transitional housing, permanent housing and supportive services to homeless families and individuals in greater Boston. Stephen Davis, our President, served as board chair for calendar years 2022 and 2023. Leslie Cohen served on the fundraising committee for Heading Home's annual Housewarming event, helping to raise a record \$2.4 million for the organization. As the new school year approached, we joined Heading Home's Backpack Buddies program by purchasing school supplies and stuffing dozens of backpacks for local at-risk kids. We also participated in Cookies for a Cause, with Heading Home, where employees baked cookies and we assembled cookie boxes to deliver to Heading Home families during the holidays. Our teams volunteered with the Esplanade Association, painting benches to enhance Boston's iconic riverside park, and we raised over \$8,000 for Make-A-Wish in collaboration with BNY Mellon. Taken collectively, these efforts reflect our commitment to social responsibility and community building.

Mentorship & Internship Programs

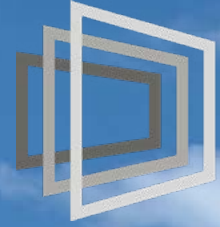


Davis is committed not only to creating leadership pathways for our current employees but also to strengthening the pipeline of diverse talent for the future. We maintain longstanding partnerships with Thrive Scholars and PREA's Sponsors for Educational Opportunities (SEO), two organizations dedicated to identifying high-potential high school students from disadvantaged backgrounds and supporting them with funding, mentorship, and access to selective universities that prepare them for top-tier career opportunities.

As one of just seven (7) corporate partners of Thrive in the Boston area, Davis is proud to provide meaningful financial support and to sponsor Thrive's mentorship program, where two (2) of our employees are currently matched with students. Looking ahead to Summer 2026, we intend once again to host internships for promising young professionals from pipeline programs including Thrive, SEO, and CREST.

This year, we also sponsored and actively participated in the Boston Summit, a powerful day of learning, mentorship, and meaningful connections with 180 rising young professionals – many of whom are first-generation college students or lack an established commercial real estate network. By engaging directly with these future leaders, we reinforced our commitment to expanding access and building bridges into the industry.

Through these combined efforts, Davis is helping to create a more diverse generation of real estate professionals and remains focused on advancing hiring and promotion opportunities for talented candidates from all backgrounds.



DAVIS

