



WHITESTONE REIT

ENVIRONMENTAL MANAGEMENT SYSTEM

Adopted January 2023

WHITESTONE'S PROGRAMS, PRACTICES AND POLICIES FOR ENVIRONMENTAL IMPACT REDUCTION

OVERVIEW

We have developed an environmental management system (EMS) framework and process in reference to the ISO 14001 standard, through which we are able to continue driving financial value and minimizing the environmental impact of the built environment. Whitestone's EMS Lead reports to the CEO. We developed this Environmental Management System (EMS) to manage portfolio- and site-specific risks, enable implementation of environmental initiatives and projects, and track relevant information on a more regular and automated basis. There are four integrated stages: Plan, Do, Check and Act.

PLAN

Whitestone's formalized ESG-related oversight is comprised of ESG Committee members who are responsible for developing Whitestone's overall approach, objectives, and plan as it relates to reducing the environmental impact of Whitestone's managed properties. The ESG Committee meets regularly to discuss potential opportunities, priorities, and risks as it relates to Whitestone's ESG strategy, and communicates our objectives to relevant internal stakeholders.

Whitestone has been a participating member of the Global Real Estate Sustainability Benchmark (GRESB) since 2022. This assessment is conducted at least annually and includes a review and gap analysis of Whitestone's latest response and results from the GRESB Real Estate Assessment. The gaps and opportunities identified are used to inform priorities and an action plan.

DO

Standing Investments: Whitestone is committed to having a robust corporate responsibility program that embeds general sustainability, environmental, social, health and well-being, and governance strategies throughout our real estate investment, asset management, risk management, and human resource management processes. We upgrade and renovate existing structures and develop and build on previously used land and existing spaces to reduce our impact on natural habitats.

Tenants are incentivized to economize on utilities such as electricity and water usage and improve their profitability by reducing expenses they pay. Whitestone supports sustainability practices, ideas, initiatives, and actions that tenants, and property managers of standing investments can implement for their spaces. This includes energy efficiency, water efficiency, materials and waste, pest management, air quality, and health & wellness. Logistical steps of the proposed actions identified may differ by opportunity/project.

Corporate Operations: Whitestone's ESG Committee works with our external advisors to identify and implement initiatives that will reduce the environmental footprint of Whitestone's operations.

CHECK AND ACT

Whitestone's ESG committee re-evaluates our objectives, measures implemented to achieve these objectives, and work with the appropriate stakeholders to make modifications as needed. The Committee is focused on identifying what was successful in reaching environmental goals and what failed to reach the desired impact. Whitestone discloses progress to the Board of Trustees and adjusts the appropriate actions if stated objectives identified in the "Plan" phase were not met.

Furthermore, Whitestone continues to seek new methods and processes to report on our ESG-related results, progress, and ongoing plans with investing partners and other stakeholders.

SUSTAINABILITY GOVERNANCE

Whitestone instituted an ESG Committee and established a charter to support the Company's ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, and other sustainability matters relevant to the Company. Our ESG Committee structure brings expertise in corporate strategy, human resources, legal oversight, and investor relations. The Board of Trustees are informed on the ESG performance of the entity with key decisions related to ESG topics. Whitestone further engages with external consultants for guidance on ESG strategy implementation.

Whitestone's Environmental Sustainability Goals

- Improve ESG disclosure aligned with internationally recognized frameworks and assessments, such as GRESB, TCFD and SASB.
- Promote communication of Whitestone's ESG approach and general education on the importance of ESG across the organization.
- Work with relevant internal and external Whitestone stakeholders (particularly property management teams and tenants) to seek out, identify and execute new strategies for promoting sustainability projects and programs in existing buildings and corporate operations.
- Monitor emerging environmental and climate change policy and regulations to be able to proactively implement measures to ensure our portfolio is compliant with new requirements.
- Continue to execute green power contracts, with the intent eventually to fully operate from clean energy sources.
- Transition to 100% LED fixtures in all our properties.

WHITESTONE ENVIRONMENTAL SUSTAINABILITY STRATEGY

We recognize that the effects of climate change will continue to threaten our real estate assets, our communities, and our planet. Our three-pronged approach to adding value to our acquisitions includes renovating, re-tenanting, and revitalizing, which involves adding leasable area to the property and improving its environmental footprint. Where possible, we seek to mitigate our climate impacts and are committed to executing environmental strategies throughout our real estate portfolio.

As part of Whitestone's commitment to environmental stewardship, the firm implements sustainable development practices throughout the portfolio by seeking out opportunities to improve the assets environmental footprint, such as:

- Undertaking extensive due diligence related to any possible contamination at all the properties we purchase, investing in any necessary clean up to ensure we and new tenants comply with all environmental regulations.
- Avoiding greenfield development by selecting to upgrade and renovate existing structures
- Evaluating the possibility of ENERGY STAR and LEED certifications for select properties.
- Installing LED lighting, energy-efficient equipment, and air filtration systems at redevelopment projects
- Evaluating and installing recharging stations for electric vehicles at select properties
- Establishing recycling programs at both the property and tenant levels
- Creating green space for walking and bicycle paths from adjacent communities to minimize congestion and pollution from vehicle traffic

Material aspects of environmental and climate related issues that Whitestone has identified for our operations and properties include:

- Biodiversity and habitat
- Energy consumption and efficiency
- Indoor environmental quality
- Renewable energy
- Waste management
- Water management

GOALS AND PROGRESS TRACKING

As a testament to the firm's commitment to its ESG goals, Whitestone is improving ESG disclosure to internationally recognized frameworks and assessments, specifically GRESB, TCFD, and SASB. GRESB is at the forefront of standardizing and benchmarking ESG performance in real assets and corporate policy. GRESB is a corporate initiative that will push all employees and tenants to achieve continual asset performance, boosting the values of Whitestone's real estate and building better long-term communities. By reporting our corporate responsibility and sustainability information in line with the TCFD recommendations and SASB Standards, Whitestone aims to take advantage of the potential opportunities or mitigate the associated risks, particularly as they relate to climate change.

These frameworks and assessments serve as Whitestone's foundational guide to identifying and implementing the best ESG practices in our corporate office and the communities where we invest. Whitestone aims to track progress through assessments, conducted at least annually, which includes a review and gap analysis of the latest results from the GRESB Real Estate Assessment. The gaps and opportunities identified are used to inform priorities and action plans.

PROPERTY ACQUISITION CRITERIA

As part of pre-acquisition due diligence for all potential Whitestone assets, We have internal procedures to perform asset level risk assessments to identify potential issues pertaining to:

- Building safety
- Compliance with regulatory requirements
- Contaminated land
- Energy efficiency
- Energy supply
- Flooding
- Indoor environmental quality

- Transportation
- Waste management
- Water efficiency
- Water supply

QUALITY OF PUBLIC DISCLOSURES

Whitestone is committed to providing its stakeholders with complete and accurate information, in all material respects, about Whitestone's financial condition and results of operations in accordance with the securities laws of the United States and, if applicable, other foreign jurisdictions. Whitestone strives to ensure that the reports and documents we publicly communicate include full, fair, accurate, timely and understandable disclosure.

This EMS is intended for internal use by Whitestone, and is annually reviewed, updated, and approved.