

Environmental, Social, and Governance Report

WHITESTONE REIT

2023



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01

ABOUT WHITESTONE REIT



LETTER FROM OUR CEO

At the core of Whitestone's mission is meeting the needs of the communities surrounding our centers by working with our tenants - many of which are entrepreneurial business owners - to better their communities. We are proud of our work with these owners and businesses and eagerly embrace ESG principles that will further advance the role we play by supporting diversity, reducing the environmental impact of our buildings, and helping all of our stakeholders succeed.

I've served just over two years as Whitestone's CEO and over that time I am proud of the improvements we have made benefiting our investors, tenants, communities, and associates. We have achieved record occupancy levels in our properties, reduced our corporate overhead costs, strengthened our balance sheet resulting in the receipt of an investment grade credit rating, and improved employee satisfaction ratings. On the governance side, we have separated the CEO and Chair roles, terminated the Shareholder Rights Plan (poison pill), provided shareholders the ability to amend our bylaws, refreshed and increased the strength and diversity of our board with three new trustees, and onboarded an ESG data management solution.

Our primary focus now is on advancing long-term sustainable change through enacting mechanisms to ensure ESG efforts are a crucial part of our daily operations and decision making. One example of this is through implementing green leases with our tenants. With our average lease length of 4 years, we expect to increase the percent of our portfolio with green leases clauses and work more closely with tenants to implement ESG considerations into daily operations.

We have also begun installing electric vehicle charging stations at select centers, in order to energize and strengthen our centers and support the transition to electric vehicles. We're also working with all of our employees to find ways to reduce our carbon footprint, including improving HVAC systems, installing energy efficient lighting, and increasing the renewable energy percentage in our electric contracts.

Our management approach builds unity between our tenants and bonds with our communities. We understand that managing our ESG responsibilities is critical to creating and sustaining long-term value. Our priorities in these efforts are providing high quality rental spaces to strong, diverse, and successful businesses; investing in our people to ensure we can attract and retain the talent we need to remain successful; and operating to the highest possible standards of ethics and transparency. Whitestone looks forward to sharing the progress we have made in 2023 as well as a look at our plans for the years ahead.



David K. Holeman
Chief Executive Officer

BUSINESS AND PORTFOLIO OVERVIEW

Whitestone REIT ("Whitestone") is a retail shopping center owner focused on properties that provide daily necessities and touch points for community, convenience, and commerce. We acquire, lease, and manage our centers to match tenants with the shared needs of the surrounding neighborhood. Our tenants include grocery stores, restaurants, medical and dental services, and many others essential to the vibrancy and health of the local area. Whitestone values diversity and is proud to maintain a workforce reflective of the wide range of customers and communities we serve.

Portfolio

Our current portfolio 100% sun-belt located, with properties in Texas and Arizona. As of December 31, 2022, we wholly owned 14 properties in the Houston metropolitan area, 9 properties in the Dallas metropolitan area, 3 properties in the San Antonio metropolitan area, 5 properties in the Austin metropolitan area, 25 properties in the Phoenix metropolitan area, and one property in Chicago, which has since been sold.

2022 Key Metrics

52

Wholly owned properties

5

Parcels of land held for future development

5.1M

Square feet (wholly owned)

0.9M

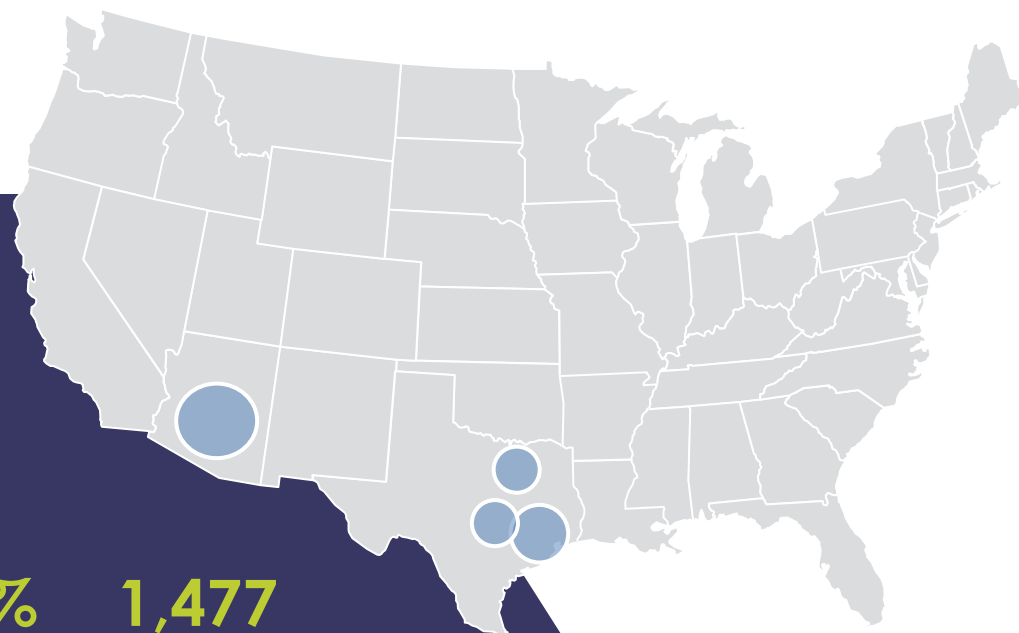
Square feet (owned through 81.5% JV)

93.7%

Occupancy in wholly owned portfolio

1,477

Total tenants





ESG AT WHITESTONE

We understand that managing our environmental, social, and governance responsibilities is critical to creating and sustaining long-term value. Our priorities include: providing high quality rental spaces to strong, diverse, and successful tenants; investing in our people to ensure we can attract and retain the talent we need to remain successful; and operating to the highest possible standards of ethics and transparency.

Since establishing our ESG Steering Committee, we have focused on creating a benchmark for our performance in key environmental, social, and governance criteria. As of 2022, we believe we have an understanding of our performance relative to best practices in the retail real estate sector. Over the coming years, we will prioritize making continuous improvement to do our part in creating an equitable and sustainable net zero carbon economy.

With this goal in mind, we will continue the diagnostic analysis of our current practices and procedures, but also make meaningful strides to begin the implementation of a multi-year plan to address the most pressing ESG issues impacting Whitestone and its communities. We will track our progress in part by reporting in alignment with leading ESG frameworks such as GRESB, TCFD, and SASB. To assist in these endeavors, we have onboarded software to allow us to track resource consumption and GHG emissions in near real-time. With the benchmarks established in 2022, we will focus our future efforts on making progressive improvements and ultimately becoming a recognized leader in ESG best practices.

02

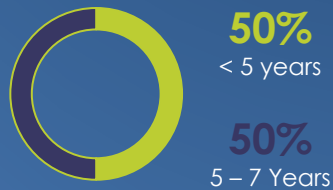
GOVERNANCE



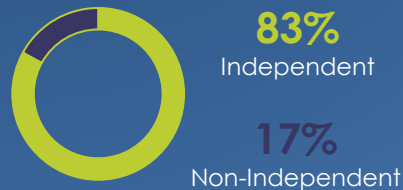
BOARD COMPOSITION*

Beginning in 2017, we refreshed our Board of Trustees, creating a balance of experience and new perspectives that positions Whitestone to address a continuously evolving ESG environment. Diversity and inclusion are strategic initiatives at Whitestone, and their application extends to our Board. We remain committed to maintaining a Board with gender and racial diversity that helps facilitate balanced, wide-ranging discussions in the boardroom. In 2022, we added CEO, Dave Holeman, followed by Amy Feng, and in 2023, we added Julia Buthman.

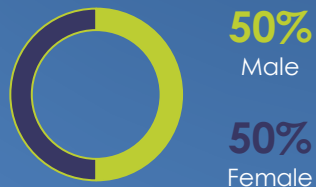
Tenure



Independence



Gender



Race and Ethnicity



GOVERNANCE HIGHLIGHTS

Whitestone and its Board maintain high standards for accuracy and transparency in matters of corporate governance and financial reporting. We are proud to include the following corporate best practices in our governance standards:

- ✓ Declassified Board, with annual election of trustees
- ✓ Plurality vote standard in trustee elections with resignation policy
- ✓ Separate Chairman and CEO roles
- ✓ 5 of 6 trustee nominees are independent; Audit, Compensation, and Nominating and Corporate Governance Committees each entirely comprised of independent trustees
- ✓ Independent trustees meet without management present
- ✓ Share Ownership Policy
- ✓ Codes of Conduct for trustees, officers, and employees
- ✓ Shareholder ability to adopt, amend or repeal the bylaws and call special meetings
- ✓ Clawback provision included in Whitestone's Code of Business Conduct and Ethics

ESG OVERSIGHT

Our Board's Nominating and Corporate Governance committee is responsible for monitoring and reviewing Whitestone's performance in and response to key sustainability issues, including social and governance topics. As needed, the committee makes recommendations to the Board on actions to be taken. Whitestone's ESG Steering Committee, which includes our CEO, reports directly to the Board's Nominating and Corporate Governance Committee.

Board of Directors

**Nominating and Corporate
Governance Committee**

ESG Steering Committee



ESG STEERING COMMITTEE

Whitestone's ESG Steering Committee is responsible for front line action on environmental (including climate-related), social, and governance matters. The ESG Steering Committee is a cross-functional team including our CEO as well as members of our asset management, human resources, investor relations, and operational departments. Its mission is to formulate and implement Whitestone's response to key ESG matters as well as monitor and assess upcoming ESG matters that may affect the organization in future years.

RISK MANAGEMENT AND DATA SECURITY

Our Board has an active role, as a whole and also at the committee level, in overseeing management of our risks. The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The Audit Committee oversees management of financial and legal compliance risks. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

The Audit Committee considers risks relating to cybersecurity and, for that purpose, receives regular reports from management regarding cybersecurity risks and countermeasures being undertaken or considered by Whitestone, including updates on the internal and external cybersecurity landscape and relevant technical developments.

We engage an external IT consultant that actively monitors network activity to prevent cyber attacks and protect against data loss by backing up our network drives on a regular basis.

KEY POLICIES

CODE OF BUSINESS CONDUCT AND ETHICS

Whitestone's Code of Business Conduct and Ethics outlines the policies necessary to ensure we are conducting our business with high standards and integrity. All Whitestone employees and members of the Board of Trustees are expected to adhere to the principles and procedures in the Code that apply to them. 100% of Whitestone employees are trained for compliance with the Code annually.

HUMAN RIGHTS POLICY

Our policy on human rights is consistent with the UN Guiding Principles on Business and Human Rights. This policy reflects our human rights stance in our relationships with our employees, suppliers, contractors, and tenants.

DIVERSITY, EQUITY, AND INCLUSION POLICY

Whitestone's commitment to diversity, equity, and inclusion (DEI) principles is reflected in our DEI Policy. This commitment covers activities across our business, from talent recruitment to employee engagement to how we engage our tenants and local communities.

VENDOR CODE OF CONDUCT

As an industry leader and a responsible business, we seek to use our position to promote the highest standards for ethics and business conduct wherever we operate. For us to provide superior services in a responsible manner, we require vendors to comply with our Vendor Code of Conduct.

INSIDER TRADING COMPLIANCE POLICY

Our Insider Trading Compliance Policy outlines clear and appropriate standards to ensure Whitestone employees and Board members do not use material, nonpublic information when purchasing or selling our securities and that unauthorized parties do not have access to material, nonpublic information.

OSHA POLICY

We are highly focused on providing a safe and productive workplace. Whitestone's commitment to our associates' health and safety is outlined in our OSHA Policy.

03

ENVIRONMENTAL



ENVIRONMENTAL STEWARDSHIP

As of December 31, 2022, we wholly owned and managed a real estate portfolio of 57 properties and five land parcels for future development, containing approximately 5.1 million square feet of gross leasable area. Due to our portfolio's size and our desire to add value to the communities in which we serve, we are aware of the environmental impacts our properties could have and recognize the need for thoughtful environmental stewardship.

ENVIRONMENTAL MANAGEMENT SYSTEM

In 2022, we 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. We developed this 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: ESG Committee identifies potential opportunities, priorities, and risks as it relates to Whitestone's ESG strategy

DO: ESG Committee implements initiatives that reduce the environmental footprint of Whitestone's operations

CHECK: ESG Committee identifies what was successful in reaching environmental goals and what failed to reach the desired impact

ACT: ESG Committee discloses progress to the Board of Trustees and adjusts the appropriate actions if stated objectives in the "Plan" phase were not met

ENERGY MANAGEMENT, GREENHOUSE GAS EMISSIONS, AND RENEWABLE ENERGY

As an owner of retail real estate, our approach to energy management is focused on two areas: our operations and our communities.

We recognize that our operations are where we have the most control over and are the most responsible for. Through our energy management policy, we have identified that managing energy efficiency first starts with managing energy consumption data. With this data, we are able to identify which properties within our portfolio are able to benefit the most from energy efficiency upgrade projects, such as upgrading parking lot lighting to efficient LED lights.

For the communities in which we serve, we recognize that energy management can equate to best practices for greenhouse gas emissions management, which can impact us all. As part of our energy management policy, we have committed to installing electric vehicle charging stations at some centers and will evaluate expanding this effort where it makes sense.



Whitestone is contracted to buy 22.6 million kilowatt hours of renewable electricity from TXU between 2020 and 2024.

ENVIRONMENTAL POLICIES

WATER MANAGEMENT

Because the majority of our properties are located in geographic regions that are prone to drought and water supply issues, water management is a critical component of our operations. In our new water management policy, we have two identified approaches: water consumption within our buildings and water consumption on our sites.

Within our buildings, we recommend to our tenants to use low-flow fixtures where possible and offer them resources to facilitate those decisions through our tenant fit-out guide. For our sites, we monitor and evaluate our water consumption trends and identify strategies to mitigate or eliminate water use such as through irrigation improvement projects and implementing xeriscaping in our landscaping.

WASTE MANAGEMENT

As an owner of retail real estate, we recognize that bringing people and communities together can result in waste and recycling generation from consumer activities. Because of the potential environmental impact of our properties, we have created a waste management policy to support waste generation mitigation and improved recycling management. Through our waste management policy, we are able to:

- Identify a baseline waste management approach across our portfolio
- Support our tenants in having the right waste management services accessible to their relevant market
- Support our communities by offering specialty recycling



CLIMATE CHANGE ADAPTATION AND RESILIENCE

Our current geographic concentration in the Houston metropolitan area potentially increases the risk of damage to our portfolio due to hurricanes. We have also identified the following as potential physical and transition climate related risks that could impact our portfolio:

- Flooding
- Wildfires
- Droughts
- Loss of power
- Increased CapEx to resolve physical damage to properties
- Potential increased SEC or other regulatory requirements
- Changes in capital markets pricing due to sustainability or resilience performance

We believe that continued geographic diversification in markets where we have substantial knowledge and experience will help offset the climate risk from a single market concentration. We have yet to be materially impacted by climate change or natural disasters, but we continue to evaluate the risks and will adapt as our understanding of these topics evolves. We have extensive insurance in place to protect against natural disasters and incidents.

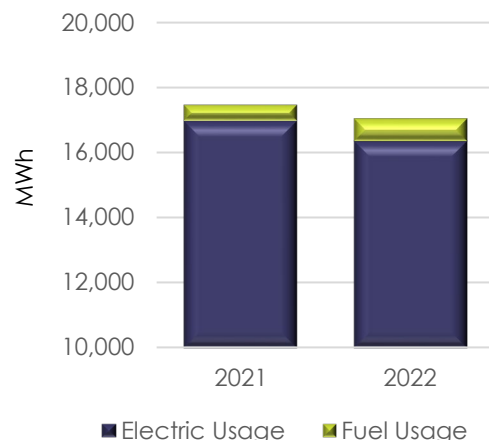
BIODIVERSITY AND HABITAT

Whitestone recognizes that as a real estate owner, our properties may encounter issues related to wildlife, ecosystems, endangered species, and habitat management. We understand that it is our responsibility to limit our impact on local biodiversity and habitats, and we aim to operate and build responsibly.

Through our biodiversity and habitat policy, we focus on minimizing the impact to the natural environment during development and throughout our operations. Some examples of how we mitigate our impact include limiting or eliminating the use of toxic chemicals in our landscaping and reducing noise and air pollution during construction.

ENVIRONMENTAL PERFORMANCE METRICS

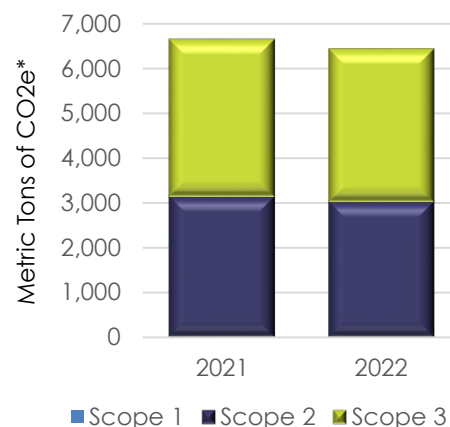
ENERGY USAGE



In 2022, our properties saw a 1.6% decrease in energy consumption.

In 2021 and 2022, 96% of total energy consumed was sourced from the electric grid and 4% from natural gas.

GHG EMISSIONS

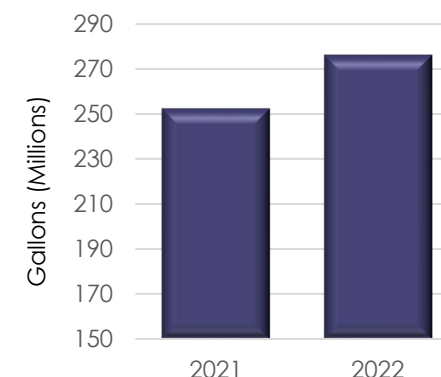


In 2022, our like-for-like properties saw 3.2% decrease in GHG emissions.

*Units in mtCO2e.

Scope 1 and 2 include emissions from exterior and common areas at retail properties. Scope 3 includes emissions from tenant usage at all property types.

WATER USAGE



In 2022, our like-for-like properties saw a 9.4% increase in water consumption.

The water usage increase was due to a number of factors, including increased occupancy and the difference in year-over-year rainfall (particularly in Phoenix).

GRESB RESPONSE

In 2022, we consolidated the work that we have done to integrate ESG throughout our company and submitted our 2nd annual GRESB assessment. Through our submission to GRESB, we identified a baseline for Whitestone's ESG performance, benchmark our performance against our peers, and identified targets for future improvements. We intend to continue submitting to GRESB annually.

GRESB is an independent organization that collects, validates, scores, and benchmarks ESG data for use by investors, asset managers, and the industry as a whole.



04

SOCIAL



OUR ASSOCIATES

DIVERSITY, EQUITY, AND INCLUSION

At Whitestone, we believe that our people are at the heart of our culture, philosophy, and strategy. We are committed to maintaining workplaces, properties, and communities that are inclusive, diverse, and free of discrimination of any kind; we have a zero-tolerance policy for discrimination or harassment on the basis of race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, or any other status protected by law.

We aim to serve shareholders, tenants, and our community through our commitment outlined in Whitestone's Diversity, Equity, and Inclusion (DEI) Policy, which includes commitments to embracing differences and creating a fair and transparent environment in the workplace. As stated in our Human Rights Policy, the basis for recruitment, hiring, placement, development, training, compensation, and advancement at Whitestone is qualifications, performance, skills, and experience. All Whitestone employees complete annual diversity and sensitivity training to ensure that we uphold these commitments as an organization.

ASSOCIATE ENGAGEMENT

Whitestone's employees are the foundation of our entrepreneurial spirit, inclusive culture, and our success and achievements. Our employees represent Whitestone to our stakeholders, and we want them to feel excited and proud of this duty. All of our employees have the opportunity to share their thoughts in an annual employee satisfaction survey. Many employees feel supported by their managers who are highly focused on improving personal growth and development, enabling the employees to work at their full potential. In addition to continuing this one-on-one support, Whitestone also has an action plan to continuously improve our culture and employee engagement based on survey feedback, which includes additional training, reviewing our existing programs, and having further feedback sessions with our executives and individual teams.

We also host several events throughout the year to foster engagement and team building, including:

- Employee birthday and anniversary celebrations
- Building Better Health team events
- WSR International and Inclusion Day
- Annual WSR family events
- Giving Back Community events (food drive initiatives, beautifying Buffalo Bayou Houston park)
- Associate potluck for Thanksgiving, Super Bowl, and other significant events
- Holiday parties and tacky sweater contests



TRAINING AND EDUCATION

Supporting our employees in their professional goals and development is a top priority for Whitestone. All our employees complete training on Whitestone's policies when they are hired, and we conduct individual annual employee reviews that focus on personal goal setting. The annual performance reviews include an evaluation of the employee's performance and are discussed with the broader management team to ensure every employee's needs are met.

Employees also complete specific training in OSHA policy, safety regulations, and business functions such as property management, maintenance, leasing, human resources, and accounting.

96%

of our employees received professional and compliance training during the year*.

94%

of employees received ESG-specific training in social and governance topics*.

78%

of our managers received leadership and professional development training*.



EMPLOYEE DEVELOPMENT PROGRAM

Through our Employee Development Program, Whitestone offers all associates the chance to expand their skills and knowledge. The program is offered on a monthly basis through lunch and learn events. The sessions are led by Whitestone leadership or outside experts. Each event focuses on a specific aspect of real estate, industry, or leadership.

TUITION ASSISTANCE AND FIRST SCHOLAR EDUCATION PROGRAM

We encourage opportunities for associates to learn and grow by pursuing advanced degrees and additional educational opportunities that are aligned with Whitestone's strategy and goals. If an employee chooses to pursue an educational opportunity, Whitestone will reimburse a portion of the tuition fees in accordance with company policy. Our First Scholar Education Program provides tuition assistance for students attending Rice University's MBA program.

COLLEGE INTERNSHIP PROGRAM

We have a strong focus on building out our talent pipeline and providing opportunities for students to learn about the real estate industry. We are proud to offer internship opportunities to students from local universities twice a year, during both summer and winter breaks. Accepted students work in our corporate office for at least eight weeks and may have the opportunity to return to Whitestone after graduating.

SAFETY AND WELLNESS

Whitestone is invested in creating an environment where our employees feel safe and have opportunities to improve personal wellness. To ensure the safety of all relevant parties, we host an annual OSHA training and annual risk and safety training with specific topics by region. Our field staff members are required to be educated on the OSHA 29CFR1910, 29CFR1926, and the Whitestone REIT Incident Report process throughout the duration of their employment at Whitestone.

BUILDING BETTER HEALTH PROGRAM

Established in 2016, the Building Better Health program promotes a healthy and active lifestyle for our employees. Each quarter, we hold on-site seminars that cover topics such as healthy eating and living, financial planning, mental health and well-being. Our regional offices are also able to attend these seminars remotely, so every Whitestone associate has the opportunity to educate themselves on living a healthier lifestyle. The Building Better Health program also offers supplemental benefits such as telehealth, employee assistance programs, personal health tools, and gym membership fee reimbursement. We also hold bi-annual Step Count competitions to inspire employees to maintain a healthy lifestyle.

Through these programs, we provide our associates the opportunity to work with professional counseling and access to various resources that help our associates live healthy balanced lives where they can be more productive at work and have a happy home life.

BENEFITS

Whitestone employees are provided with equity incentives to align their interests with those of our shareholders.

In addition to equity, we offer a variety of benefits for our associates:

- ✓ College Savings and 401(k) programs, including an employer 401(k) match up to 3.5%
- ✓ Access to an on-site financial planner on a quarterly basis to help assist associates choose the best savings options
- ✓ Health insurance
- ✓ Employer-contributed HSA account supplements
- ✓ Employer-paid basic life and accidental death and dismemberment insurance
- ✓ Your Money Line, a financial wellness program for associates
- ✓ Employee discount program through LifeMart
- ✓ Building Better Health program
- ✓ One-on-one coaching with a certified dietician
- ✓ One-on-one coaching with a licensed therapist
- ✓ Employee Assistance Program 24-hour access
- ✓ Daily supply of fruit and other healthy snacks
- ✓ Support for employee participation in charitable events

We offer an Employee Assistance Program through LifeCare, and Lincoln which includes resources for the following personal situations:

- 24/7 access to professional counseling services
- New baby and adoption process
- Parenting and how to care for special needs
- Pet care
- Legal
- Moving or relocation
- Money management
- Living with or managing a serious illness
- Caring for an aging loved one
- Grief and loss management
- Marriage and divorce counseling





TENANTS AND COMMUNITIES

SERVING THE NEEDS OF OUR COMMUNITIES

Since 2006, we have focused on acquiring, redeveloping, and operating properties that provide our communities with daily touch points for community, convenience, and commerce. We aim to work with tenants that meet the needs of the surrounding neighborhood, including retail, grocery, restaurants, medical, educational, or financial needs. Our strategy requires intensive management of a large number of small spaces and small tenant relationships. When a property has a vacancy, Whitestone's management works to identify tenants who will provide this additional value to their communities.

TENANT ENGAGEMENT

Whitestone works with many smaller, non-national tenants. As a landlord, we strive to offer the best service and highest quality properties to our tenants. We ensure our standards are upheld by conducting tenant surveys, meetings, and engaging in a formalized lease renewal process. We want to hear how tenants are using their spaces and their opinions on what future tenants may be complementary to their businesses. Evaluation of our tenants as well as their satisfaction is done through several processes administered by our Strategy Team, our Property Management, and Leasing departments.

WHITESTONE Q'S

Whitestone Q's is a practice consisting of a refined list of questions based on industry standard questions to engage with tenants. Whitestone Q's enables our operations team to engage with tenants on a deeper level, build relationships, increase information flow, and analyze trends. Through this practice, we have further insight on tenants' opportunities and needs.

PHILANTHROPY AND COMMUNITY ENGAGEMENT

Our properties are an integral part of their communities. We pride ourselves in creating spaces within our communities that meet the needs of tenants and residents alike. Whitestone strives to be a responsible corporate citizen and a positive influence in our communities by participating in multiple community focused activities each year including donation drives for local food banks, volunteer beautification projects at community parks and neighborhood social events in the common areas of our properties. These projects are integrated with our day-to-day mission of serving our communities.



HUMAN RIGHTS

Our Human Rights Policy was updated in April 2022 to reflect our dedication to maintaining the highest human rights standards and commitments. Respect for human rights is a fundamental value of Whitestone REIT, and we strive to respect and promote human rights consistent with the UN Guiding Principles on Business and Human Rights in our relationships with our employees, suppliers, contractors, and tenants. Our Human Rights Policy addresses topics such as diversity and inclusion, operation of a safe and healthy workplace, forced labor and human trafficking, child labor, water, work hours, cybersecurity, and antibribery.

EMPLOYEE ENGAGEMENT SURVEY

72%
2021 Participation
Rate

98%
2022 Participation
Rate

SOCIAL PERFORMANCE METRICS

WORKFORCE COMPOSITION

Whitestone REIT Associate Tenure

34%
< 2 Years

27%
2 – 4 Years

23%
5 – 9 Years

16%
10+ Years

Associates

53%
Male

47%
Female



Management

60%
Male

40%
Female



05

ABOUT THIS REPORT



ABOUT THIS REPORT

This is Whitestone REIT's third report on environmental, social, and governance (ESG) information. In this report, we reference ESG reporting frameworks and standards, including the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate related Financial Disclosures (TCFD). The quantitative metrics included in this report cover Whitestone's operations for the 2022 calendar year unless otherwise stated, and qualitative information includes initiatives during 2022 and 2023. This report may include information, data, and statistics from third parties. We believe these sources are reliable but have not independently verified such information. Whitestone engaged HXE Partners to support the data collection, content development, and report design.

Our disclosure and analysis in this 2023 ESG Report contain forward looking statements that set forth anticipated results based on management's plans and assumptions. Such statements give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts. We have tried, wherever possible, to identify each such statement by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will," "target,"

"forecast," and similar expressions in connection with any discussion of future operating or financial performance. In particular, these forward-looking statements include those relating to future actions, future acquisitions or dispositions, future capital expenditure plans, future performance or results of current and anticipated expenses, interest rates, foreign exchange rates, or the outcome of contingencies.

We cannot guarantee that any future results discussed in any forward- looking statements will be realized, although we believe that we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties, and potentially inaccurate assumptions, including those risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2022 and in other filings with the Securities and Exchange Commission. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from those anticipated at the time the forward-looking statements are made. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD* (SASB) INDEX

Topic	Code	Accounting Metric	Response
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	As of 12/31/2022: Office: 82% Retail (Strip Mall): 39% Other: 12%
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	As of 12/31/2022: Office: 2,314 MWh (90% grid electricity) Retail (Strip Mall): 14,652 MWh (98% grid electricity) Other: 15 MWh (0% grid electricity) 33% of the above energy consumption was sourced from renewable energy.
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	As of 12/31/2022: Office: 8% change, 82% data coverage Retail (Strip Mall): -1% change, 20% data coverage Other: 41% change, 12% data coverage
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR	0% of our portfolio has an energy rating or is certified to ENERGY STAR.
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Whitestone REIT collects and categorizes utility usage for all meters controlled by our organization. This initial benchmarking allows us to measure improvement to our performance relative to comparable properties. Additionally, when we acquire a new property and seek to add value through renovation, we aim to improve operational efficiencies, which may include opportunities to improve a property's environmental footprint, such as LED retrofits, HVAC upgrades, and providing parking spaces for low emission and fuel-efficient vehicles.

* The SASB Standards enable businesses around the world to identify, manage, and communicate financially-material sustainability information to their investors. SASB has developed 77 unique Industry Standards, which identify industry-specific, financially material ESG topics to guide disclosures for companies. Whitestone is referencing the specific Real Estate Standard.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Topic	Code	Accounting Metric	Response												
Water Management	IF_RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	<div>As of 12/31/2022:</div> <table><tr><th></th><th>Data Coverage as a Percent of Total Floor Area</th><th>Data Coverage as Percent of Floor Area in Regions with High or Extremely High Baseline Water Stress</th></tr><tr><td>Office</td><td>100%</td><td>100%</td></tr><tr><td>Retail (Strip Mall)</td><td>82%</td><td>81%</td></tr><tr><td>Other</td><td>25%</td><td>25%</td></tr></table>		Data Coverage as a Percent of Total Floor Area	Data Coverage as Percent of Floor Area in Regions with High or Extremely High Baseline Water Stress	Office	100%	100%	Retail (Strip Mall)	82%	81%	Other	25%	25%
		Data Coverage as a Percent of Total Floor Area	Data Coverage as Percent of Floor Area in Regions with High or Extremely High Baseline Water Stress												
	Office	100%	100%												
	Retail (Strip Mall)	82%	81%												
Other	25%	25%													
IF_RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	<div>As of 12/31/2022:</div> <table><tr><th></th><th>Total Water Withdrawn (m²)</th><th>Percentage in Regions with High or Extremely High Baseline Water Stress</th></tr><tr><td>Office</td><td>15,357</td><td>100%</td></tr><tr><td>Retail (Strip Mall)</td><td>1,023,799</td><td>93%</td></tr><tr><td>Other</td><td>5,966</td><td>100%</td></tr></table>		Total Water Withdrawn (m ²)	Percentage in Regions with High or Extremely High Baseline Water Stress	Office	15,357	100%	Retail (Strip Mall)	1,023,799	93%	Other	5,966	100%	
	Total Water Withdrawn (m ²)	Percentage in Regions with High or Extremely High Baseline Water Stress													
Office	15,357	100%													
Retail (Strip Mall)	1,023,799	93%													
Other	5,966	100%													
IF_RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	As of 12/31/2022: Office: -22%, 75% data coverage Retail (Strip Mall): 6%, 70% data coverage Other: 23%, 25% data coverage													
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Whitestone collects and categorizes water usage for all meters controlled by our organization. We use this benchmarking to improve our performance relative to comparable properties. Additionally, when we acquire a new property and seek to add value through renovation, we aim to improve operational efficiencies, which may include opportunities to improve a property's environmental footprint, such as installing more efficient water fixtures and xeriscaping.													

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Topic	Code	Accounting Metric	Response
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area	We are scheduled to roll out green lease contracts in 2024.
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Whitestone REIT does not currently track the percentage of tenants that are separately metered or submetered for electricity and water, although the vast majority of our tenants are individually metered for these utilities.
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	In 2021, Whitestone REIT onboarded a data management software solution to track electricity, water, gas, and trash usage. This solution allows us to separately track environmental metrics in tenant-controlled spaces and landlord-controlled spaces, which will enable us to benchmark tenant sustainability impacts. Many of our leases are triple net leases, which pass on utility expenses directly to its tenants. Given this structure, tenants are incentivized to reduce electricity and water usage to improve their own profitability. As we further develop our ESG program, we will investigate opportunities to partner with tenants to incentivize and improve their sustainability impacts.
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones	546,177 square feet of our portfolio (five properties) are in a 100-year flood zone.
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	In 2023, Whitestone REIT underwent a climate scenario analysis where physical and transition climate risks and potential impacts were assessed across three different scenarios (RCP 8.5/Current Policies, RCP 4.5/Delayed Transition, and RCP 2.6/Net-Zero). Amongst physical risks assessed, extreme heat and surface runoff posed the leading physical risks to our portfolio. The assessment showed that Whitestone is prepared for transition risks assessed under the current policies (business-as-usual) scenario, but is moderately exposed to regulatory, market, and reputational risks in closer to net-zero scenarios. We are currently evaluating strategies to manage these risks and are beginning to implement them across our business. For more details on our climate-related risk management strategy, refer to the TCFD Report section of this document.
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector	As of 12/31/2022: Office: 2 Retail (Strip Mall): 54 Other: 1
	IF-RE-000.B	Leasable floor area, by property subsector	As of 12/31/2022: Office: 141,520 sq ft Other: 28,547 sq ft Retail (Strip Mall): 4,899,457 sq ft
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	We are hands-on owners who directly manage the operations and leasing of our properties.
	IF-RE-000.D	Average occupancy rate, by property subsector	The aggregate occupancy rate of our portfolio was 93.7% based on GLA as of December 31, 2022.

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. The work of TCFD provides recommendations for more effective climate-related disclosures that promotes more informed investment, credit, and insurance underwriting decisions.

GOVERNANCE

Whitestone's Board of Trustees has an active role in overseeing the company's overall risk management. Whitestone's ESG Steering Committee makes regular reports to the Board's Nominating and Corporate Governance Committee. It is also responsible for bringing awareness and making recommendations to the Board in any relevant ESG matters that affect Whitestone's business, operations, performance, or reputation. Whitestone REIT's ESG strategy, initiatives, and communications are guided by its ESG Steering Committee, which comprises a cross-functional group of senior management. The Committee is responsible for monitoring and assessing ESG matters related to Whitestone, which may include climate-related risks, and must bring all current and emerging ESG matters to the attention of Whitestone's CEO and Board. The committee continuously monitors ESG matters that may impact Whitestone's operations, financial reporting, and reputation.



STRATEGY

Whitestone's current geographic concentration in the Houston metropolitan area potentially increases the risk of damage to our portfolio due to hurricanes. We have also identified the following as potential physical and transition climate-related risks that could impact our portfolio:

- Flooding
- Wildfires
- Droughts
- Loss of power
- Increased CapEx to resolve physical damage to properties
- Potential increased SEC or other regulatory requirements
- Changes in capital markets pricing due to sustainability or resilience performance

Our ESG Steering Committee is responsible for developing plans to address ESG matters that may affect Whitestone's business. Whitestone conducted a climate-related risk assessment and scenario analysis, and the results of these assessments will help guide our management of climate-related risks and opportunities.

RISK MANAGEMENT

Whitestone recognizes climate change presents an immediate and long-term challenge. We performed a climate-related risk assessment and will continue to adapt our organization and portfolio in the best interest of our stakeholders.

METRICS AND TARGETS

Whitestone tracks environmental metrics such as energy, emissions, and water usage. Please refer to the environmental section of this report for more information.

Scope 1, 2, and 3 GHG emissions*	2021	2022
Scope 1	21	19
Scope 2 (Location-based)	3,115	3,003
Scope 3 (Category 13)	3,514	3,418

Whitestone does not currently have any sustainability targets; however, it is an opportunity that we will continue to evaluate as we further assess how we may address potential climate-related risks.

*Units in mtCO₂e.

Scope 1 and 2 include emissions from exterior and common areas at retail properties. Scope 3 includes emissions from tenant usage at all property types.

