



RETAIL OPPORTUNITY INVESTMENTS CORP.  
Environmental, Social and Governance Plans and Policies  
2021

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## Introduction

Retail Opportunity Investments Corp. (the “Company” or “ROIC”) is a fully integrated real estate company that is qualified as a REIT for U.S. federal income tax purposes. The Company is focused on acquiring, owning, leasing, repositioning and managing a diverse portfolio of necessity-based retail properties, including, primarily, well located community and neighborhood shopping centers, anchored by national or regional supermarkets and drugstores. ROIC has developed the following ESG plans and policies to reflect our Company values and to demonstrate our commitment to ESG and sustainability best practices.

## Sustainability and ESG

### Environmental

ROIC recognizes the environmental impact of its operations as a diverse portfolio of necessity-based retail properties. The Company is committed to developing a process to track and review its environmental impact from landlord controlled common areas and to the extent feasible, encouraging tenants to reduce their environmental footprints and operate sustainably. ROIC is primarily focused on four key common area metrics: energy, water, waste, and Greenhouse Gas (GHG) emissions and is committed to setting measurable and time-bound reduction targets for these performance metrics through tracking common area energy, water, waste usage and GHG emissions, establishing a performance baseline, and setting reduction goals in 2020. In 2020, ROIC adopted ESG metrics as part of its long-term incentive plan that included developing an ESG Policy in 2020.

### Social

The Company is committed to providing equal opportunity and promoting inclusion and diversity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind including discrimination based on gender, race, disability, ethnicity, nationality, religion, sexual orientation, gender identity or expression. Company personnel are encouraged to report any acts of discrimination or harassment to the Chief Executive Officer or Compliance Officer or to any member of the Nominating and Corporate Governance Committee of the Board. If any Company personnel are not comfortable providing their name, they may report anonymously. Any kind of retaliation against Company personnel for raising these issues is strictly prohibited and will not be tolerated.

The Company does not tolerate the use of any form of child labor, forced or compulsory labor, and/or violations of labor standards and working conditions and human rights. ROIC is committed to evaluating and setting measurable and time-bound social objectives. In 2020, ROIC adopted ESG metrics as part of its long-term incentive plan that included holding diversity and inclusion training for employees annually.

### Governance

The Board of Directors oversees our sustainability and ESG strategy, initiatives and programs. Within the Board, the Nominating and Corporate Governance Committee oversees the ESG strategy development. ROIC has an internal ESG Committee that includes members from our Executive Team, Investor Relations, Special Projects, and Information Technology teams. The ESG Committee is responsible for implementing ROIC's ESG strategy and providing quarterly updates to the Nominating and Corporate Governance Committee. ROIC is committed to evaluating and setting measurable and time-bound governance objectives. In 2019, the Company established its internal ESG Committee. In 2020, ROIC adopted ESG metrics as part of its long-term incentive plan.

It is the policy of ROIC that its business shall be conducted in accordance with the highest moral, legal and ethical standards. The Company's reputation for integrity is of the utmost importance and each officer, director and employee must contribute to the care and preservation of that asset. ROIC has a [Code of Business Conduct and Ethics](#) that includes sections on Compliance with Applicable Laws, Conflicts of Interests (including bribery), Accounting Matters (including fraud), Use and Protection of Company Assets, Confidentiality, Fair Dealing, Discrimination and Harassment, and Health and Safety. In addition, in 2020 ROIC adopted an anti-money laundering policy.

## **Stakeholder Engagement**

ROIC is committed to ongoing stakeholder engagement and developing meaningful partnerships/relationships with investors, employees, tenants, customers, and communities that have an interest in the Company on ESG topics to promote employee engagement, customer satisfaction, community development and social enterprise partnerships as applicable. Representative types of stakeholder engagement activities/resources we provide include hosting and/or sponsoring many free or not-for-profit led community events throughout the year at our [Crossroads Bellevue](#) and [5 Points Plaza](#) properties.

## **Health and Well-being**

The Company is committed to providing Company personnel with a safe and healthy work environment. Company personnel have a responsibility for maintaining a safe and healthy workplace for all other Company personnel by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices and conditions. The Company is committed to considering the health and well-being and safety impact of the Company's operations on employees, tenants, customers, contractors, and communities. Violence and threatening behavior are not permitted.

## **Greenhouse Gas (GHG) Emissions Management & Climate and Climate Change Adaptation**

The Company is committed to reducing Greenhouse Gas emissions generated from its operations within its control. To the extent possible and based on data availability/resources, ROIC benchmarks and tracks its GHG emissions for common areas using all attainable utility data for energy consumption or management of energy from renewable and non-renewable sources. ROIC is committed to setting measurable and time-bound reduction targets for common area GHG emissions in 2020.

ROIC has initiatives in place and/or plans to focus on energy, water, and waste reductions that contribute to reducing GHG emissions. The Company is also committed to considering ways to prepare for long-term change in climatic conditions or climate related events.

## **Resilience to Catastrophes and Disasters**

The Company recognizes that its corporate office and its properties may experience existing and future climate changes and extreme weather events. ROIC has a comprehensive Disaster Recovery/Business Resumption Plan in place that includes how to respond to extreme weather events such as earthquakes, floods, fires and pandemics. In its solicitation of bids to install on-site renewable energy for selected properties, ROIC included battery storage that can be used for emergency/backup power as part of its evaluation criteria.

## **Energy Consumption and Renewable Energy**

ROIC is committed to operating real estate in the most efficient manner possible—to reduce expenses, add value, and reduce carbon emissions. The Company encourages employees and its third-party contractors to actively engage in sound energy management practices as applicable. To the extent possible and based on data availability/resources, ROIC benchmarks and tracks its energy consumption for common areas using all attainable utility data for energy consumption or management of energy from renewable and non-renewable sources. ROIC shall also obtain energy ratings and/or green building certifications for properties if required to do so by local laws and codes. ROIC is committed to setting measurable and time-bound reduction targets for common area energy consumption in 2020.

The Company considers a combination of operational improvements and equipment retrofits with consideration given to the costs and benefits of any action to be taken. Measures that have been implemented and/or are planned include LED lighting upgrades in common areas and the solicitation of bids to install on-site renewable energy (solar with battery storage where feasible) at selected properties.

## **Waste Management**

ROIC is committed to operating real estate in the most efficient manner possible— to reduce expenses, add value, and minimize its environmental impact. The Company encourages employees and its third-party contractors to actively engage in sound waste management practices as feasible that maximizes the amount of waste diverted from landfills or incineration. This approach includes issues associated with hazardous and non-hazardous waste generation, reuse, recycling, composting, recovery, incineration, landfill, and on-site storage that complies with local laws and codes. ROIC is committed to setting measurable and time-bound reduction targets for common area waste reduction in 2020.

The Company aims to address common area waste and encourages tenants to adopt similar practices that include appropriate signage:

- Dedicated containers for recyclable materials such as mixed paper, corrugated cardboard, glass, plastics, and metals
- Safe storage and recycling of waste associated with maintenance activities such as cleaning products
- Separation of facility maintenance and renovation waste from ongoing waste and composting, re-use of landscaping trimmings
- Process to recycle e-waste such as batteries, electronics, and lamps

## **Water Consumption and Management**

ROIC is committed to operating real estate in the most efficient manner possible— to reduce expenses, add value, and conserve natural resources. The Company encourages employees and its third-party contractors to actively engage in sound water management practices. This approach includes issues associated with planning, developing, distributing, and managing the optimum use of water resources that comply with local laws and codes. The types of water fixtures that may impact common area water usage may include water distribution systems used for landscaping and irrigation. ROIC is committed to setting measurable and time-bound reduction targets for common area water reduction in 2020.

The Company aims to address common area water usage and encourages tenants to adopt similar practices:

- Installation of water efficient fixtures that meet standards such as EPA WaterSense, a voluntary partnership program sponsored by the U.S. EPA that provides a label for water-efficient products
- Installation of irrigation systems that minimize water use such as drip irrigation instead of traditional sprinklers
- Use of native plantings and xeriscaping practices

## **Biodiversity and Habitat**

Given that ROIC owns and operates properties in western regions of the United States, the Company may impact issues related to wildlife, endangered species, ecosystems services, and habitat management. In order to minimize any potential impact on biodiversity and habitat, the Company to the extent feasible may consider implementing the following strategies directly or through third-party contractors:

- Monitor and eradicate invasive and exotic plant species from natural habitat areas
- Manage snow and ice in ways that limit degradation of water quality, surrounding plants and soil health from chemical deicer applications
- Prevent erosion by maintaining vegetative cover, and restore any eroded soils
- Reduce noise and air pollution resulting from gasoline powered equipment
- Divert from landfills plant material waste for composting reuse
- Reduce fertilizer use to only as needed for plant health applications based on soil testing. Eliminate preventive applications of herbicides, pesticides and fungicides applying only as needed for occurrences
- Prepare an Integrated Pest Management plan
- Store materials and equipment to prevent air and site contamination

## Indoor Environmental Quality & Pollution Prevention

ROIC is committed to healthy indoor environments and pollution prevention in common areas. ROIC employees, tenants, customers, and the communities in which we operate benefit from healthy indoor and outdoor environments.

As such, we establish this policy to maintain healthy indoor and outdoor environments at the properties we manage in common areas directly and through third-party contractors. We are committed to take actions as needed to reduce negative impacts on indoor and outdoor environmental quality. Ways that we fulfill these goals may include engagement with tenants, customers, and communities, preventative maintenance measures, green cleaning practices, and no smoking policies in common areas as applicable.

### Preventative Maintenance

Goals and strategies that ROIC may implement as part of a property's common area preventative maintenance program may include inspection, cleaning and service of items critical to maintain healthy ventilation:

- Outdoor air intake opening
- Damper controls
- Air filters
- Drip pans
- Cooling and heating coils
- Fan belts
- Humidification equipment and controls
- Distribution systems
- Exhaust fans

### Green Cleaning

Goals and strategies that ROIC directly and through third-party contractors may adopt to promote green cleaning include:

- Standard operating procedures for effective cleaning of hard floors and carpets that will be consistently used and managed
- Provisions for addressing protection of building tenants during cleaning
- Guidelines for selection and appropriate use of disinfectants and sanitizers
- Guidelines for safe handling and storage of cleaning chemicals used in the building, including a plan for managing hazardous spills and mishandling incidents
- Strategies for reducing the toxicity of the chemicals used for laundry, ware washing, and other cleaning activities
- Strategies for conserving energy, water, and chemicals during cleaning
- Strategies for promoting and improving hand hygiene

We also may consider putting in place the following procedures for cleaning personnel:

- Requirements for maintenance personnel including contingency planning to manage staffing shortages under a variety of conditions to ensure that basic cleaning services are met and critical cleaning needs are addressed. Include a process to obtain tenant and custodial staff input and feedback after contingency plans are implemented
- Timing and frequency of training for maintenance personnel in the hazards of use, disposal, and recycling of cleaning chemicals, dispensing equipment, and packaging
- Requirements for adopting Integrated Pest Management (IPM) programs

Products with the following certifications or labels may also be used to help us improve indoor and outdoor air quality at our properties:

- Green Seal: standard for cleaning and paper products
- EPA Safer Choice: standard for products that perform and contain ingredients that are safer for human health and the environment such as cleaning products, industrial cleaners, HVAC products, and lubricants
- USDA BioPreferred: standard for the purchase and use of biobased products such as cleaning products, inks, and lubricants
- UL ECOLOGO®: standard for products and packaging for reduced environmental impact such as cleaning supplies, office products, and electronics

### No Smoking Policy

We have adopted no smoking policies at our properties that meet local laws and codes. We may also consider adding signage in common areas aligned with the following statements:

No smoking (including e-cigarettes) of any substance is allowed on the premises. If smoking does occur on the premises, tenants, employees, customers and all others may be asked to leave the premises if found smoking.

## **Sustainable Procurement, Material Sourcing & Environmental Attributes of Building Materials**

The Company is committed to managing and operating real estate that minimizes the environmental footprint of its properties. ROIC recognizes that sustainable purchasing typically includes procurement based on an assessment of a product or material's life cycle environmental impacts, such as embodied carbon or water, from sourcing and manufacturing to use and disposal.

The Company may consider adopting the following practices in common areas on a property-by-property basis as feasible for existing as well as new construction and major renovation projects:

- Products manufactured with the maximum practicable amount of recovered material, especially post-consumer content
- Environmentally preferable products whenever cost-effective and to the extent practicable such as rechargeable batteries
- Lamps without mercury content or an average low mercury content of 25 picograms per lumen-hour or less

ROIC may consider directly and through third-party contracts sourcing materials that have the following attributes, certifications, and labels for common areas:

- ENERGY STAR Products: Appliances, electronics, light bulbs and lamps, office equipment and HVAC
- EPA Comprehensive Procurement Guidelines: Recycled materials and products
- Green Seal: Cleaning products and supplies, industrial cleaners, paints and coating, and office and kitchen supplies
- EPA Safer Choice: Cleaning products, industrial cleaners, HVAC products, and lubricants
- USDA BioPreferred: Cleaning products, inks, and lubricants
- UL ECOLOGO: Cleaning supplies, office products, and electronics
- EPEAT: Electronics
- EPA Water Sense: Water system products
- Forest Stewardship Council (FSC): Paper products
- Rainforest Alliance: Office supplies, kitchen products, printing services, and furniture
- BIFMA e3 Furniture Sustainability Standard: Furniture
- GreenGuard: Office supplies, kitchen products, printing services, and furniture
- Cradle to Cradle Certified: Cleaning products, office supplies, restroom supplies, office furniture, and carpeting
- FloorScore: Floor coverings
- NSF-140: Carpeting
- Sustainable Agriculture Network's Sustainable Agriculture Standard: Bio-based products tested using ASTM Test Method D6866
- Health Product Declaration (HPD): The end use product has a published, complete Health Product Declaration with full disclosure of known hazards in compliance with the Health Product Declaration open Standard
- Environmental Product Declaration (EPD): Products having an environmental product declaration that conform to ISO 14025, 14040, 14044, and EN 15804 or ISO 21930 and have at least a cradle to gate scope

Specifically for the operations of office supplies, copy machines, and kitchens in common areas, ROIC directly and through its third-party contractors may consider the following practices:

- Office supply procurement
  - Work with suppliers to reduce packaging from purchases
  - Have a program in-place to purchase environmentally preferred products at cost-effective prices as feasible
- Copy machines
  - Use ENERGY STAR® machines
  - Reuse and recycle paper, use FSC-certified and recycled-content paper, and print two-sided whenever feasible
  - Use recycled ink cartridges such as remanufactured printer toner and inkjet cartridges and return and recycle used ink cartridges
- Kitchens
  - Reusable or compostable cups, forks, spoons, knives and plates for management operations

## **New Construction and Major Renovations**

The Company may consider incorporating ESG factors into property redevelopment, new construction, and major renovations that can include referencing third-party sustainability standards such as the most recent versions of the Institute for Real Estate Management (IREM) Certified Sustainable Property and the Leadership in Energy and Environmental Design (LEED) guidelines applicable to shopping centers. The following guidelines may be considered by ROIC directly and through third-party contractors as part of redevelopment, new construction and major renovation projects that comply with local laws and codes:

- Construction Area
  - Use temporary protective dust curtains to separate the work area from other occupied spaces and prevent dust and odors from escaping
  - Provide walk-off mats for workers to prevent tracking dust and contaminants from the construction area
  - Protect porous or fibrous materials such as carpet from absorbing Volatile Organic Compounds (VOCs) until installed
  - Keep the work area dry to protect stored on-site and installed absorptive materials from moisture damage
  - Clean up dust immediately following construction activity
  - Keep containers closed when not in use
- Ventilation and Indoor Air Quality
  - Seal off air supplies and return to protect the ventilation system components from contamination or thoroughly clean ductwork and ventilation components prior to occupancy
  - Provide a continuous minimum ventilation rate of 1 air change per hour during construction or conduct a flush-out for three days at 100% outside air, after construction ends and prior to occupancy
  - Provide a minimum of MERV 8 filtration on return air system if operated during construction, and replace filter(s) prior to occupancy
  - During installation of carpet, primer, paints, adhesive, furnishings, and other VOC-emitting products, provide supplemental ventilation for at least 72 hours after work is completed
  - Follow the recommended control measures of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guidelines for Occupied Buildings under Construction, 2nd edition (2007), ANSI/SMACNA 008–2008, Chapter 3
- Worker protection
  - Protect the health and well-being of building tenants and contract service providers using the facility
  - Provide N-95 or better dust masks to workers who are generating dust or particulates, such as deconstruction or sanding drywall or wood
  - Require VOC-safe respirator masks for workers installing any product contains over 150 grams per liter of VOCs
  - Use safe, low-toxic cleaning supplies for surfaces, equipment, and workers' personal use
  - Use safety meetings, signage, and subcontractor agreements to communicate the goals of the indoor air quality construction plan
  - Conduct regular inspection and maintenance of indoor air quality measures including ventilation system protection and ventilation rates



- **Material Selection**
  - ROIC directly and through third-party contractors may consider environmentally preferable types of product unless that type of product is not available competitively within a reasonable time, at a reasonable price, is not life cycle cost efficient in the case of energy consuming products, or does not meet reasonable performance standards
  - The types of materials selected for may include materials/products that meet these standards
    - U.S. EPA Safer Choice
    - C2C (Cradle to Cradle)
    - SCS (Scientific Certification Systems)
    - Green Seal
    - BIFMA Product Safety and Performance Standards and Guidelines (Business and Institutional Furniture Manufacturer's Association)
    - GREENGUARD Label
    - CRI Green Label and Green Label Plus (Carpet and Rug Institute)
    - International Living Future Institute's Declare Database
- **Waste Management**
  - In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, wherever possible, ROIC directly and through third-party contractors may consider performing work by using durable products, reusable products and products (including those used in services) that contain the maximum level of post-consumer waste, post-industrial and/or recyclable content, without significantly affecting the intended use of the goods or services as applicable. It is recognized that a cost analysis may be required in order to ensure that such products are made available at competitive prices.
  - During pre-construction, review and discuss the waste management plan including responsibilities, anticipated types and quantities of materials, methods and procedures for collection, handling and removal, salvage and reuse strategies, and recycling facilities to be used
  - All subcontractors are expected to communicate procedures to their crews that comply with this plan
  - All recycling containers should be clearly labeled and include lists of acceptable/unacceptable materials
  - Separate recyclable materials from construction and demolition waste (including recyclable materials by type) to the maximum extent possible
  - Remove construction and demolition waste from project site on a regular basis and transport waste materials off property and legally dispose of them
  - Obtain receipts from waste haulers, salvage yards, and recycling centers

### **Property Acquisition Criteria**

ROIC incorporates ESG factors into its [Property Acquisition Criteria](#).