



SHOPONE CENTERS REIT, INC.

SUSTAINABILITY REPORT

2023

A LETTER FROM THE CEO

I am pleased to present you with an overview of the results and progress of our 2023 corporate Environmental, Social, and Governance (ESG) Initiative. As we look back on our efforts over the last year, ShopOne has demonstrated a continued commitment to our primary goals, which are as follows:

- Dedication to employee engagement both within the company and with our communities
- Commitment to the long-term health of our environment
- Transparency and commitment to our stakeholders

Collectively, the accomplishment of these goals allows us to generate sustainable growth and produce favorable results and returns for our stakeholders.

We are proud of our accomplishments at ShopOne. At the property level, we remain committed to the highest standards in sustainable business practices for long-term growth. These efforts include converting all common area lighting to LED, with the last three properties in the current portfolio to be completed Q1 2024. We have utilized cool roofing in our most recent roof replacements and have used environmentally friendly fluids and refrigerants in HVAC system replacements. Additionally, we incorporated green initiatives in our leases, to ensure a partnership with our tenants in our efforts for sustainability.

This year has seen initiatives led by our team with company-wide efforts to create a positive, community-oriented culture, getting involved directly with the communities we serve and finding ways to give back. The team engaged in several charitable opportunities within our communities including the following:

- Team ShopOne participated in our second Morgan Stanley Corporate Challenge, a 3.5 mile run in New York City generating proceeds for the Central Park Conservancy
- Similar to 2022, ShopOne's Ohio Team volunteered for a day of service at the Toledo Food Bank, helping provide food for underprivileged residents of the Toledo area. The Toledo Food Bank is an affiliate of Feeding America, a non-profit organization dedicated to eliminating hunger across the US
- Our New York team volunteered preparing meals for underprivileged New Yorkers at the Trinity's Services and Food for the Homeless Soup Kitchen.

At ShopOne, we continue to adhere to practices to ensure transparency and thorough reporting for our partners and stakeholders.

I look forward to continuing our efforts in 2024 to further ensure both a sustainable and profitable future.

Sincerely,

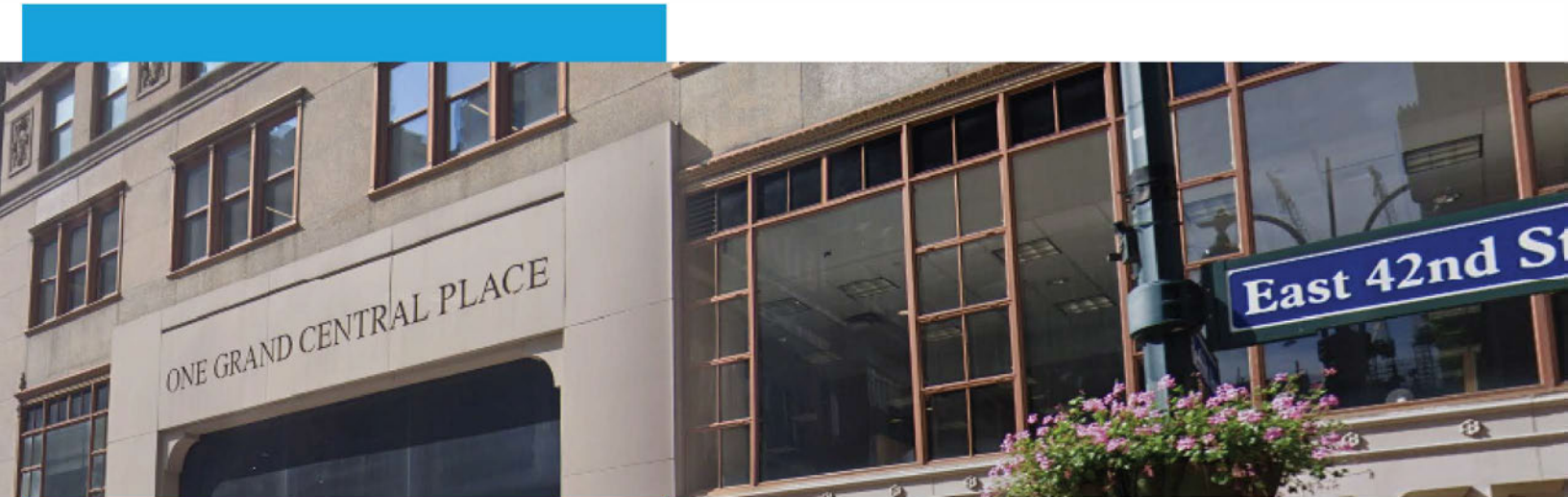
Chris Reed
Chief Executive Officer



What People Need. Where People Need It.

Business Strategy

ShopOne Centers is a fully integrated investment, management and operating platform focused exclusively on designing and executing strategies in U.S. grocery-anchored neighborhood shopping centers through partnerships with institutional investors.



ShopOne Center REIT, Inc.

One Grand Central Place
60 East 42nd Street, Suite 464
New York, NY 10165

**Retail sector specialists with
extensive public REIT experience.**

**Trusted partnerships with leading,
national retailers.**

Disciplined, value creation process.

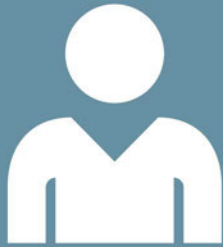
Background

It is our responsibility to conduct business in the best long-term interests of our environment, our communities, our tenants, our vendors, and our stakeholders. Our ESG program is designed to establish ongoing principles that we adhere to each day focused on our commitment to best practices with these parties in mind. Our ESG program continued to evolve in 2023 to appropriately address the changing needs of our property portfolio, as well as the growing number of internal and external stakeholders that ShopOne serves.



ESG Committee and Oversight

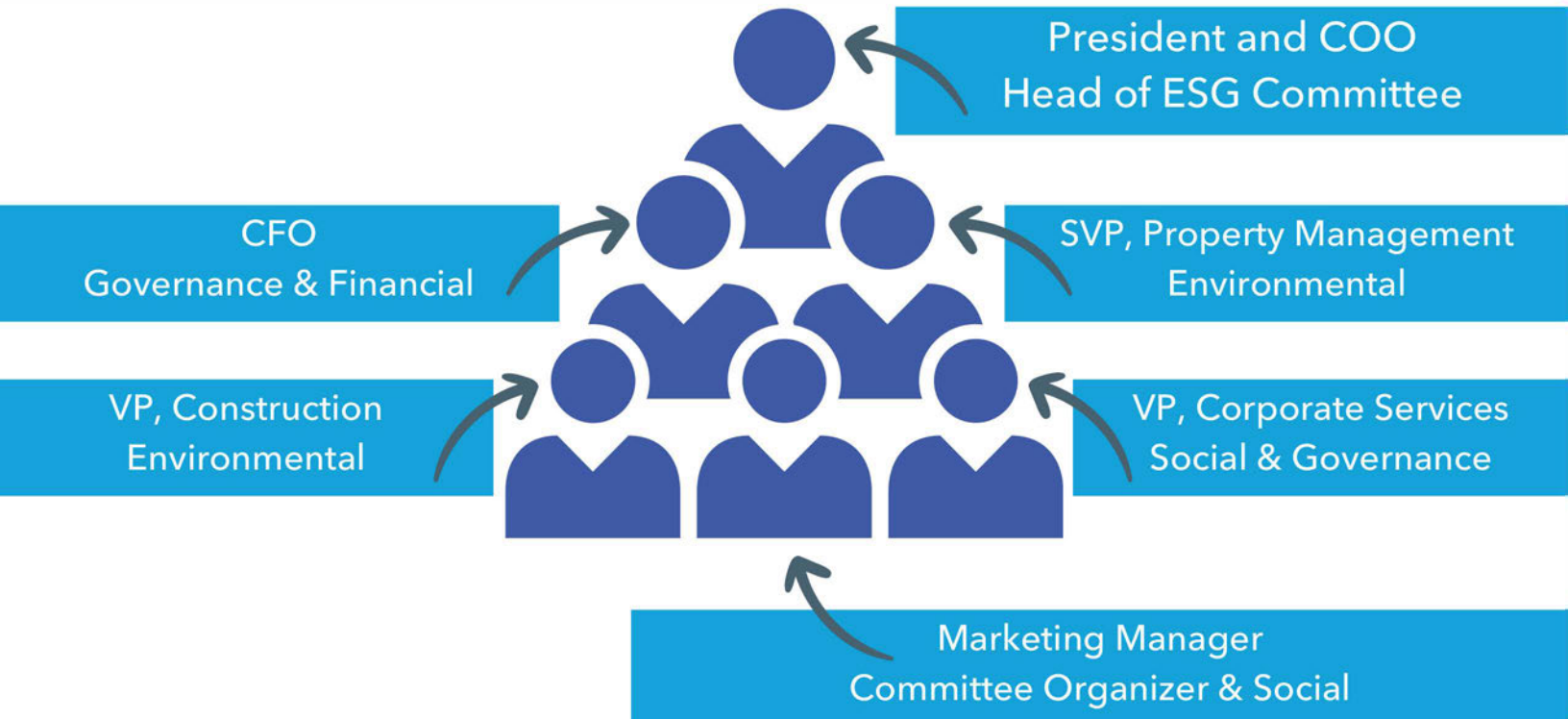
**CEO
ESG Oversight**



ShopOne formalized its ESG Committee in 2021 to further efforts in Sustainability. It is the responsibility of the ESG Committee to create and implement the ESG strategy. The committee meets monthly to review progress, discuss any future initiatives, and maintain the current roadmap. The committee provides quarterly updates to the CEO, who oversees the company's ESG strategy and initiatives.



ESG COMMITTEE





Our daily efforts are based on the integrity and high standards to which we adhere.

- We are a company with managed real estate assets across 15 states. As such, we have an influence on numerous communities and a wide variety of tenants and vendors. While these parties are widely diverse, both geographically and culturally, we approach our interactions with a consistent theme of honesty, integrity, and civility.
- We hold ourselves to the highest standard, making us an ideal corporate citizen and business partner.
- We are problem solvers and both creativity and innovation are celebrated. We expect and get the most out of our team members as they are encouraged to share their thoughts and ideas so that we can thrive as a best-in-class organization.
- We strive as a team with regular group interactions, both professionally and socially, thus creating an environment of collaboration.
- We recognize that our revenue comes from our tenant rent and as such, we view our tenants as our customers. With this philosophy, sustainability of the landlord/tenant relationship is maximized.

Core Environmental Objectives

ENERGY

- Convert each property parking lot lighting to LED within 18 months of ownership
- Pursue the possibility of placing electric charging stations and solar panels at each property

BUILDING

- Using cool (reflective) roofing on all property roofs as replacement is needed
- Placing high-efficiency HVAC units at all properties as older units need replacement

WASTE

- Continued use of paperless business practices whenever possible by utilizing platforms such as VersaPay, Nexus, and DocuSign



Environmental Perspective



As owners and operators of commercial shopping centers, we are continually mindful that our practices must protect and enhance the physical environments in which they exist. The foundation of our environmental policy is to adhere to all local environmental laws and regulations; however, to sustain the long-term viability of our assets, we go further and strive for sustainable processes, materials, and products in our construction and development efforts. Operating our centers sustainably enhances the quality of life of each of our tenants and our vendors. This also creates lasting value for the communities in which we operate.

Social Engagement

ShopOne is committed to sustaining a healthy, engaged, and community-minded employee base. We also consider ourselves aligned with the communities in which we work and operate shopping centers. Our commitment to sustainability ensures that our employees, tenants, shoppers, and communities thrive in a healthy and safe environment. Through our operating practices, we have been capable of creating some of the healthiest places in which to work and shop.





Governance

ShopOne operates within a framework of policies and procedures that were developed to ensure corporate responsibility, integrity, transparency, and accountability in all internal and external relationships. Consistent communication at all levels is paramount in that a rigorous assessment of financial results, investments, and overall business is adhering to the highest level of integrity. Due diligence processes are in place with the Board of Directors. External audits are conducted annually. Internal processes are institutional and formal, including thorough property investment reviews, annual operating budget reviews, and a formal real estate committee focused on a thorough review of leasing deals and capital allocation.

We provide accurate and relevant information to our stakeholders about our financial performance and if anything were to arise, we are well structured to deal promptly and appropriately with any actual or apparent conflicts of interest or regulatory irregularities.

ESG INITIATIVES



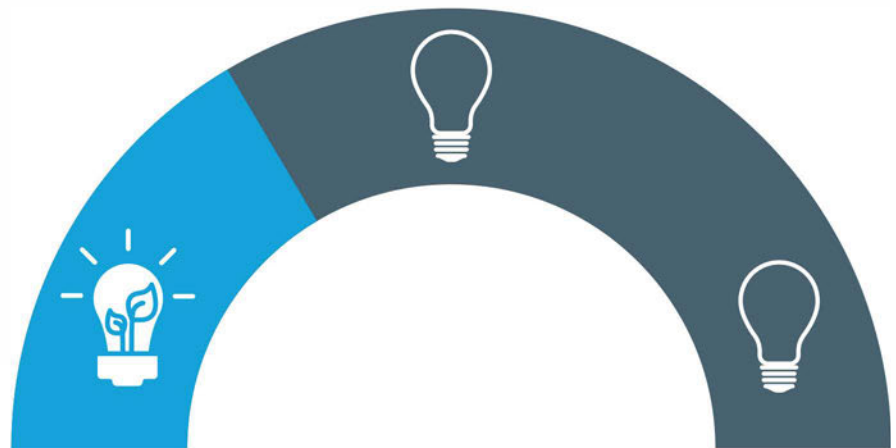
Caughlin Ranch - Reno, NV

Environmental

LED Lighting

ShopOne continuously converts parking lots lights at every property to LED (light-emitting diode). This undertaking will reduce energy consumption by 100,000-300,000 kilowatt-hours per year per property. LED lighting is also environmentally friendly, containing no mercury gases and materials are recyclable. Most recently, ShopOne has initiated or completed LED upgrades to common area lights at its three newest properties in Kennesaw and Lawrenceville, Georgia, and Woodbridge, Virginia.

KWH/Year usage expected to decrease by 2/3 with upgrade to LED lighting



SMART Timers

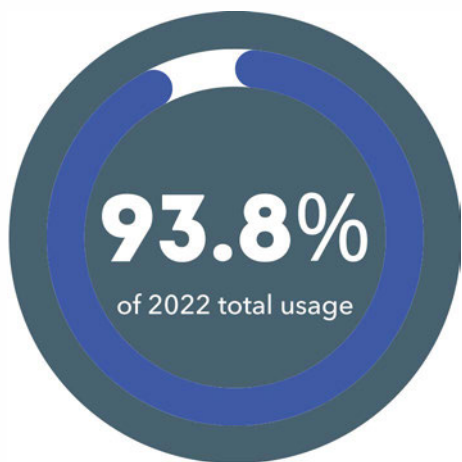
We have an internal energy management program that provides for SMART timers and controls, thus reducing uncontrolled lighting and precisely operating the common area lighting.

ShopOne 2023 Consumption



Energy Consumption

kBtu usage for 2023 is down 8.5%
in comparison to 2022



GHG Emissions (Greenhouse Gas)

Therms usage for 2023 is down 6.2%
in comparison to 2022

"Green" HVAC

When upgrading HVAC systems, we require high efficiency systems. According to the US Department of Energy, as much as 50% of a commercial building's energy usage is to operate HVAC. These newer systems also use "green" refrigerant.

Our policy requires the use of HVAC units with high-efficiency R-410A refrigerant when replacing HVAC as part of leasehold improvement.

In 2023, we replaced or added a total of 48 HVAC units.

Cool Roofing

TPO (thermoplastic polyolefin) re-roof projects: When the roof is cooler – naturally, the interior of your building remains cooler. White TPO reflects harsh solar rays instead of absorbing them so less is spent keeping your facility cool during hot summer months. White TPO meets and often exceeds the U.S. Environmental Protection Agency's ENERGY STAR specifications. In addition to energy savings, TPO is 100% recyclable.



Sustainable Practices

We have engaged with our tenants to act on sustainable initiatives, particularly as it relates to energy usage, trash collection and recycling. Additionally, we incorporate LED lights in all turnkey fit outs.

At the majority of our properties, we have created a formal waste management program in which we apply logistics, reducing the number of containers on sites, thus reducing the number of trash hauls per year.

"Green" Leases

We are in the process of incorporating "green" lease clauses into our standard lease form to ensure that tenants comply with appropriate construction practices and materials when constructing their spaces as well as complying with environmental standards when operating their business.





EV Charging Stations

ShopOne is partnering with vendors on the installation of electric vehicle charging stations at various properties.



Sustainable Partnerships

When upgrading or completing new landscape plans, we incorporate designs that help to reduce irrigation needs, and install local and native species that thrive in each climate, thus reducing the carbon footprint by offsetting green areas vs large asphalt surface areas.

We have formed relationships with regional and national vendors and contractors to ensure environmentally friendly practices at our properties.



Social

Team First Environment

Since July of 2021, the company has operated on a hybrid work environment with employees split between remote work and office attendance, which provides a collaborative, albeit more flexible quality of life for our team.



ShopOne provides company semi-paid benefits to its employees. The provider additionally offers discounts, tools, and resources for a healthy lifestyle and overall wellness.

Ethical Workplace

We are establishing ethical standards for all vendor engagements.

Our ShopOne Employee Handbook provides policy on whistleblowing, code of conduct, harassment reporting, etc. All ShopOne employees are required to complete annually sexual harassment training to meet the New York State standard requirement. The ShopOne employee handbook was created with guidance and review from HRWS and ADP.

Diversity & Inclusion

ShopOne is a dedicated equal opportunity employer with a stated commitment to diversity. This commitment is embodied in company policy and the way we do business and is a key element of a sustainable business.



Corporate Giving

We have committed to anchor our volunteer efforts with Feeding America, a non-profit organization that strives to put an end to hunger in our communities. Through volunteerism and hunger awareness, we give back and support with the gift of food. Feeding America is the largest hunger-relief organization in the United States. They have partnerships with 200 Food Banks across the U.S. to help feed communities throughout the country.

In addition, ShopOne contributes to local events that propel the growth and success of our communities including the Lighting Robotics Team 862, a FIRST Robotics Competition team. This high school program is aimed at advancing STEM initiatives for the future.

The Trails Shopping Center in Ormond Beach, Florida hosts several for charity events benefiting local charities and non-profit organizations each year.

Governance

Cyber Security

Cybersecurity Testing and Training is completed annually by every member of the ShopOne team through KnowBe4.com. 2023 testing resulted in over 92% successful result for the ShopOne team. This is a testament to ShopOne's last line of defense against bad-actors.



Responsible Policy & Procedure

Established institutional quarterly reporting framework with Board of Directors. ShopOne has in-place Corporate Governance policies that govern the company's decision-making process and overall business operations. ShopOne has a 4-member Board of Directors and a detailed set of policies and procedures for topics such as employee code of conduct, conflicts of interest, anti-corruption, anti-money laundering, and whistle blowing.

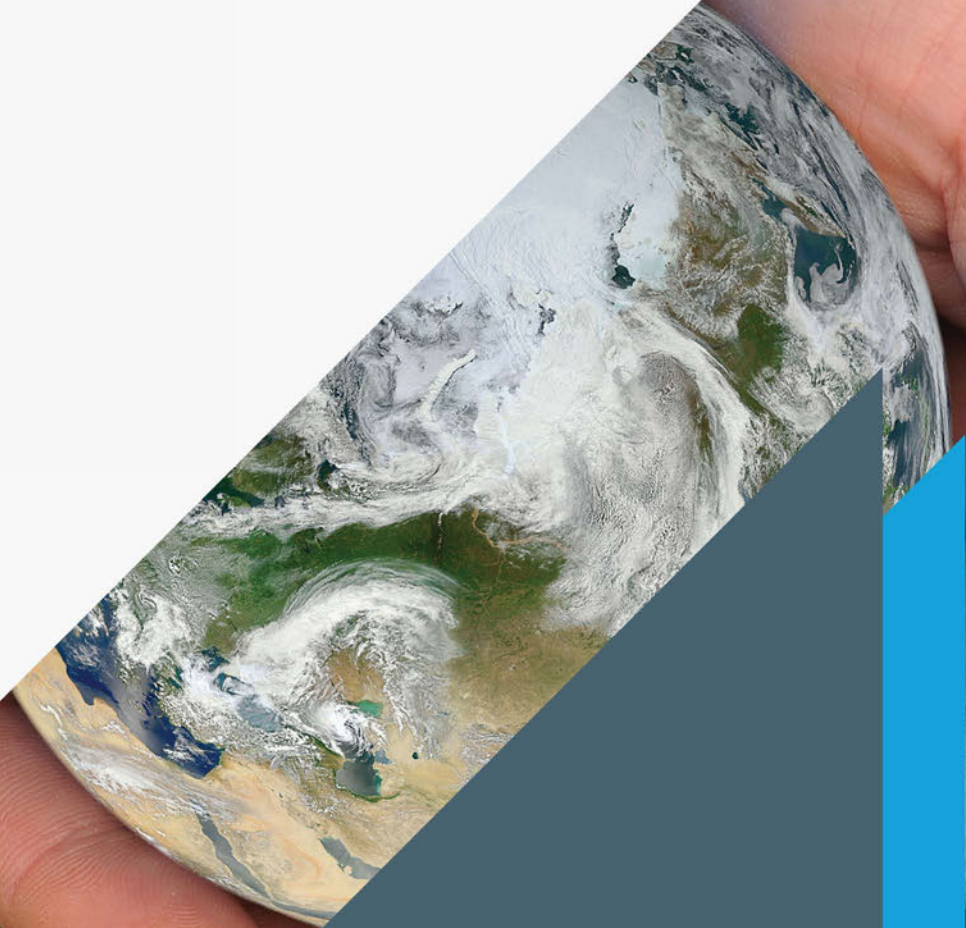
Formalized internal processes including regular committee-structured reviews of leasing, capital spending, budgeting, investments, and asset management.

Formalized investment committee with internal executives and external stakeholders.

PROMISE

TO OUR FUTURE

ShopOne plans for
2024 and beyond



ENVIRONMENTAL

In 2024, as we continue our aggressive expansion efforts, we will strive to gain momentum to further measure our success in our sustainability efforts. We will continue our current efforts and will further develop Green Lease elements. We are also partnering with local communities in providing reporting on our energy consumption.

SOCIAL

Much of our efforts in 2024 will be geared towards establishing best practices in DEI initiatives. We will also continue our commitment to giving back through volunteer efforts oriented towards feeding underprivileged members of the communities in which we do business. Finally, we will also continue engagement with our employees in establishing an upbeat, positive corporate culture.

GOVERNANCE

ShopOne will continue to provide high-quality institutional, and transparent financial and operational reporting to our Board of Directors, and our financial partners.

