



TRANSWESTERN

REAL ESTATE
SERVICES

A GROWTH STORY



ENVIRONMENTAL | SOCIAL | GOVERNANCE
2020 REPORT



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TO OUR CLIENTS AND TEAMS

As a leader in energy and sustainability for more than two decades, Transwestern Real Estate Services reduces the environmental footprint and generates savings for the assets we manage. In 2020, we further advanced our capabilities with the unveiling of TranswesternHub, a proprietary tenant experience platform that utilizes state-of-the-art integrative technology to promote a building's energy efficiency, wellness and transparency. Because customer service is at the heart of our culture, we embrace innovation that has the power to strengthen personal connections between building owner, tenants and service provider while uncovering new avenues for driving value.

At the same time, we continue to imbed sustainable procurement and resource efficiency into daily operations, and manage risk responsibly through extensive audits, effective policies and stakeholder transparency. Nationally, we are expanding support of diversity, equity and inclusion while building on a platform of robust compliance and smart, ethical governance. For Transwestern, environmental, social and governance is woven into the fabric of our firm and central to how we operate both our clients' assets and our business.

This deep-seated commitment proved invaluable when the world faced unprecedented challenges related to the COVID-19 pandemic. Transwestern sprang into action safeguarding team members and our building communities. With a deep bench of experts, we deployed property solutions at lightning speed, enhancing cleaning protocols, ensuring hygiene and health screenings, and working hand in hand with clients to create a safe environment considering every asset's unique characteristics.

It is in times like these that the effectiveness of our teams and the value of our personalized approach stand out most vividly. Yet every day, Transwestern continues to advance our goals across our company to provide the greatest return for clients, team members and the communities in which we work. It is both a responsibility and privilege that underscores our corporate purpose – *empowering good people to do extraordinary things together.*

Robert Duncan
Chairman
Transwestern

Larry P. Heard
Chief Executive Officer
Transwestern

THE BROAD VIEW

ABOUT TRANSWESTERN

Transwestern Real Estate Services has been delivering a higher level of personalized service and innovative real estate solutions since 1978. An integrated approach formed from fresh ideas drives value for clients across property types and geographies.

Since its founding, Transwestern has relied on the good character of its team members to guide individual and collective actions, as well as to foster collaboration across geographies and service lines to produce results that exceed client expectations. Chairman and Founder Robert Duncan names character the foundation of Transwestern's success and collaboration the centerpiece of its operating philosophy.

In 2020, Transwestern rebranded, underscoring its unparalleled ability to deliver solutions for clients that go far beyond the obvious. The firm's propensity for creative thinking and nimble execution was put to the test when COVID-19 hit the U.S. As the industry grapples with how the pandemic will influence the future of commercial real estate, our team of experts continues to evaluate new ideas for responsibly ensuring health and safety, preserving asset value and inspiring creativity in the next evolution of physical space.

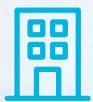
OUR TEAM



33
U.S. offices



2100+
team members



212
offices



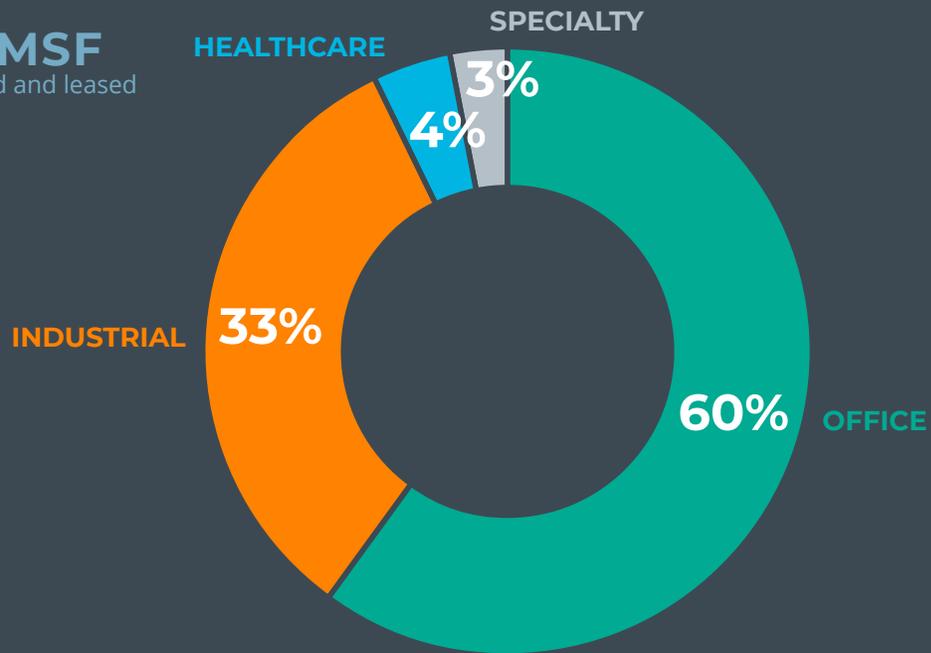
33
countries

partnership with



TRANSWESTERN REAL ESTATE SERVICES PORTFOLIO

 **316 MSF**
managed and leased



2020 TRANSACTION SUMMARY

TRANSWESTERN REAL ESTATE SERVICES



3,241
leasing transactions



\$4.17B
value



484
capital markets transactions



\$3.32B
value

A scenic view of a paved road winding through a lush green forest under a clear blue sky. The road is in the foreground, curving to the right. The forest is dense with various types of trees, including tall evergreens and shorter deciduous trees. The sky is bright blue with some light clouds. The overall atmosphere is peaceful and natural.

GROW AS WE GO: THE ROAD TO ESG

Transwestern is a firm defined by its culture of empowerment and community engagement throughout its rich, 43-year history. We embody this so fully that we base our corporate and team member purpose on this very concept: *empowering good people to do extraordinary things together*. In support of this philosophy, Transwestern is continuously expanding the depth of its services to foster greater environmental and asset stewardship, and deeper client and community engagement.

By the early 2000s, Transwestern was already in pursuit of effective sustainability solutions. With a focus on resource conservation, energy efficiency and green buildings, our team led the industry with several landmark accomplishments:



First third-party real estate firm to win both ENERGY STAR Partner of the Year and Sustained Excellence awards



Awarded the first LEED ARC Recertification in the U.S. and second in the world



Awarded the first LEED Gold project in Chicago

Building on this success, Transwestern has delivered substantial savings in both resource consumption and operating expenses across our portfolio.

Compared to our performance in 2017, we've achieved:



16.5% reduction in energy use intensity



\$0.33/SF average reduction in energy expense



12.8% increase in benchmarking compliance (98.9% compliance)

In 2018, Transwestern began to reimagine its approach to traditional sustainability practices. Our team journeyed toward a deeper, more holistic and robust approach to meet the needs of our assets, clients and communities. The result was our 5-Year Sustainability Roadmap which lays out a path to enhance the firm's existing energy and sustainability services while accelerating the program to incorporate community engagement, risk management and company culture.

In 2020, Transwestern further evolved its program to align with Environmental, Social and Governance (ESG) best practices. Through integrated ESG offerings, comprehensive diversity initiatives and coordinated philanthropic support, Transwestern is committed to infusing its shared purpose and values into all aspects of its business solutions.

GOALS

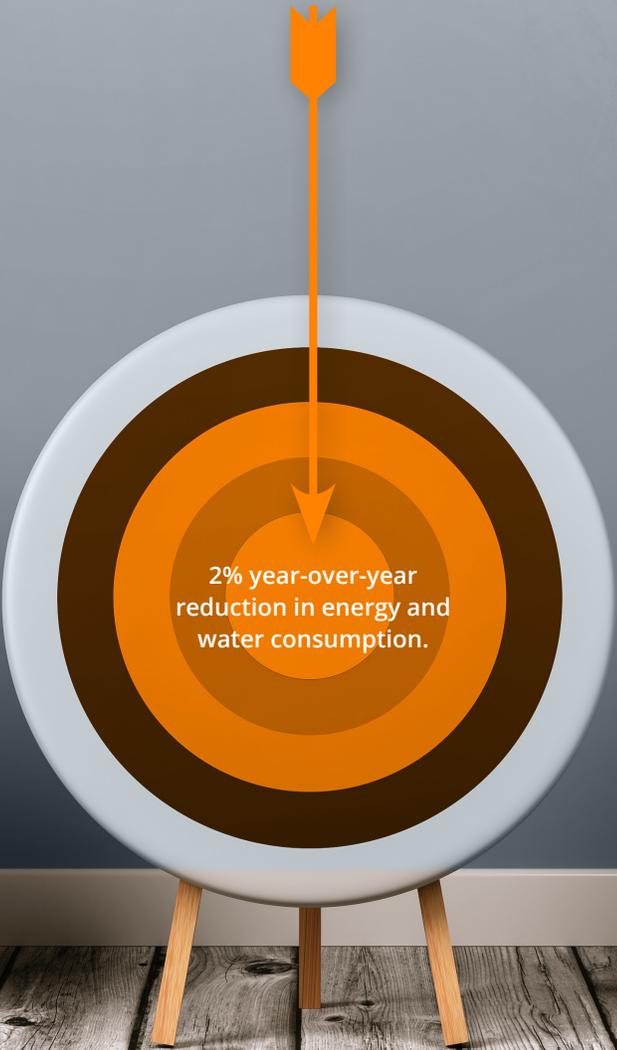
To be a commercial real estate industry leader in the areas of sustainability thought leadership, technical knowledge and responsible investment.

To increase the value of buildings we manage through measurable improvements in energy, water and waste.

TARGETS

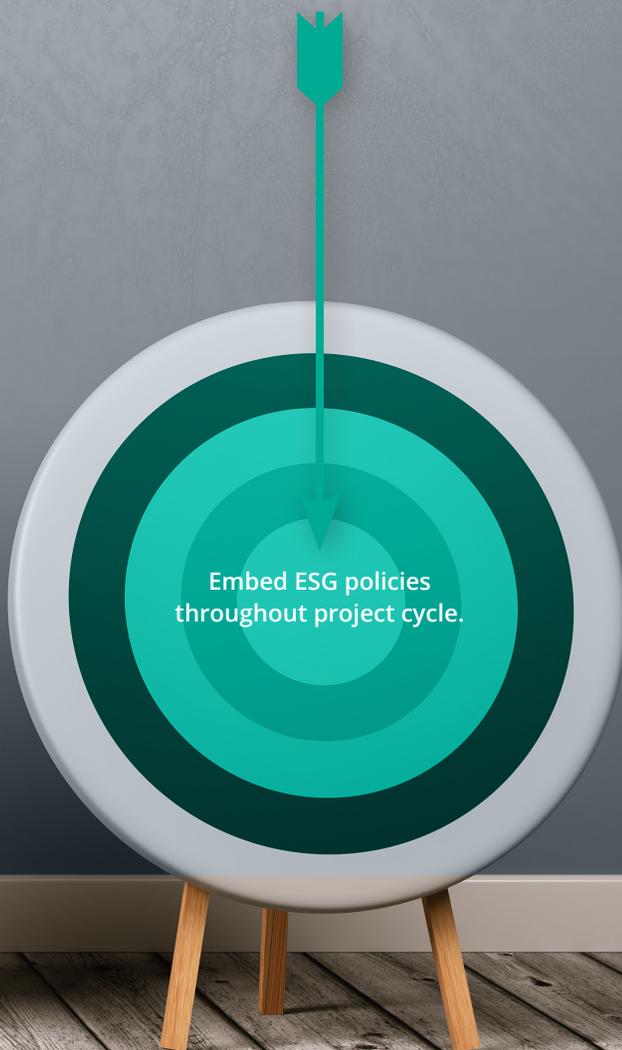


20 industry and media engagements, annually, by 2023.



2% year-over-year reduction in energy and water consumption.

To expand sustainability efforts across Transwestern.



To be a changemaker in the communities in which we work by promoting sustainability education; diversity, equity and inclusion initiatives; risk management; and ethical entrepreneurship.



REDEFINING SERVANT LEADERSHIP

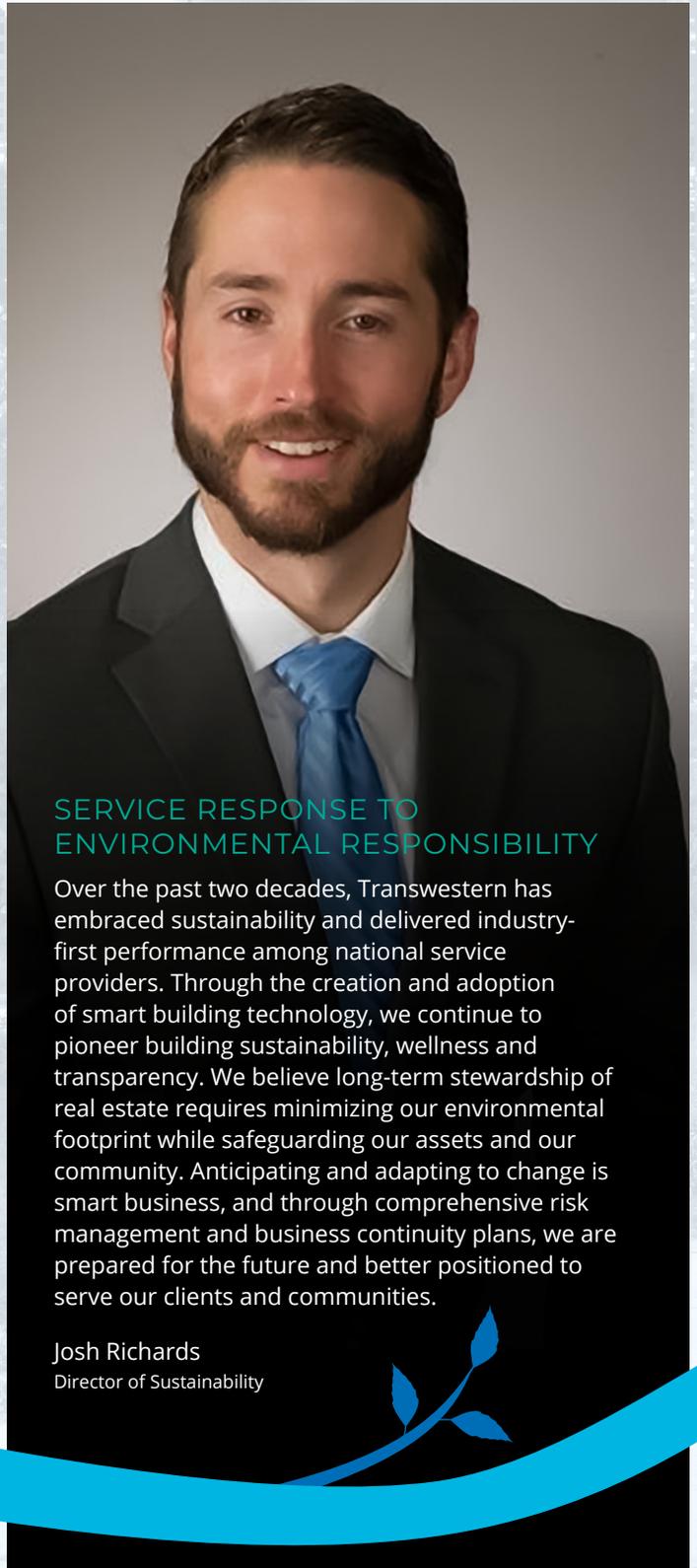
IN THEIR WORDS



SERVICE RESPONSE TO UNPRECEDENTED EVENTS

In so many ways, 2020 was a transformative year for the country, the commercial real estate industry and for our firm. The challenges faced by property managers amid both the COVID-19 pandemic and civil unrest have reshaped our approach to building operations and improved our emergency preparedness protocols. The uncertainty surrounding the return to the office has impacted leasing rates and transaction volumes. Ongoing discussion around space utilization and healthy building standards has begun to shift development, redevelopment and tenant buildout strategies. Despite the uncertainties, Transwestern is excited to welcome folks back into the workspace. We are committed to safeguarding both our clients' physical assets and the occupants within through strong relationships with property owners, tenants and community officials.

Tom Lawyer
President
Transwestern Real Estate Services

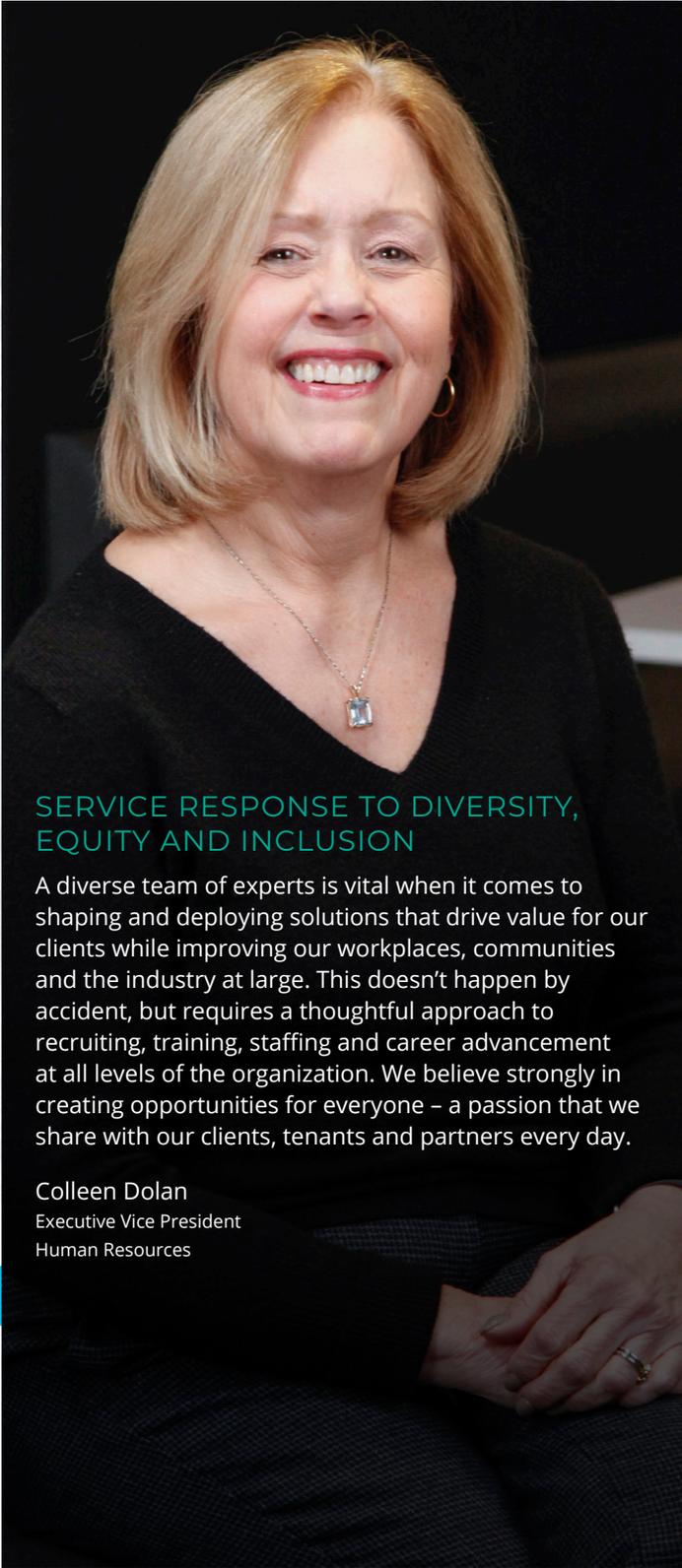


SERVICE RESPONSE TO ENVIRONMENTAL RESPONSIBILITY

Over the past two decades, Transwestern has embraced sustainability and delivered industry-first performance among national service providers. Through the creation and adoption of smart building technology, we continue to pioneer building sustainability, wellness and transparency. We believe long-term stewardship of real estate requires minimizing our environmental footprint while safeguarding our assets and our community. Anticipating and adapting to change is smart business, and through comprehensive risk management and business continuity plans, we are prepared for the future and better positioned to serve our clients and communities.

Josh Richards
Director of Sustainability





**SERVICE RESPONSE TO DIVERSITY,
EQUITY AND INCLUSION**

A diverse team of experts is vital when it comes to shaping and deploying solutions that drive value for our clients while improving our workplaces, communities and the industry at large. This doesn't happen by accident, but requires a thoughtful approach to recruiting, training, staffing and career advancement at all levels of the organization. We believe strongly in creating opportunities for everyone – a passion that we share with our clients, tenants and partners every day.

Colleen Dolan
Executive Vice President
Human Resources

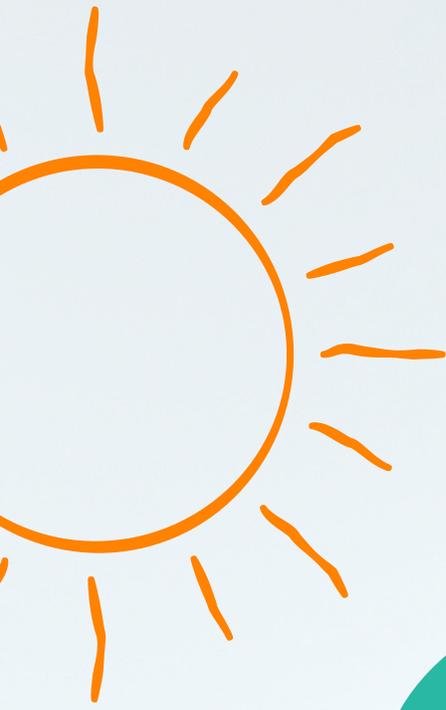


IN SERVICE OF THE ENVIRONMENT

Sustainability is more than a social obligation for Transwestern. Conserving energy, managing resources and making ethical decisions are simply good business. We've seen our energy and sustainability solutions unlock value across our managed portfolio.

By empowering teams nationwide and exchanging best practices with our global partners, we equip talented individuals with the tools and training necessary to customize our approach for each situation. Comprehensive policies ensure Transwestern delivers consistent, sustainable goods and services while providing the flexibility our clients value. A strong baseline of performance standards combined with an adaptive approach to resource management and community engagement provides the greatest opportunity to tackle the challenges faced by the built environment today and in the coming decades.







FRAMING THE CONVERSATION

For owners and operators in the commercial real estate space, healthy, sustainable solutions boost tenant satisfaction and ultimately drive value. Increased demand for occupant-focused wellness solutions is propelling the industry to examine indoor air quality, cleaning practices and amenity access with renewed vigor.

Continued interest from international partners and institutional clients in reducing greenhouse emissions fuels substantial investment in energy and water efficiency capital improvements. Global reporting structures like the Global Real Estate Sustainability Benchmark (GRESB) highlight top performers, making sustainability a necessity to remain competitive and affirm brand integrity around social and environmental action. Top asset management firms are rethinking investments that represent direct risk to their portfolios.

Extreme weather events generate approximately \$150 billion in direct loss damages annually. 2020 was a historic year, with 22 separate billion-dollar natural or climate-related disasters across the country – the highest number on record since 1980.¹ According to the National Oceanic and Atmospheric Administration (NOAA), only three years since 1980 have exceeded 2020's total damages: 2017 (Hurricane Harvey), 2005 (Hurricane Katrina), and 2012 (Hurricane Sandy). Over the last five years, the average number of billion-dollar events exceeds 16 annually.

From wildfires to hurricanes, flooding to high wind events, real estate and community infrastructure are under increasing pressure to safeguard the physical assets while providing service and business continuity for end users.

Understanding and preparing for these growing risks to the built environment will require integration of climate-related factors into decision making at all levels of asset management.

1. NOAA's National Centers for Environmental Information, 2021. Billion-Dollar Weather and Climate Disasters: Overview. <https://www.ncdc.noaa.gov/billions/>



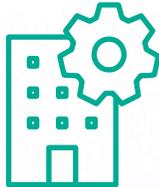
CLIMATE-INCLUSIVE RISK MODELING

Investors and insurers are increasingly incorporating climate risk into models and projections. In 2020, insurance providers raised premiums 17% year over year in the United States.²



DEVELOPMENT SITE SELECTION

Site selection criteria are expanding to include the likely impacts of climate change, such as storm surge or water scarcity. Longer-term implications for development, including local infrastructure, population density and insurance premiums remain key factors in the decision-making process.



CAPITAL CLIMATE PREPAREDNESS

Safeguarding physical assets requires more than a solid continuity and recovery plan. Capital improvements designed to better prevent and adapt to the effects of climate change will become more ubiquitous, such as physical barriers, reduction in impervious surface area, onsite stormwater retention or distributed energy generation.



BRAND INTEGRITY

Real-world implications for owners and end users necessitate climate readiness at all points throughout the asset lifecycle. At a minimum, detailed plans for climate-related business continuity and stated commitments to addressing or avoiding likely impacts of climate change will be top of mind for investors and consumers.

². MillionAcres, April 19, 2021. *Real Estate Insurance Premiums are Rising: How Investors Can Prepare*. The Motley Fool, LLC

2020 HIGHLIGHTS

Transwestern supports assets nationwide, but acts locally to identify and implement responsible operational efficiencies at each building. In 2020, we made deep inroads in our long-term strategy and delivered key resources to team members that jumpstarted the integration of sustainability into daily operations.

STRATEGIC PLANNING

- Published first annual Corporate Social Responsibility Report

BENCHMARKING

- 82.8% of office portfolio fully benchmarked (80.2% in 2019)
 - 332 of 401 commercial office assets
- Portfolio average score
 - 73.6 (5.07% increase from 2019)

ENERGY PERFORMANCE³

- Portfolio-wide average: 11.1% decrease in energy consumption (same-store, YoY) (up from 2.4% in 2019)
- Avoided consumption of 150.2M kWh (106.5Gt CO₂e)
- Average savings: \$0.21/ft²

WATER PERFORMANCE

- Portfolio-wide average: 32.2% decrease

GREEN BUILDING CERTIFICATION (2020)

- 80 ENERGY STAR certifications
- 11 WELL Health-Safety ratings
- 6 LEED recertifications



3. Nota Bene: steep reductions in energy and water consumption across the portfolio are heavily influenced by reduced occupancy and modified operations beginning March 2020 in response to COVID-19.

SUSTAINABILITY TOOLBOX

We continue to add on-demand resources to facilitate local action and promote human and environmental stewardship. As of 2020, our toolbox includes:

Building Energy Solutions Menu

Building Energy Plan Template

Annual Budget Pricing Guidelines

Green Operations Policies

Benchmarking Compliance Report

Building Performance Report

Sustainability Best Practices Guide

Base Building Standards and Guidelines

ENERGY STAR Onboarding Requirements

Earth Day Tenant Outreach

On-Demand Training Resources



- Chemical Water Treatment
- Exterior & Hardscape Management
- Facility Alterations
- Green Cleaning
- Indoor Integrated Pest Management
- Integrated Pest Management & Landscaping
- Native Plants and Xeriscaping
- Solid Waste Management
- Sustainable Purchasing
- Indoor Plumbing Economic Assessment Policy

RAISING THE BAR

Transwestern is dedicated to both accelerating action and transparency in its work. Over the course of 2020, we generated measurable value for our clients and made inroads in achieving, and sometimes redefining, the ultimate goals of our 5-year Sustainability Roadmap. Despite the backdrop of the pandemic, which predictably delayed or derailed implementation of some initiatives, our teams expertly blazed forward to move us closer to our goals.

CORE GOALS: 2020 UPDATE

 Completed
  In Progress
  Delayed
  Discontinued

CATEGORY	TASK	PROGRESS
Information Management	Implement all energy, LEED, capital planning and building information audits	
Policy	Implement green lease policies across entire portfolio	
Reporting	Deliver first annual sustainability report	
Reporting	Deliver annual ESG report	
Reporting	Support all Tier I clients on ESG strategic planning and reporting, as appropriate	
Services	Pilot and fully implement Utility Bill Management (UBM) service	
Services	Fully implement waste tracking system	
Services	Design preventative maintenance and ongoing commissioning for Tier I clients	
Services	Develop structure for in-house management of all green building certifications	
Services	Develop structure for in-house management of all commissioning, energy audits and IAQ testing	
Training	Deliver ESG training content for internal audience	
Training	Design ESG training content and schedule for client/tenant audiences	
Investments & Partnerships	Identify industry partners for high-profile engagements on ESG	
Investments & Partnerships	Identify industry partners for small- and medium-scale investment opportunities for renewable energy	
Research	Complete market research for minimum of two key topics in ESG	
Research	Develop framework for asset valuation tool	
Public Affairs	Identify and adopt corporate and regional ESG goals and responsibilities	
Public Affairs	Pursue and achieve ENERGY STAR Partner of the Year recognition	
Public Affairs	Present at ESG conferences on reinvented approach to ESG highlighting engineering and PM	

Delays Clarified

1. Pilot UBM Service: UBM service initiation was delayed to better align with Transwestern's accounting platforms.
2. Partnerships for Renewable Energy Investments: Transwestern has initiated research into investment paths for real estate, but no partnerships have been established.
3. ENERGY STAR Partner of the Year Recognition: Our team prioritized development of on-demand tools for local teams over national programming and ESG brand recognition.

Discontinuations Clarified

1. Partnerships for High-Profile Engagements: Our team prioritized continued infrastructure support for our managed assets over opportunities with narrow impact.
2. Asset Valuation Tool: Transwestern deemed this effort beyond the scope of our ESG customer support objectives.

MISSION ALIGNMENT

The true message of ESG runs deeper than simply cost savings and resource conservation; it gets to the heart of risk management for the built environment and for the communities in which we work. Emphasizing policy, planning and training, Transwestern delivers exceptional value to our clients by ensuring safe operations, effective use of energy and water resources, quality preventative maintenance and environmentally responsible procurement.



IN SERVICE OF SOCIETY

Transwestern's positive impact extends well beyond the property line. Our communities, like our team members, are as essential as the air we breathe and the water we drink. Through a deep connection with the places in which we operate, we are better able to act as stewards and more fully serve our customers and clients. To this end, we provide team members eight hours of paid time off each year for community service completed during normal business hours for a cause of their choice. In 2020, team members supported more than 350 philanthropic organizations with gifts of their time. Additionally, our offices and teams organized local philanthropic events benefitting dozens of organizations throughout the country.

2020 HIGHLIGHTS

Transwestern chose Ronald McDonald House Charities (RMHC) as its second, three-year national philanthropy partner in 2019.

RMHC creates and supports programs that improve the health and well-being of children and their families. The partnership reflects our own belief in those goals and our commitment to giving back to the communities in which we live and work. A variety of creative fundraising campaigns encourage team members to support RMHC core programs including Ronald McDonald House®, Ronald McDonald Family Room® and Ronald McDonald Care Mobile®. In 2020, a national fundraiser encouraged team members to donate what they would have spent on holiday travel to fund a night for a family to stay together in an RMHC room. Additionally, a national Masters Golf Pool raised funds while providing fun internal competition. Transwestern teams also have opportunities to volunteer their time and talents at Ronald McDonald House programs across the country, which helps offset operational costs and allows the charity to direct more donations to programs supporting children and their families.



COMMUNITY ENGAGEMENT

Our Nonprofit Advisory Group, a national team of nonprofit real estate specialists, has extensive experience working with nonprofits of all sizes and ensures each client's real estate contributes to its mission. The team frequently returns a portion of its fees as a contribution to its nonprofit clients. Additionally, Transwestern and longtime multi-market client KBS partnered to collect donations to fund 7,500 wreaths for Wreaths Across America. The organization honors fallen U.S. veterans by coordinating wreath-laying ceremonies during the holiday season at Arlington National Cemetery and more than 1,700 additional locations in all 50 U.S. states, at sea and abroad.

Locally, Transwestern helped raise money for more than 15,000 meals for the Houston Food Bank through a virtual poker tournament. In Chicago, where Transwestern has had a long-standing relationship with The Greater Chicago Food Depository, one team member felt called to serve throughout the pandemic and spent every Tuesday and Thursday morning repacking food for delivery. The Houston office's young professionals group once again lent its support to Light the Night, an annual event benefitting the Leukemia and Lymphoma Society – over the past five years they have raised more than \$60,000. Following a three-year national partnership with Make-A-Wish® that granted 52 wishes, Transwestern's East Region President, was appointed Chair of the Board of Directors for Make-A-Wish® Georgia.



EMPOWERING PEOPLE

At Transwestern, empowerment is where it all begins. We believe in it so completely that it is the foundation of our purpose statement:

"Empowering good people to do extraordinary things together."

Each year, we roll out new team member resources to support adaptive decision making and exceptional customer service delivery. Our people are more than just real estate experts – they are the difference makers for our customers and our communities. Through the recruitment of exceptional talent and the cultivation of an environment built on trust, communication and accountability, Transwestern creates a high-performance, goal-oriented culture underpinned by measurable results that drive constant innovation and improvement.

Empowerment is a philosophy, both for work and for life. Empowerment truly speaks to our team members, whose feedback repeatedly earns us "Best Place to Work" recognition in markets across the country. Encouragement to "think beyond the obvious" and embrace diversity fuels our mutual success, and a commitment to excellence is evidenced in our consistent client satisfaction, low voluntary turnover and high team member tenure.

RECENT HIGHLIGHTS



100 Best Workplaces for Millennials, *Fortune* and Great Places to Work®
2015 and 2017 - 2020



Founder's Award, Top Workplaces
Atlanta Journal-Constitution
2020



Best Workplaces in Chicago, *Fortune*
and Great Places to Work®
2017 - 2020



Best Places to Work in Chicago
Crain's Chicago Business
2008 - 2011, 2013, 2016, 2018, 2020



Top Workplaces
Chicago Tribune
2010 - 2014, 2018 - 2020



Top Workplaces
The Denver Post
2019



Best Workplaces in Texas, *Fortune*
and Great Places to Work®
2017 - 2020



Best Places to Work
Dallas Business Journal
2006, 2009 - 2010, 2012,
2015 - 2018, 2020

MISSION ALIGNMENT

We seek team members who believe Transwestern is not just a nice place to work, but the right place to be. Our greatest asset is, and will always be, our people, and we place a premium on recruiting, retaining and supporting the best the industry has to offer. As we continue to drive engagement beyond our front doors, Transwestern helps to serve as a changemaker, supporting services, education and philanthropy in communities across the country.



TOP 100 PLACES TO WORK

The Dallas Morning News

Top Workplaces
Dallas Morning News
2014, 2020



Best Places to Work in New York City, *Crain's New York Business*, Ranked No. 1 for three consecutive years
2013, 2015 - 2020



Best Places to Work
Houston Business Journal
2003 - 2020



Best Places to Work
Orange County Business Journal
2010 - 2014, 2016 - 2019



Best Places to Work
San Antonio Business Journal
2008 - 2011, 2013 - 2020



Best Places to Work
Washington Business Journal
2016, 2020



Best Places to Work
Los Angeles Business Journal
2008 - 2014, 2017 - 2018

IN SERVICE OF GOVERNANCE

Transwestern recognizes the need for a robust governance structure underpinning all our activities, one that promotes ethical business practices; minimizes risk for us and our clients; and ensures compliance with all local, state and federal regulations. As a privately held firm, Transwestern goes above and beyond the call of duty to maximize transparency and demonstrate the guiding values of the company and its team members. In 2020, we added to our deep library of compliance programs and resources in continued pursuit of open, equitable and effective self-governance.

2020 HIGHLIGHTS



FIELD AUDITS

Performed field audits using automated analytics rather than site-by-site field visits. This shift boosted annual audits from 8% to approximately 50% of our managed portfolio (>400 assets).



TRAINING

Adopted and delivered enhanced Fraud Awareness and Prevention training.



NATIONAL PROGRAMS

Expanded successful Vendor Onboarding and Voice Verification programs.

Scheduled Fraud Awareness and Prevention programs for April 2021 kickoff.

Extended OFAC⁵ auditing to include corporate suppliers.



COMPLIANCE AND AUDIT PROGRAMS

Added nine automated analytic audits to the program, including P2P, Vendor Onboarding Approvals, Workday Users and xRM.

Instituted new Forensic Accounting audits to review Corporate Accounting data.

Achieved 2020 Internal Compliance Scorecard score of 90.6%, up 3.2% over 2019.

4. OFAC: Office of Foreign Assets Control

MISSION ALIGNMENT

While risk prevention remains the primary goal, we support our property teams with robust emergency management and business continuity resources to handle almost any situation. Safeguarding our teams, clients and building occupants is and will remain our focus. Transwestern continues to build meaningful and transparent governance structures to better serve clients and enhance due diligence efforts.



SUSTAINABILITY IN THE TIME OF COVID-19

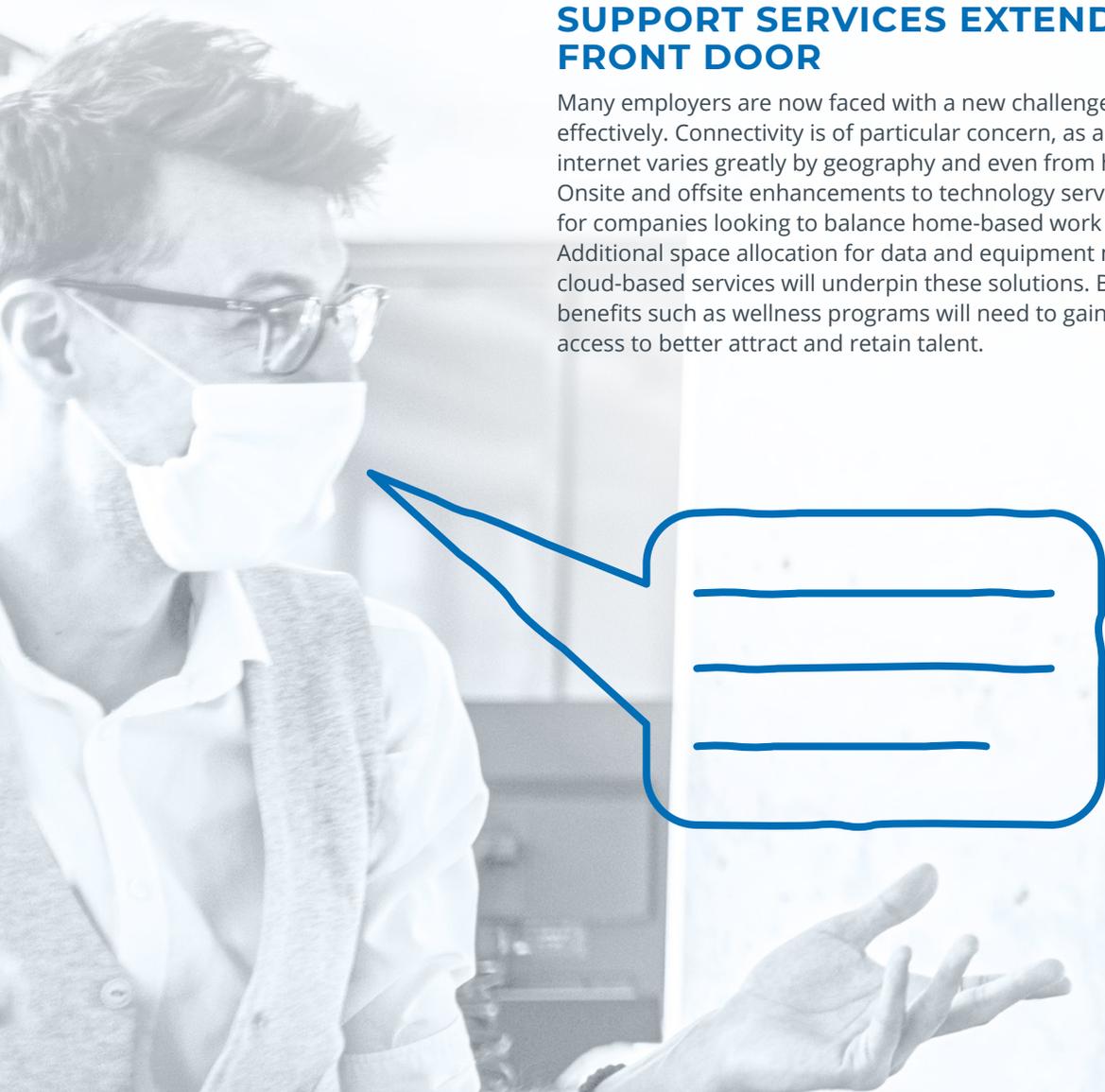
The world was turned upside down in 2020 with the onset of the global pandemic. Time will tell how the commercial real estate industry will look in two or three years, but a few trends are quickly becoming clear that could alter our current path toward resource reduction.

HEALTHY BUILDING FEATURES ARE BECOMING STANDARD

Improving wellness and thus productivity for employees is necessary to encourage a return to the office. Maximizing touchless interactions, increasing access to hygiene resources and overcommunicating building policies and practices are but the start of healthy building expectations from tenants. Building managers are integrating more thorough janitorial practices, more robust indoor air quality services and refreshed business continuity plans into standard operations on top of wellness amenities to promote active and healthy lifestyles.

SUPPORT SERVICES EXTEND BEYOND THE FRONT DOOR

Many employers are now faced with a new challenge – supporting a remote team effectively. Connectivity is of particular concern, as access to reliable, high-speed internet varies greatly by geography and even from household to household. Onsite and offsite enhancements to technology services will continue to be critical for companies looking to balance home-based work with traditional office work. Additional space allocation for data and equipment management or investments in cloud-based services will underpin these solutions. Beyond technology, employee benefits such as wellness programs will need to gain flexibility through on-demand access to better attract and retain talent.



WORK FROM HOME AND FLEXIBLE SCHEDULES WILL PERSIST

Many firms discovered the benefits, and drawbacks, of work-from-home – but so did many workers. Having proven the theory that working from home is both possible and productive for some, many firms are faced with accommodating full-time remote working and more flexible work schedules in general. While it is unclear if this trend will persist long-term, employers will be driven to reconsider onsite and offsite resources and configurations to achieve greater office space utilization.

PRODUCT PROCUREMENT AND EQUIPMENT USE MAY SHIFT AWAY FROM SUSTAINABLE SOLUTIONS IN THE NEAR TERM

In conjunction with heightened janitorial protocols calling for more caustic cleaning agents, demand for single-use and disposable products escalated, reversing the trend toward reusable and recyclable solutions. With disruptions still present in supply chains across a host of sectors, building operators are less able – and in some cases less motivated – to select recycled, compostable or biodegradable products, thus generating a substantial increase in landfill waste and resource extraction. Higher demand for more frequent cleaning services, more equipment runs and after-hours work to accommodate social distancing are likely to keep building energy consumption levels elevated. Efficiency-related capital improvements with clear paybacks may move beyond enticing to critical for many assets.



TENANT ENGAGEMENT AND COMMUNICATION

2020 was a challenging year, not only for our industry, but for tenants and their families. Average occupancy nationwide dropped to about 20% and remained at that level for the bulk of the year after local restrictions and community health advisories went into effect. Though assets may have been sparsely occupied, our buildings represent a community that persisted: one of working professionals.

Delivering on our commitment to tenants, Transwestern created the Back to the Workplace Readiness Workbook. A critical tool for preparing managed assets and safely welcoming tenants back, this workbook armed property teams with resources including the most up-to-date CDC guidance, engineering and air quality best practices, enhanced janitorial protocol, and optimized communication strategies for clients and tenants.

Our team worked tirelessly to support tenants, even those operating remotely. In addition to regular communications surrounding building and community alerts and updates from the Centers for Disease Control (CDC) and local health agencies, property teams ensured safe and prompt response to onsite health incidents. In conjunction with industrial hygienists and local vendor partners, Transwestern delivered meaningful and actionable protocols around COVID-19, addressing the needs of tenants and owners alike.

Recognizing wellness is more than physical health, property teams were deeply engaged with tenants and maintained an active community through digital and dispersed means. From creative and informative signage to the development of socially distanced concerts, townhalls and trivia competitions, our onsite team members showed that excellent customer service knows no boundaries.



TRANSWESTERNHUB

Augmenting engagement for building users is key to enhancing customer satisfaction. By putting real-time data and direct customization into our tenants' hands, we empower them to build and operate office spaces that directly meet their needs.

TranswesternHub is a transformative occupant experience platform using state-of-the-art integrative technology to foster connectivity, transparency and comfort. The tool is flexible and customizable, addressing each asset's unique footprint and tenant base while delivering timely, relevant information to owners and building management. The app seamlessly integrates environmental data from across the building to allow asset teams to enhance operations, improve performance and increase value. The platform is available as an amenity across Transwestern's managed portfolio of properties, with features that include:



MOBILE KEYCARD



TOUCHLESS ELEVATOR ACCESS



VISITOR MANAGEMENT



REAL-TIME INDOOR AIR QUALITY MONITORING



WORK ORDER MANAGEMENT



AUTOMATED CLEANING SCHEDULE



COMMUNICATION



COMMUNITY



AMENITY RESERVATIONS

TranswesternHub combines these features along with future integrations of building operations, like on-demand HVAC, to create a digital twin of the asset. Providing tenants mobile access ensures the building is better able to serve the real-time needs of occupants and guests while optimizing building performance.

TranswesternHub represents more than just convenience for our tenants. With instant feedback on health and wellness factors, adjustable cleaning and disinfection scheduling, reducing surface contact through touchless elevator and keycard access and rapid communication tools, our tenants are better able to tackle the challenges COVID-19 creates in the office environment while fostering a robust digital community and supporting return-to-office efforts.

WELLNESS: CERTIFIED

Now more than ever, the health and well-being of tenants, vendors and team members is a top priority. While many of our efforts to promote wellness have been underway for years, recent events have accelerated our work and expanded the impact.



AIR QUALITY

Our engineering teams are working to maximize outside air intake and air filtration, where possible. Transwestern has engaged national vendors in industrial hygiene and healthy buildings to provide guidance and services to all property teams while applying CDC and American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) recommendations. Transwestern has supported the installation of new technologies to enhance indoor air quality, including bipolar ionization.



CLEANING STANDARDS

Transwestern has developed vendor scope of work guidance for all property types detailing minimum expectations for ongoing and enhanced cleaning, with particular attention paid to high-touch surfaces. Additional guidance has been issued on preferred products, including direction for building managers to utilize environmentally friendly cleaning agents in line with our existing policies and practices around green cleaning.



OPERATIONS

Our property teams continue to adjust building operations in response to changes in occupancy with the aim to reduce energy and water consumption while maintaining necessary building functions and ensuring preventative maintenance protocol remains in effect. Our teams continue to modify operations to best generate meaningful cost avoidance.



SETTING

Our teams integrate energy and sustainability design practices into building settings by incorporating access to natural views, biophilia and healthy lifestyle amenities. These are a few ways Transwestern is fostering mental wellness throughout the built environment.

Transwestern charged ahead in the arena of health and wellness to better support clients and tenants in their safe return to the workplace. We were proud to certify the first 11 assets in Texas under the WELL Health-Safety Rating in 2020 and have continued to achieve additional building labels nationwide under this framework, as well as the Fitwel Viral Response Module.





WORK REVISITED

Commercial real estate, like most other industries, has been trending toward digital workflows and operations over the last decade. 2020 kicked that trend into overdrive as remote working, videoconferencing and cloud-based collaborations became critical for functioning. For Transwestern and our team members, this created excellent opportunities to deliver greater value to clients and to curb our environmental impact meaningfully.



TRAVEL FOOTPRINT

Videoconferencing has become central to our operations, both internally and with clients across the country. While we lean into our relationships and relish in-person connections, where possible, taking advantage of digital tools has allowed us to operate effectively while significantly reducing our travel footprint and thus our greenhouse gas footprint. Though the more extreme travel limitations of 2020 are unlikely to persist, our teams have learned how to prioritize client and project travel better – something that will save time, reduce expenses and curb emissions longer term.



FLEXIBILITY

Supporting a healthy work-life balance has always been part of the culture at Transwestern. While we are an in-person work environment, where collaboration and organic ideation are more intrinsic, we know team members may have occasional needs to work remotely to accommodate personal and family needs. Through efficient new technologies, our non-property teams have additional flexibility in their work schedules.

Digital resources offer a host of new opportunities for Transwestern, but alongside these opportunities come some important environmental and social challenges. Increased access to cloud-based solutions and technologies also means increased energy demand to help power new equipment and servers. Remote teams will need to be vigilant to help maintain the strong culture of empowerment we've cultivated. Recognizing these challenges, Transwestern continues to advocate for energy efficient technology and workplace optimizations that address our energy footprint and promote team and individual wellness, regardless of location.



AWARENESS
internal and external

BELONGING
cultural and environmental support

**NATIONAL
DE&I**

TRAINING
skills and
cultural understanding

TALENT
recruitment, hiring and
career advancement

DIVERSITY, EQUITY & INCLUSION

Transwestern firmly believes that every team member within our firm has a unique voice and perspective, each of which helps to inform and accelerate our growth. We know that a diverse mix of abilities, experiences, personalities, ideas and problem-solving approaches leads to the best solutions. Transwestern's success lies not in the acknowledgement of this simple truth, but in our drive to create an environment that supports these tenets.

In 2020, Transwestern formally began the journey toward greater diversity, equity and inclusion (DEI). Understanding the importance of individual and anonymized responses where DEI is concerned, we launched a company-wide survey in partnership with Willis Towers Watson to understand current sentiments surrounding DEI and identify potential blind spots for leadership. Overall, the results were quite positive, with most respondents reporting good or excellent feedback across a number of key topics. A few areas requiring additional attention were highlighted in the survey, namely disparities across vulnerable or underrepresented groups,

including women, persons of color, older team members, veterans and LGBTQ+ communities.

Armed with this knowledge, national leaders and key contributors from markets across the country joined forces to outline the goals and objectives that would bridge the gaps in opportunity and access for our underrepresented groups while continuing to foster a culture of openness and active communication. Four national goal committees were formed: Awareness, Belonging, Talent and Training.



AWARENESS

We are committed to providing the tools, resources and strategies necessary to generate awareness and appreciation for DEI across all Transwestern's activities, internal and external to the organization.



TALENT

We ensure the recruitment process reaches and appeals to a diverse and highly qualified pool of candidates. We will build and advance succession planning and career advancement opportunities to retain valued and diverse team members.



BELONGING

We will establish a practice that links each team member to business operations, business leadership, team members in other markets and external business pursuits to foster engagement, connectivity and knowledge.

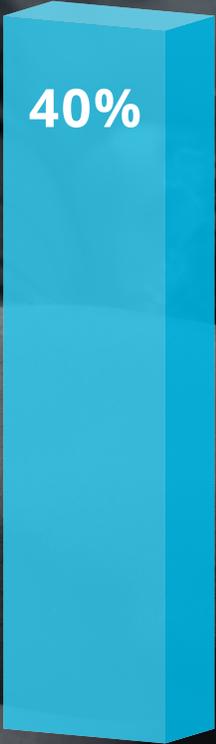


TRAINING

We build understanding, cultural competency and the skills to prepare our team members and managers at all levels to appreciate that everyone contributes to achieving Transwestern's DEI goals.

Each of the four goal committees completed its initial work outlining global objectives and actions around DEI, with a company-wide launch via a Town Hall in February 2021. Transwestern is proud to support our team members and works to enhance their professional opportunities alongside excellent returns for the firm and its clients.

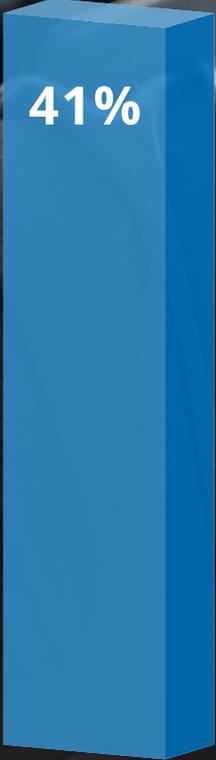
TRANSWESTERN DEMOGRAPHICS



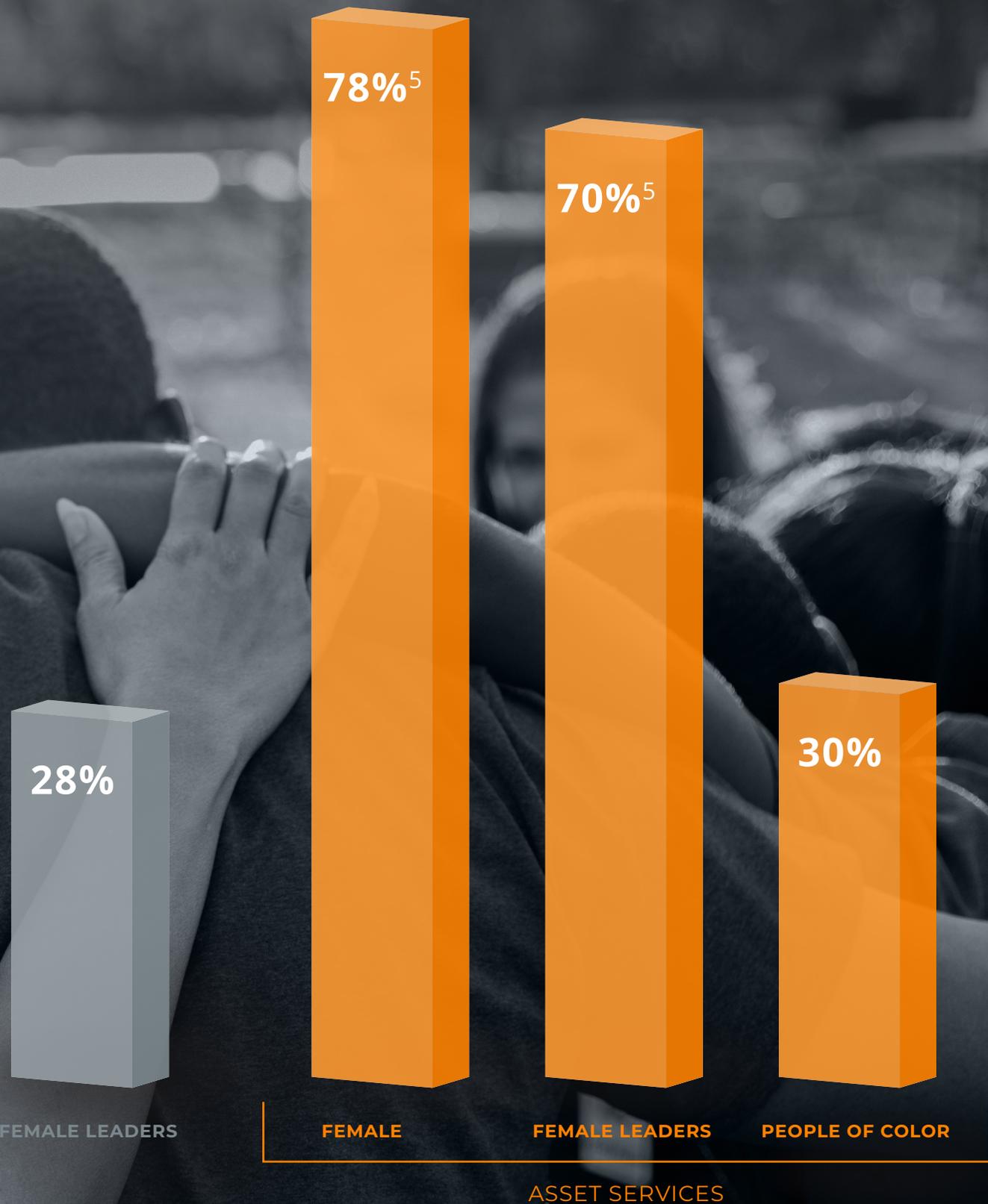
FEMALE TEAM MEMBERS



PEOPLE OF COLOR



UNDER 40



5. This value represents Asset Services property team members, excluding Engineering.

TRAINING

Though 2020 was a year defined by disruption, opportunities lie in the wake of any dilemma. With the future of traditional office work and onsite learning unclear, our firm began searching for a highly collaborative technology solution that would ensure our team members equitable access to personal and professional development resources from any location across the country. After a thorough bid and review process, Transwestern extended its partnership with Workday to include the Workday Learning Management System (LMS). Launched in July 2020, the Workday LMS provides team members on-demand access to a host of trainings, from soft skills to technical courses spanning a wide array of topics:

- Brokerage
- Business Fundamentals
- Compliance, Legal and Risk
- Cybersecurity
- Emergency Response and Recovery Plan
- Energy & Sustainability
- Human Resources
- Management & Leadership
- Marketing & Design
- Software & Technology
- Transwestern Experience
- Transwestern Young Professionals
- Transwestern Talks⁶

Throughout the second half of 2020, 266 individual courses and lessons were added to the Workday LMS, including content developed internally through subject matter experts and content procured from leading education groups to supplement our existing body of knowledge.

Prior to the launch of Transwestern's LMS, trainers delivered 37 trainings with over 1,600 course completions through July 2020. Post-launch, Transwestern team members completed nearly 2,500 courses throughout the remainder of 2020 across more than 700 users. With a roughly even split in training consumption between on-demand digital coursework and hosted live webinars, we recognize the importance of maintaining both paths in the coming years to ensure the broadest audience possible and learning accessibility.



6. Transwestern Talks: An internal series dedicated to relevant and timely topics in the industry, e.g., Returning to the Workplace: A Client's Journey.

TRAINING FOR EXCELLENCE

The culture Transwestern fosters relies on more than just talent – we build and enhance expertise in all team members by providing access to meaningful, timely and readily digestible training content. This includes in-house programs as well as relevant educational offerings through professional organizations.

Transwestern is committed to training team members to outperform competitors in sustainability, building operations and client service. Within three years of hire, every member of our team is trained to the following standards in accordance with their role supporting clients and the firm’s overall sustainability vision:

TRAINING REQUIREMENTS	PROFESSIONAL CERTIFICATIONS			IN-HOUSE TRAININGS						
	LEED GA	LEED AP O+M	Certified Energy Manager	Green Operations Policies	ENERGY STAR	Green Leasing	Public Benchmarking	ESG	Prvntv. Maint.	Building Audits
Building Eng.	X			X	X		X		X	X
Regional Eng. Mgr	X	X		X	X	X	X		X	X
National Eng. Team			X	X	X			X	X	X
PM + APM	X			X	X	X	X			X
Regional PM	X			X	X	X	X	X		X
National PM		X		X	X			X		X
Accounting				X		X				
National Ops Team				X	X	X		X		
Brokerage and Leasing				X	X	X		X		X
C-Suite								X		
Dir. Sustainability		X	X	X	X	X	X	X	X	X
Marketing				X				X		
Vendors/Contractors				X	X	X	X	X	X	X

ON-DEMAND TRAINING RESOURCES

- A Broker's Guide to Sustainability
- A Framework for Sustainable Operations
- An Introduction to Green Leasing
- Benchmarking and Performance Reports
- Energy & Sustainability Roadmap: Explained
- Energy Procurement: Value for Our Clients
- ENERGY STAR 101: Introduction to ENERGY STAR Portfolio Manager
- ENERGY STAR 102: Common Questions and Their Simple Answers
- Introduction to Energy Procurement
- PACE Financing: Alternative Funding for Efficiency Projects
- What is a Healthy Building?

Transwestern also supports career advancement through the pursuit of relevant industry-recognized professional accreditations. As a long-time member of the U.S. Green Building Council (USGBC), team members have access to a wide array of green building education to support continued development and maintenance of personal licenses.



In continuation of our pledge to improve training resources for team members across Transwestern above and beyond a focus on energy & sustainability, we look to overhaul the firm's Boot Camp training for all new hires covering the first 150 days of their onboarding in 2021. Workday LMS will ensure consistent delivery of Boot Camp training modules alongside real-time tracking of course delivery.

THE TRANSWESTERN EXPERIENCE

Our teams strive to build a personal connection with customers at every touchpoint to best fulfill our shared purpose. The Transwestern Experience, an innovative quality service approach that reflects the firm’s unique culture, reinforces our value proposition to team members and clients through our actions. It communicates to the world that we do business differently, and we nurture this mindset through regional ambassadors and ongoing training in markets nationwide.

QUALITY SERVICE STANDARDS



SAFETY



EFFICIENCY



CULTURE



CONNECTION

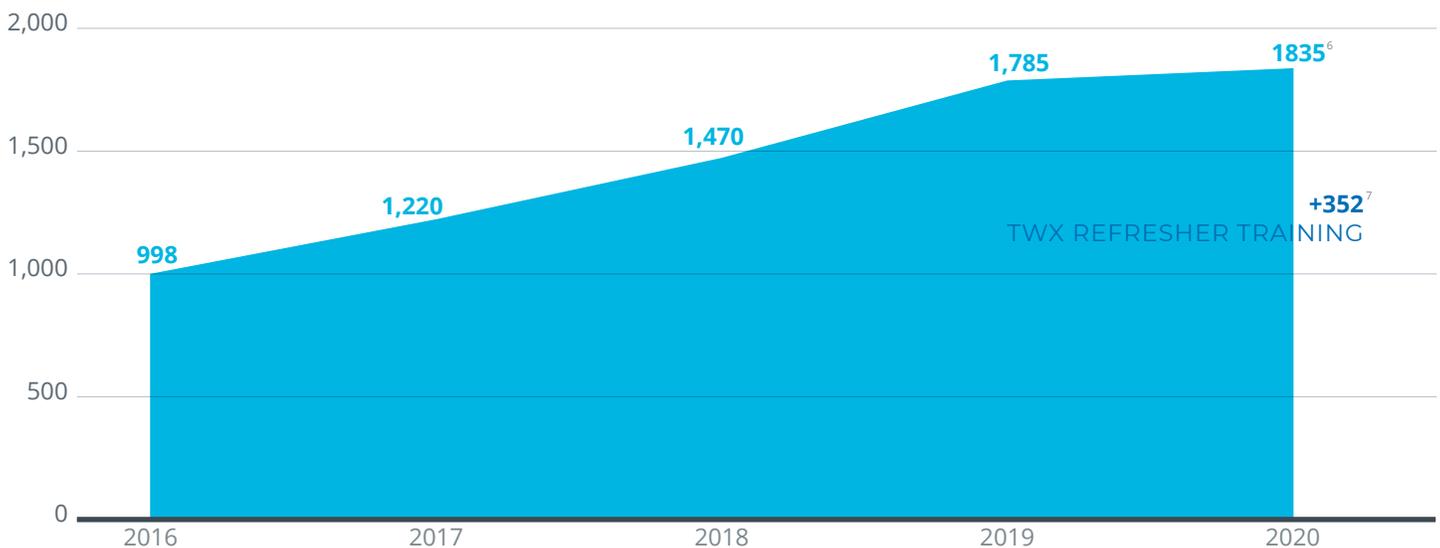


INNOVATION

The Transwestern Experience empowers teams to continuously elevate customer service delivery – both internally and externally. This year we recognized the National Asset Services leadership team with the firm’s Empowering Extraordinary award. The team delivered extraordinary service internally and externally through a pandemic, civil unrest and numerous unprecedented weather events. Their intense focus on team member and tenant safety was complemented by both human compassion and an unfaltering commitment to client service.

TWX ORIENTATION TRAINING

TOTAL TEAM MEMBERS TRAINED



7. Onsite TWX Orientation Training was reduced to zero after March 2020 in response to local restrictions against large gatherings and the need for social distancing.

8. In response to limited in-person training opportunities, teams greatly enhanced the quality and availability of TWX Refresher Training utilizing Workday LMS to enable on-demand and remote access to learning.

LOOKING AHEAD

DEI: LOCAL ACTION

Diversity, equity and inclusion is imperative to Transwestern and our way of doing business. Our efforts at the national level with the Awareness, Belonging, Training and Talent committees are just the beginning. While these groups establish the framework of goals and resources Transwestern uses to elevate and strengthen business processes, most of the work happens at the local level.

In 2021, each market, led by its local DEI committee, will craft customized implementation plans to support team members in their communities, emphasizing each of the four core goal areas outlined by the national committees. Like our approach to customer service, DEI is not a “one-size-fits-all” solution; it requires specificity to address unique needs and goals. The local committees will empower our teams to help shape a more diverse, equitable and inclusive environment that fosters personal and professional development.



ESG: TOWARD A BETTER TOMORROW

When it comes to sustainability in commercial real estate, often the first impulse is to focus on what's inside the building. Whether it's lighting, HVAC or plug load, success is measured first and foremost in energy savings. Expanding the view beyond the front door opens a new world of possibilities. In 2020, Transwestern went even further, making huge steps toward improving project and self-governance, promoting DEI and its core value to our work and industry, and advancing wellness opportunities for tenants. As we recognize the importance of these actions, we acknowledge that 2021 will be a true test of resilience – not just for our core programs, but for our communities, many of which are struggling under the weight of violence, high unemployment, environmental crises and the lingering effects of the pandemic. Through proactive DEI measures, an ever-increasing suite of education resources, and a constant drive to foolproof risk management and business, Transwestern is well positioned to realize its goals around ESG and provide quantifiable results that advance the industry.





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