Brandywine Climate Risk Statement

Final Draft: December 2024

Environmental Policies

Climate Risk Management

As a REIT, Brandywine's real estate portfolio faces both physical climate risks, such as storms, heat stress, and droughts, and transitional climate risks, including regulatory and financial risks. We actively evaluate the climate-related risks and opportunities to each of our properties and have strategies in place to mitigate risks. All risks are assessed for financial impact and/or response. More details are included in the Appendix.

We conduct due diligence on assets during the acquisition process and regularly throughout the hold period to assess, monitor, and manage acute physical risk and chronic stressors related to climate change, using multiple scenario analyses. See Appendix I for the results of our physical climate change analyses.

Brandywine also identifies, assesses, and monitors the impacts and opportunities of transition risk associated with climate change. These elements include, but are not limited to:

- Policy and Legal: Understanding regulatory requirements for our assets and business by engaging consultants and playing an active role in local and national organizations and industry groups
- Technology: Assessing risks and opportunities associated with new and emerging technologies that increase the performance and efficiency of our buildings by including the Chief Technology Officer (CTO) and IT teams in risk conversations
- Market: Adapting to the shifting demands and competition of high-efficiency, climate-resilient, compliant buildings through engagement with vendors and consultants and involvement with local municipalities, such as building and economic departments, as well as NGOs
- Reputation: Continue to meet or exceed industry standards and stakeholder expectations for managing resilient, efficient, and sustainable buildings and communities through practices such as materiality assessments and prioritizing customer service

Risks can be viewed from an alternative perspective: by examining the risks in a positive light, Brandywine is often able to identify opportunities. Appendix II outlines the identified climate-related risks and opportunities over the short, medium, and long term.

Brandywine continues to align with the Task Force on Climate-related Financial Disclosures (TCFD) as the gold standard framework for identifying and disclosing climate risks and opportunities that are material to our business. As the IFRS Foundation adopts monitoring of TCFD climate-related disclosures, Brandywine is conducting internal reviews of processes and policies to ensure future climate-related risk management practices continue to meet industry standards.

Our Process

RISK IDENTIFICATION AND PRIORITIZATION

Brandywine's risk identification process occurs annually to identify and prioritize risks at the end of the calendar year in conjunction with the budgeting process for the next calendar (and fiscal) year. The Board and audit committee conduct a company-wide risk review annually, using a matrix to identify any new risks and evaluate risks that have already been identified. Climate-related risks are included in this analysis. Throughout the year, new acquisitions also trigger the process to identify climate-related risks at the property level. When risks are identified during the annual review or due diligence process, they are then agendized and discussed at the subsequent monthly meeting with property teams. Identified risks are ranked as high, medium, and low, including the consideration of the financial impact. The Brandywine team looks to building management and engineering teams to understand and communicate the impact of the risks, prioritizing risks that would materially impact the insurance deductible threshold.

Opportunities for identifying risks and opportunities

- Incorporate climate risk assessments into our due diligence process for new acquisitions
- Assess risks to all new properties through ALTA surveys, zoning reports, Environmental Site Assessments
- Evaluate, and annually update, the physical climate risks to our existing properties, prioritizing high-risks results and changes in risk scores.
- Identify increasing regulatory risks including building ordinances for energy efficiency
- Review all applicable energy, emissions, and climate-related legislation annually
- Include physical and transition risks as part of the Board and Audit Committee's annual risk review

RISK MANAGEMENT

To date, Brandywine has found their portfolio largely to be ahead of the curve for most risks identified, in part due to the lower-risk geographic makeup of their portfolio. Therefore, when risks do arise or intensify, Brandywine is able to address the risks in a timely and impactful manner. Similarly, opportunities may be captured in a timely fashion due to the generally efficient operations of buildings.

Examples of risk management practices

- Benchmark and optimize building efficiency to reduce our GHG emissions and ensure compliance with local regulations
- Strategize potential reputational risk and market risk of lost tenants if our buildings are unprepared
- Utilize emergency response plans and drills to reduce risk of under-preparedness, and make changes as needed when new risks are identified, or existing risks intensify.
- Identify opportunities associated with addressing risks, such as asking selling owners for efficiency upgrades or using risks in the negotiation process
- Include the financial impact of addressing high-risk acquisitions in due diligence conversations
- Address the risks immediately for high-risk assets that are acquired, as new acquisitions do not need to wait for the budget cycle

STRATEGY

Brandywine has integrated the management of climate-related risks and opportunities into the structure of its ESG platform which extends to all parts of the business. While the cycle is triggered by an annual risk and opportunity assessment, it continues throughout the year via the budgeting cycle, informing fiduciary decisions. When facing a high-risk asset, the company considers, "why would we make this move if it requires high effort to reduce risks?" When and if, despite the identified climate-related risks, the purchase is in the best interest of investors due to other factors, Brandywine's budget and decision-making processes allow for these acquisitions to go forward *and* to de-risk the new asset. Continuity and redundancy are woven into the teams and systems in place for risk management, utilizing the roles and responsibilities of internal senior leaders and the subject-area expertise of the consulting teams Brandywine engages.

RISK GOVERNANCE

Responsibility for managing risks and opportunities relating to climate change are distributed throughout the company and engage senior leaders and decision makers.

Roles and responsibilities for risk governance

- Our Senior Vice President (SVP) of Operations and Sustainability and the General Counsel oversee the ESG strategy, climate risk analysis, and associated goals, risks, and opportunities
- The SVP of Operations and Sustainability provides monthly updates to the Chief Executive Officer, who is the ultimate decisionmaker for the organization
- The Governance Committee of the Board of Trustees receives periodic updates and provides strategic oversight of ESG policies, procedures, and initiatives
- Material risks and opportunities of climate change are regularly reviewed and reported at least annually to the Board of Directors Audit Committee, our climate risk oversight body.

Risk management is part of cross-system routines, integrating the various stages of risk management into the structure of the ESG platform and ensuring accountability throughout the leadership team. Deadlines and phase intervals are built into multiple leaders' calendars ensuring notifications are redundant and the right individuals are aware of required action on their part, or actions that others are taking. The CEO and General Counsel are fully informed of ESG matters, serving as a backup for the SVP of Operations and Sustainability. Consultants are regularly engaged to support and ensure oversight and governance of risk matters.

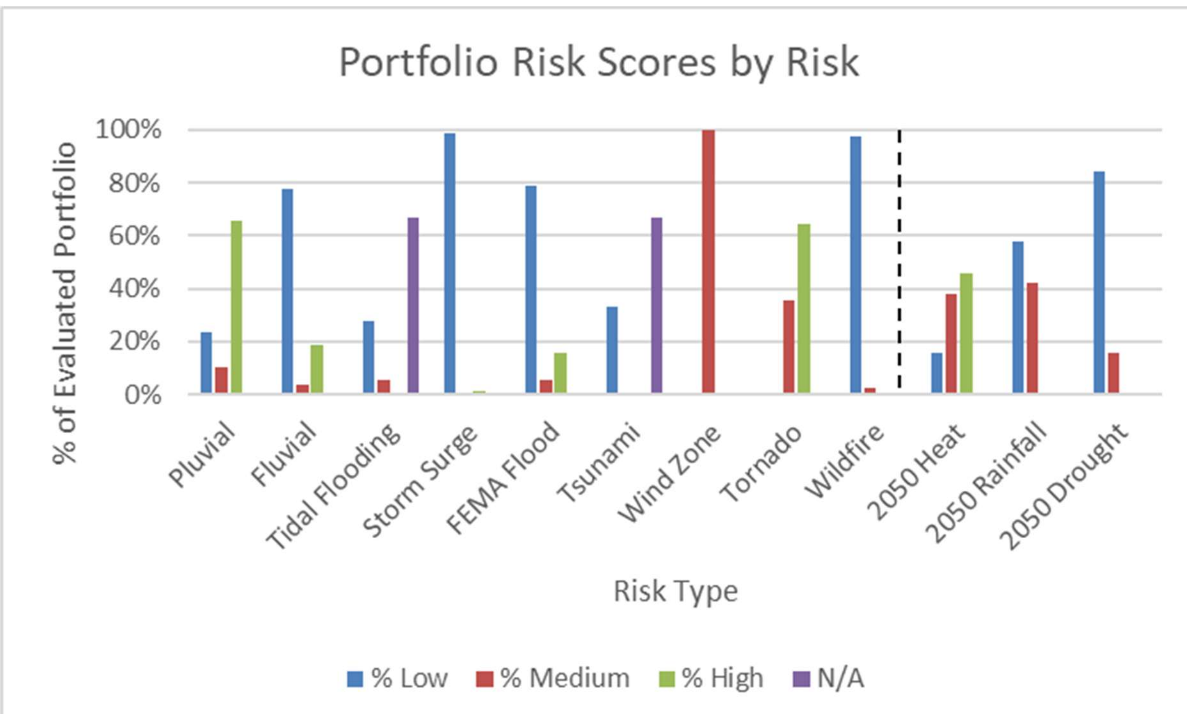
By following industry trends and frameworks, Brandywine continues to receive real-time input into the gaps of their climate-risk analysis. Frameworks like GRESB and ISS, attendance at and membership in industry events and groups all help to keep Brandywine competitive and progressive in their identification, analysis, management, and governance of climate-related risks.

Appendix

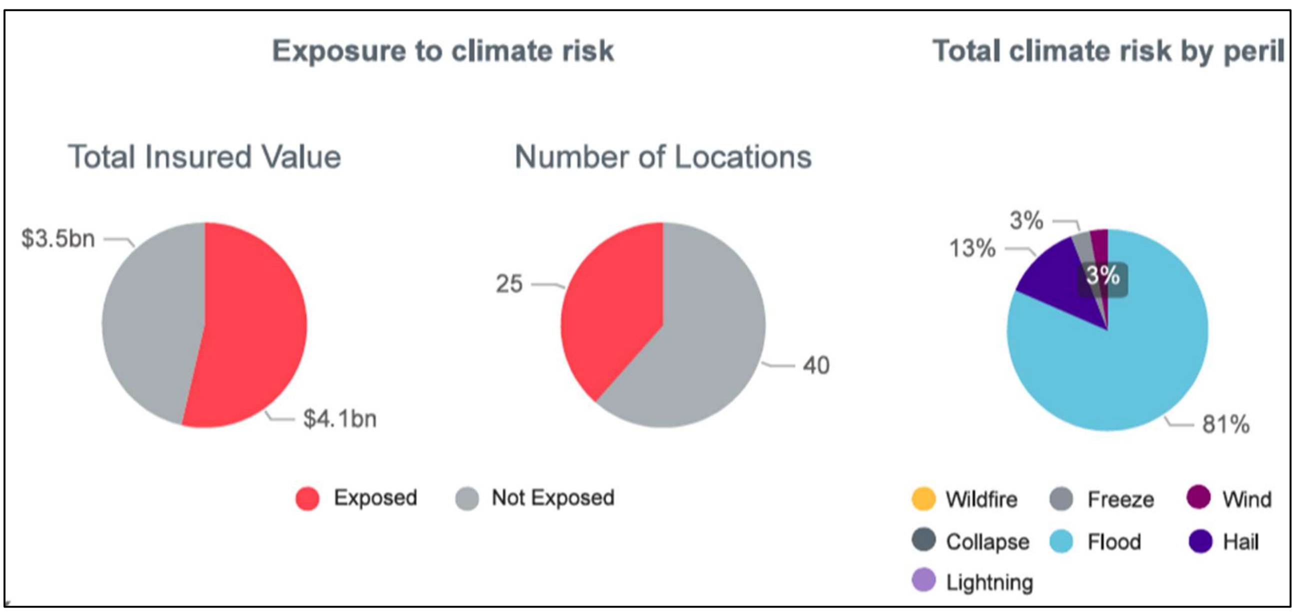
I. Physical Climate Risk Methodologies and Results

Brandywine utilizes two different assessment methodologies to evaluate the physical impacts of climate change on its standing investments, with a focus on its wholly-owned portfolio. Both methodologies use multiple scenario analyses that include a breakdown of acute and chronic risks for select properties aligned with Representative Concentration Pathways. Both methodologies are aligned with RCP4.5 and RCP8.5, and one is aligned with RCP2.6, the most stringent scenario for climate change impacts that aligns with maintaining a 1.5-2^{o}C increase in temperatures. The analyses are conducted approximately annually.

Brandywine partners with RiskFootprint to conduct a portfolio level assessment for floods, natural hazards, extreme weather, and climate change impacts as the first step to better understand the risks facing our properties. Each property in the assessment is evaluated under RCP4.5 and RCP8.5 in 2030, 2040, and 2050 for Extreme Heat, Rainfall, Drought. (RiskFootprint does not evaluate for RCP2.6 because "it's a stringent emission scenario which is very unlikely based on current trends." The properties are evaluated for current risk impact of the climate change impact from Flooding, Storm Surge, Wind, and Wildfire, and 2050 stressors of Heat, Rainfall, and Drought. The assessment was based on 76 assets in July of 2024.



The portfolio is also assessed for the financial impact of climate change impacts by an insurance provider, FM Global. Their analysis includes a breakdown of acute and chronic risks specified by peril according to RCPs 2.6, 4.5, and 8.5 by 2030 and 2050. The assessment found $2.63B and $7.8B of the portfolio is at peril from acute and chronic impacts, respectively. Overall, the assessment found the following exposure risk and highest perils:



II. Climate-Related Risks & Opportunities

Brandywine has identified the following climate-related risks and opportunities.

Time Horizon	Risk Category	Climate-Related Risks	Climate-Related Opportunities
S	Policy & Legal	**Emissions-reporting obligations.** The costs to comply with any new or different regulations could adversely affect our cash flow and our ability to make distributions to shareholders… In the event any of the city's/states we do business in enact more aggressive ESG legislation, achieve full compliance in advance of mandate Material Impact: Increased operating costs	**Emissions-reporting obligations.** Meeting current reporting obligations prepares for readiness for future obligations. Material Impact: Avoided fines; reduced operating costs
M	Policy & Legal	**Mandates on and regulation of existing products and services.** Our properties are subject to various regulatory requirements, such as those relating to the environment… Our failure to comply with these requirements could result in the imposition of fines and damage awards and could result in a default under some of our tenant leases. Material Impact: Indirect: Increased operating Costs	**Mandates on and regulation of existing products and services.** By taking a proactive approach and emerging as an industry leader in emissions and energy reduction and insurance coverage, Brandywine is prepared for and benefits from regulations as an early adopter. Material Impact: Indirect: Avoided fines; reduced operating costs
M, L	Policy & Legal	**Exposures to litigation.** Increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy and increasing the cost of snow removal at our properties. While we maintain insurance coverage for flooding, we may not have adequate insurance to cover the associated costs of repair or reconstruction of sites for a major future event, lost revenue, including from new tenants that could have been added to our properties but for the event, or other costs to remediate the impact of a significant event.	**Avoidance of litigation.** Identifying high-risk properties and examining insurance policies annually ensures coverage when it is needed. Material Impact: Indirect: avoided fines, reduced operating costs; disposition of high-risk assets

		Material Impact: Indirect: Increased insurance premiums and potential for reduced availability of insurance on assets in high-risk locations; increased operating costs; Direct: Increased capital costs	
S, M, L	Technology	**Unsuccessful investment in new technologies.** As an early adopter of solar, GPP, RECs, EV Charging stations, and as a leader in applying emissions, energy, water, and waste reduction strategies, we do not have the benefit of many others who come before us. Material Impact: Indirect: Increased operating costs	**Successful investment in new technologies.** Newly created partnership with Goodwings Travel as one of the first REIT's to help offset total carbon footprint and certify BDN plantings in Uruguayan forest Material Impact: Indirect: Increased or decreased operating costs
S, M, L	Technology	**Costs to transition to a lower emissions technology.** Partnership with Goodwings Travel to help offset total carbon footprint. … Commitment to upgrade to LED surface parking lots. Material Impact: Indirect: Increased or decreased operating costs; Direct: Increased capital costs	**Savings from transitioning to a lower emissions technology.** Shifting to more efficient LED surface parking lots Material Impact: Indirect: Reduced operating costs
M, L	Market	**Changing customer behavior.** Changes in space utilization by our tenants due to technology, economic conditions, impact of pandemics, and business culture may decrease demand for office space, causing market rental rates and property values to be negatively impacted. Material Impact: Indirect: Reduced revenue and higher costs from negative impacts on workforce/decreased production (rent) capacity	**Changing customer behavior.** Our high-efficiency, sustainable properties may be in higher demand from companies with similar ESG goals and/or cost- and climate-conscious budgets. Material Impact: Indirect: Increased revenue and lower costs from positive impacts on workforce/increased production (rent) capacity
M, L	Market	**Uncertainty in market signals.** Our properties are subject to increases in operating expenses such as for insurance, real estate taxes, cleaning, electricity, heating, ventilation and air conditioning, administrative costs and other costs associated with security, landscaping and repairs and maintenance of our properties	**Potential from market signals**. Shifts towards cost-saving operations, sustainable and efficiency buildings, and "green" places to work may be shifting in favor of our leading buildings.

		Material Impact: Indirect: Increased operating costs	Material Impact: Indirect: Increased revenue and lower costs from positive impacts on workforce/increased production (rent) capacity
S, M, L	Market	**Increased cost of raw materials.** Construction costs exceeding original estimates due to high interest rates, inflation, diminished availability of materials and labor, and increases in the costs of materials and labor. … increasing the cost of energy Material Impact: Direct: Increased capital costs; Indirect: Increased operating costs	**Cost savings / revenue associated with new market opportunities.** The Inflation Reduction Act, "harvesting" RECs, and other markets have opened opportunities for renewable energy and efficiencies. Material Impact: Indirect: Increased revenue and lower costs from positive impacts on workforce/increased production (rent) capacity
S, M	Reputation	**Shifts in consumer preferences.** Over time, these [physical impacts of climate change] conditions could result in declining demand for office space in our buildings or our inability to operate the buildings at all… [lost revenue from] new tenants that could have been added to our properties but for the event. Material Impact: Indirect: Reduced revenue and higher costs from negative impacts on workforce/decreased production (rent) capacity	**Shifts in consumer preferences.** Opportunities to differentiate through solar powered lab spaces and creating ESG alignment with JV partner(s). Material Impact: Indirect: Increased revenue and lower costs from positive impacts on workforce/increased production (rent) capacity
M	Reputation	**Stigmatization of sector.** Over time, these [physical impacts of climate change] conditions could result in declining demand for office space in our buildings or our inability to operate the buildings at all… [lost revenue from] new tenants that could have been added to our properties but for the event. Material Impact: Indirect: Reduced revenue and higher costs from negative impacts on workforce/decreased production (rent) capacity	**Demand for specialized niche of sector.** "Green" buildings and places of work may increase in demand. As a leader in energy efficiency and climate resilience, Brandywine's reputation may benefit. Material Impact: Indirect: Increased revenue and lower costs from positive impacts on workforce/increased production (rent) capacity

M	Reputation	**Increased stakeholder concern or negative stakeholder feedback.** We may not have adequate insurance to cover the associated costs of repair or reconstruction of sites for a major future event, lost revenue, … or other costs to remediate the impact of a significant event. There can be no assurance that climate change will not have a material adverse effect on our properties, operations, or business. Material Impact: Direct: Increased capital costs; Indirect: Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations; Increased operating costs; Reduced revenue (investment) from negative impacts on workforce	**Increased stakeholder concern or positive stakeholder feedback.** As Brandywine meets requirements and demonstrates preparedness in the face of regulatory requirements, insurance, increased physical impacts, investors and other stakeholders may come to see Brandywine as a safe investment and choice. Material Impact: Indirect: Increased revenue and lower costs from positive impacts on workforce/increased production (rent, investment) capacity
S, M, L	Acute physical hazards	Flash flood, River flood, storm surge have been identified as material physical hazards that could impact the structure of our properties; the infrastructure needed for operation; and the use of, access to, and demand for in-office operations. Material Impact: Direct: Increased capital costs; Indirect: Increased insurance premiums; Increased operating costs; Reduced revenue from negative impacts on workforce; Reduced revenues from lower sales; write-offs and early retirement of existing assets	Identifying the potential risks at the property level may allow Brandywine to make investment decisions as to dispose, acquire, or not acquire certain assets, reducing or avoiding risk. Material Impact: Indirect: Avoidance of operating and capital costs; realization of higher revenues from disposed assets at an earlier stage in their lifecycle
S, M, L	Chronic stressors	Drought, heat, rising mean temperatures, rising sea levels have been identified as material chronic stressors that could impact the resilience of our properties and the demand for our properties in various regions. Material Impact: Direct: Increased capital costs; Indirect: Increased insurance premiums; Increased operating costs; Reduced revenue	Identifying the potential risks at the property level may allow Brandywine to make investment decisions as to dispose, acquire, or not acquire certain assets, reducing or avoiding risk. Material Impact: Indirect: Avoidance of operating and capital costs; realization of higher revenues from disposed assets at an earlier stage in their lifecycle

		from negative impacts on workforce; Reduced revenues from lower sales; write-offs and early retirement of existing assets	