

PILLARS OF RESPONSIBLE PROPERTY INVESTING (PRPI)

ESG Guidelines for Responsible Contracting

These guidelines are supportive of and an extension to the PRPI ESG Policy, and intended to define more granular, tactical, and situationally specific ESG direction to Principal Real Estate staff, our third-party property managers, service providers, and joint venture partners.

Intent

Principal Real Estate expects its contractors to maintain a work environment where people are treated with dignity and respect and where all applicable laws and regulations are upheld. Our expectations are communicated directly to our contractors and incorporated in construction contracts and service agreements. These guidelines outline how we define responsible contractors, competitive bidding, and contractors' responsibilities. *These guidelines apply to the U.S. only.*

Actions for Implementation

1. Principal Real Estate **expects** its contractors to:
 - Maintain a work environment where people are treated with dignity and respect.
 - Use only voluntary labor.
 - Follow all applicable wage and benefit laws.
 - Not employ underage individuals in violation of any applicable child labor laws.
 - Comply with all laws and regulations on bribery, corruption, privacy, antislavery, human trafficking and prohibited business practices in the countries in which they conduct business, including but not limited to, the United States Foreign Corrupt Practices Act. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat, force, coercion, abduction, or fraud for the purposes of exploitation.
 - Provide a work environment that is safe and healthy, and free of harassment and unlawful discrimination.
 - Not engage in discrimination based on age, race, color, religion, sex, gender identity, pregnancy, national origin, citizenship status, disability, sexual orientation, marital status, domestic partner status, or veteran status.
2. Principal Real Estate contractors shall **comply** with laws by:
 - Conducting their business activities in full compliance with applicable laws and regulations in all jurisdictions in which they operate.
 - Not offering payment, consideration, or benefit of any kind which constitutes an illegal or corrupt practice, either directly, indirectly, or on behalf of Principal Real Estate, as an inducement or reward for entering into a contract or in connection with the provision of any goods or services under a contract.

3. Principal Real Estate **expects** contractors to adhere to the following requirements:
 - Submission upon request to Principal Real Estate, or its designee, of a responsible contractor self-certification in a form and substance approved by Principal Real Estate.
 - Communicate to employees, agents, and subcontractors the Responsible Contractor Policy described herein.
 - Utilization of industry best practices when selecting subcontractors.
 - Take all precautions reasonably necessary to protect customer and employee information and to maintain physical, technical, and procedural safeguards in compliance with all applicable data security and cybersecurity laws, including but not limited to the European Union General Data Protection Regulation (GDPR) and others.
 - Self-monitor compliance with this policy through their own administrative processes and promptly notify Principal Real Estate in writing if a violation occurs.

4. Principal Real Estate commits to competitive bidding, considering:
 - Applicable laws, rules, regulations and Principal Real Estate's fiduciary standards and obligations.
 - Contractors for construction, maintenance, and services shall be selected through a competitive bidding and selection process when commercially reasonable.
 - Encouragement of fair competition and bids from all qualified sources within an area, particularly those identified as responsible contractors.
 - Contractors' experience, reputation for honesty, integrity, timeliness, dependability, fees, safety record, and adherence to these guidelines.
 - Union labor as a positive factor in the bidding process, however significant weight is given to the entire bid, including quality, timeliness, service, and price.
 - Principal's contractual and fiduciary responsibilities, and applicable laws, rules, and regulations.

5. These guidelines shall not apply to investments where Principal Real Estate (or an affiliate) does not have control of the investment through the power to direct or cause the direction of the management of or policies affecting the investment, directly or indirectly, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise.

The Principal Real Estate ESG Policy and supporting guidelines are reviewed and approved annually by the Managing Director of ESG and Operations, the ESG Working Groups, and the CEO of Principal Real Estate. These Guidelines hold the same applicability to assets as the PRPI ESG Policy, unless otherwise stated or notified by Principal Real Estate.