

Gladstone Commercial Corporation

Environmental Stewardship, Social Responsibility & Governance (ESG) Policy

Mission Statement

Gladstone Commercial Corporation (“*Gladstone Commercial*,” “*we*” or “*us*”) believes that doing the right thing for our people, the environment, and our communities leads to better results for all of our stakeholders. We strive to embed environmental, social, governance (“*ESG*”) best practices throughout our real estate investment, asset management, risk management, and talent management processes.

Through our commitment to responsible and sustainable real estate investing and management, we seek to deliver enhanced risk adjusted returns for our investors, become a landlord of choice, and maintain our position as a practitioner of good global citizenship to all of our stakeholders – investors, partners, tenants, personnel, and the communities in which we reside and invest.

Scope

This ESG Policy applies to all Gladstone Commercial controlled subsidiaries and operations.

Purpose

This ESG Policy formalizes Gladstone Commercial’s commitment to responsible practices in the following areas:

- Environmental Stewardship
- Social Responsibility
- Governance & Ethics

It also memorializes our commitment to integrating the principles herein into our investment decisions, asset management, accounting, and capital markets processes.

Principles & Implementation

Through this ESG Policy, we aim to create additional value for our business by expanding our value proposition, deepening relationships with all stakeholders, attracting and retaining talent, and reducing our capital costs. We believe these ESG initiatives will increase both the value of and return on our properties. We seek to pursue ESG initiatives that are designed to add value not only for our tenants, shareholders and Gladstone Commercial, but also society generally.

Our Board of Directors has ultimate oversight of our ESG program. Our ESG workforce is comprised of members from various departments, including our President and his/her designees, Chief Financial Officer and his/her designees, Chief Investment Officer and his/her designees, asset managers, Director of ESG and his/her designees, General Counsel and his/her designees, and Chief Compliance Officer and his/her designees. We support our ESG strategy

by establishing ESG goals that are informed by our engagement efforts. We will continue to track data and our progress to report on the outcomes of our efforts across our operations and portfolio for the three dimensions of ESG.

In addition, Gladstone Commercial will continually seek to understand its position within the industry by completing the annual Global Real Estate Sustainability Benchmark (GRESB) assessment.

Environmental Impact & Stewardship

The Focus:

- Acquire a portfolio of energy-efficient, mission-critical assets in growth markets while anticipating and delivering on tenant needs, while reducing their impact on the environment. While our properties are typically subject to triple net leases under which our tenants control their energy usage and decide how best to implement sustainable practices, we recognize the impact such assets can have on the environment. As a result, we seek to address those impacts that are within our control and support our tenants in doing the same.

Our Actions:

- Achieve sustainable building certifications when appropriate and work to incorporate new environmentally-friendly technologies and practices where feasible to benefit our tenants such as renewable power installation, automation systems upgrades, and installation of high-efficiency equipment. These may include HVAC upgrades, solar installations, EV charging stations, LED lighting upgrades, and others.
- Within our portfolio of real estate assets, seek to facilitate more efficient property level operations through waste and water management control, energy conservation, and optimization of other operational and maintenance practices, which may deliver sustainability benefits that are designed to enhance profitability and reduce environmental footprints.
- Track energy, carbon, water, and waste usage by incorporating reporting tools and metrics into new leases and work with third-party providers to ensure data integrity. Benchmark our results within our applicable industry class and our portfolio, where feasible, to identify areas of success and potential improvements.
- Deploy innovative technologies to enhance the resilience of our buildings to unpredictable changes in the climate or the environment. Through periodic renovations to our assets, we will seek to implement the technologies and equipment discussed herein.

Social Responsibility

The Focus:

- Expand relationships with our key stakeholders by investing in our professionals and partnering with our tenants, communities, investors, and suppliers, including property managers.

Our Actions:

- We have no employees of our own. We rely on Gladstone Management Corporation, our advisor, and Gladstone Administration LLC, our administrator, to hire, train, retain, and develop a workforce that meets the needs of our business while providing a positive impact on our community.
- Through our advisor and administrator, engage with our professionals to provide a fulfilling, dynamic, inclusive, and diverse work environment that supports their professional development, as well as promoting their overall health and wellness through company paid health care, parental assistance services, and company 401k contributions, among others.
- Support initiatives in local communities where our properties are based that benefit the environment, human welfare, and education. These may include membership in or engagement with local chambers of commerce and homeowners' associations, as well as organized donations and volunteer hours, among other initiatives of our advisor, and additionally support of various charities through the David and Lorna Gladstone Foundation.
- Engage suppliers, property managers, tenants, and our professionals around safety, health, and wellness.

Governance

The Focus:

- Promote strong and continuous oversight, transparency, and risk management at all levels of Gladstone Commercial, ensuring the strength and long-term preservation of value for our business and stakeholders.

Our Actions:

- Maintain strong corporate governance practices through Board stewardship, management accountability, and proactive risk management. See our [Governance](#) page for more information.

- Commitment to a diverse Board of Directors with an array of backgrounds and experiences. See our [Diversity Matrix](#).
- Mitigate risk exposure and build the resilience of our portfolio to environmental impacts and other catastrophic events through assessment of assets' positions within a variety of environmental zones (e.g., flood and seismic zones), and proactive management and implementation of technologies, including, but not limited to, those related to efficiencies and recycling.
- Maintain high ethical standards through a strong Code of Ethics, ongoing ethics training, and executive leadership that promotes a culture of integrity.
- Cultivate strong stakeholder relationships through transparency, open communications, and responding to stakeholder input.
- Establish clear and effective governance for ESG, set goals, and establish accountability. Increase ESG transparency and disclosure through reporting to frameworks such as GRESB, and providing regular ESG updates where appropriate.

Resiliency

The Focus:

- Identify and monitor both transition and physical risks that could have a material financial impact on our investments.

Our Actions:

- Regularly review existing investments to identify transition risks, including emissions-reporting obligations and other associated regulation; newer, lower emissions technologies available; and changing tenant and other stakeholder behaviors and preferences.
- Regularly review existing real estate investments to identify and understand physical risks, including, but not limited to, storms, flooding, drought, and other weather-related stressors.

Investment Decisions

The Focus:

- Integrate the fundamental principles of ESG, as stated in this ESG Policy, when considering investment decisions and managing our investments.

Our Actions:

- Incorporate ESG principles into investment analysis and decision-making processes and ownership policies and practices in alignment with our core business practices. This includes the inclusion of ESG issues, and transition and physical risk identification, within our standard Investment Committee evaluation process for all acquisitions and dispositions.
- Invest in and provide capital to tenants to invest in efficiency measures to enhance the operational efficiency of established assets to help our tenants achieve lower costs and lower environmental impacts while increasing the value and competitiveness of the properties.
- Promote acceptance and implementation of ESG principles first within our portfolio while also working towards the same goal within our industry through participation and leadership within various industry groups and organizations, including, but not limited to, NAIOP, the Commercial Real Estate Development Association; Urban Land Institute; and local chambers of commerce.

Monitoring and Enforcement

- Gladstone Commercial seeks to proactively prevent and mitigate instances of non-compliance with this ESG policy.
 - Any instances of material non-compliance with this ESG Policy may be communicated to the Ethics Committee of Gladstone Commercial's Board of Directors or applicable regulators as required.
 - If an employee has an ethics or ESG-related question or concern, they are encouraged to contact our anonymous toll-free hotline and speak with a representative who will transmit the information to Gladstone Commercial's Ethics Committee.