



Paladin Realty Partners 2025 Sustainability Report





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Letter From Chief Sustainability Officer

At Paladin, sustainability is embedded in how we invest, build, and operate, driven by a long-term view of value creation that extends beyond any single metric or label. In 2025, we continued to advance this approach, with a particular emphasis on deepening our engagement at the community level across the markets where we operate.

This year, our teams leaned into hands-on social initiatives, contributing directly to housing, infrastructure, and community-building efforts in partnership with local organizations. These experiences reinforced an important principle: the impact of our work is measured not only by what we develop, but by how we show up in the communities around us.

On the environmental side, while fewer certifications were delivered during the year, this reflects the natural pace of our development pipeline rather than any change in direction. We made meaningful progress advancing a robust pipeline of sustainable projects, with four new LEED Gold buildings in São Paulo scheduled for delivery in 2026 and 2027. We also began construction at our first office-to-residential conversion in Bogotá, an important step in what we see as a highly sustainable and scalable investment strategy. At the same time, we continued to push innovation at the material level, incorporating low-carbon cement into our products for the first time in 2025.

Behind the scenes, we continued to strengthen our ESG platform, refining our Master Plan and further integrating measurable standards into our investment and development processes. As part of this effort, we introduced new modules focused on resilience and transition risk, ensuring our approach evolves alongside the challenges facing the built environment. We remain focused on delivering real, measurable outcomes, prioritizing substance over terminology.

Thank you for your continued partnership as we work to create enduring value for our investors, our communities, and the environments in which we build.

Sincerely, Randall Loker





About Paladin

Paladin Realty Partners, LLC is a U.S. SEC Registered Investment Advisor (RIA) and boutique real estate fund manager, developer and investor-operator on behalf of institutional, family office and high net worth investors. The company's roots date back to 1995, when its predecessor firm, William E. Simon & Sons Realty LLC, was founded by Paladin Realty's senior management in partnership with the family office of former U.S. Treasury Secretary and leveraged buyout pioneer, William E. Simon. Senior management acquired the Simon family's more than 20 years ago and has continued the business as Paladin Realty since.

Since 1995, Paladin Realty (including its predecessor firm) has invested in over \$8 billion of real estate across the Americas, spanning hundreds of assets including for-sale and rental workforce housing, as well as opportunistic commercial real estate investments. Paladin has been continuously investing throughout Latin America since 1998 through a series of comingled institutional funds and locally domiciled investment vehicles.

The firm follows an opportunistic approach in selecting the appropriate product mix and geographic diversification for each investment fund. Weightings have varied from fund to fund, depending upon market conditions and other factors, however, the overriding objective is to achieve attractive risk-adjusted returns by developing diversified portfolios within the region. Paladin has regional offices in Brazil, Colombia, Peru and Costa Rica.

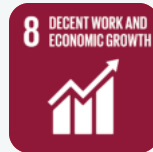
ESG Master Plan - Alignment

Paladin's sustainable real estate strategies align with nine of the United Nation's Sustainable Development Goals



good health & well-being

Living in safe, clean housing within communities that offer open green spaces and amenities promotes well-being for residents



decent work & economic growth

Hiring local construction labor, in addition to the ancillary industries that benefit from housing (e.g., concrete, lumber, fixtures, furniture, engineers, architects, etc.), promotes broad and resilient economic growth



sustainable cities & communities

Paladin equity finances the development of environmentally-friendly projects within communities that are safe, inclusive and sustainable



gender equality

Paladin's Human Resources Policy provides a framework for local operating partners to conform to international best practices with regards to non-discrimination and equal opportunity



industry, innovation & infrastructure

Paladin projects take advantage of innovative green technology to produce more sustainable products



climate action

All Paladin projects receive certifications for sustainability, primarily through IFC's EDGE program



clean water & sanitation

Homeowners within Paladin's developments benefit from modern, efficient water (potable where feasible) and sanitization systems



reduced inequalities

Homeownership enables buyers to build equity, reducing inequality



peace, justice & strong institutions

Paladin requires that local operating partners to adhere to Paladin's anti-corruption, bribery and money laundering clauses in its joint venture agreements

Paladin's ESG Approach

Integrating Sustainability for Enhanced Value and Reduced Risk



- **Core Philosophy**

Sustainability is integral to investment performance, aligning with DFC, PRI, and IFC standards for practical asset-level execution in Latin America.

- **Investment Process Integration**

Sustainability is embedded throughout the investment lifecycle, from screening to asset management, with ESG risks actively shaping project scope.

- **Operational Execution & ESG Master Plan (ESGMP)**

A standardized framework evaluates partners and projects, including pre-investment screening and ongoing monitoring with an emphasis on local execution.

- **Stakeholder Engagement**

Formal feedback and grievance mechanisms help identify issues early, mitigate risks, and maintain alignment with local communities. We also engage and educate partners on the broader value of sustainability, reinforcing its role beyond financial performance.

ESG Master Plan - Policies

Paladin's ESG Master Plan is focused around the following policies:

1 Environmental Sustainability Policy

Paladin is committed to minimizing its environmental impact and promoting sustainability in all real estate development projects. This policy guides our efforts to mitigate climate change, conserve resources, and protect biodiversity in our work across Latin America.

2 Net Zero Policy

Paladin is committed to achieving Net Zero carbon emissions in all new developments by 2030. This policy outlines our approach to reducing carbon footprints, improving energy efficiency, and integrating sustainability throughout each project's lifecycle.

3 Policy on Governance Issues

Paladin is committed to strong governance across our operations. This policy outlines our approach to transparency, accountability, ethical decision-making, and responsible management—ensuring legal compliance, stakeholder protection, and information security.

4 DEI Policy

Paladin is committed to fostering a diverse, equitable, and inclusive workplace where all individuals are respected and valued. We recognize the importance of DEI in driving innovation, improving decision-making, and enhancing the company culture.

5 Policy on Social Issues

Paladin is committed to developing real estate that supports healthy living, inclusive communities, and meaningful connections. This policy outlines our focus on social cohesion, well-being, and creating workspaces that promote employee satisfaction, engagement, and health.

ESG Master Plan - Components

Paladin's ESG framework for partner compliance is anchored in four core operational pillars. These areas represent the primary drivers of on-the-ground risk and are embedded into partner requirements, project oversight, and ongoing monitoring to ensure consistent implementation across all developments.



Life & Fire Safety

Paladin's proprietary Life & Fire Safety Master Plan often goes beyond local code, to ensure the safety of our occupants



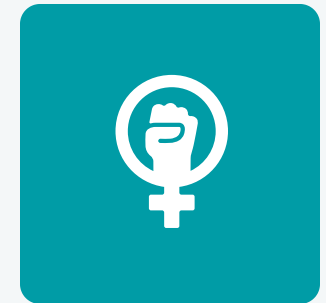
Occupational Health & Safety

All Builders must have Occupational Health & Safety policies that comply with IFC Performance Standard #2



Human Resources

Partners and Builders must comply with international best practices with regards to equal opportunity, non-discrimination, etc. based on IFC Performance Standard #2



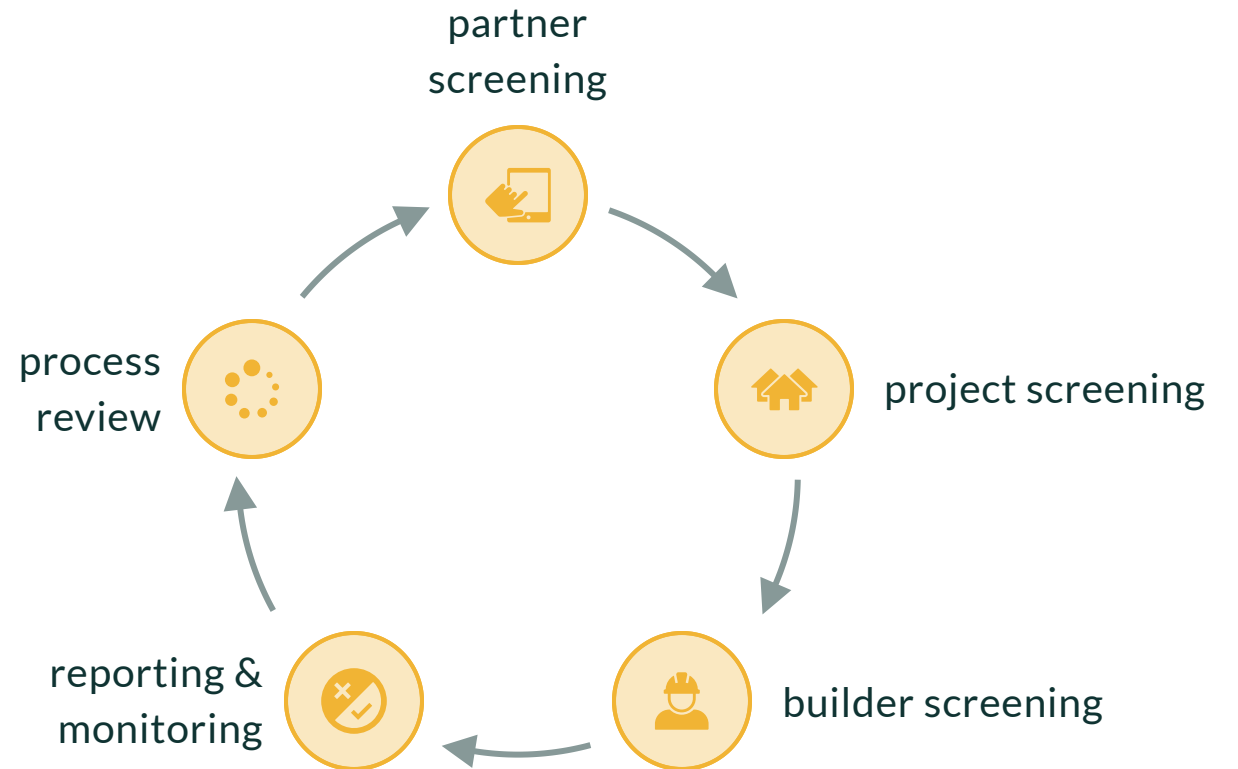
Grievance Mechanism

Partners and Builders must provide anonymous channels for workers to voice grievances; also applies to neighbors of our jobsites as part of community outreach



ESG Master Plan - Process

A core component of Paladin's ESG framework is ensuring that all local partners and contractors operate in alignment with our standards. This is achieved through a structured screening, monitoring, and enforcement process that extends from initial selection through project completion, with ongoing review to drive continuous improvement.



Paladin's ESG Committee

Team members from
across the region,
leading our ESG
efforts



NATALIA
Melendes
Committee
Chair - Peru



Noel
Granados
Peru



Andres
Bautista
Colombia



Juan Jose
Osorio
Colombia



Gustavo
Dionizio
Brazil



Ricardo
Borges
Brazil

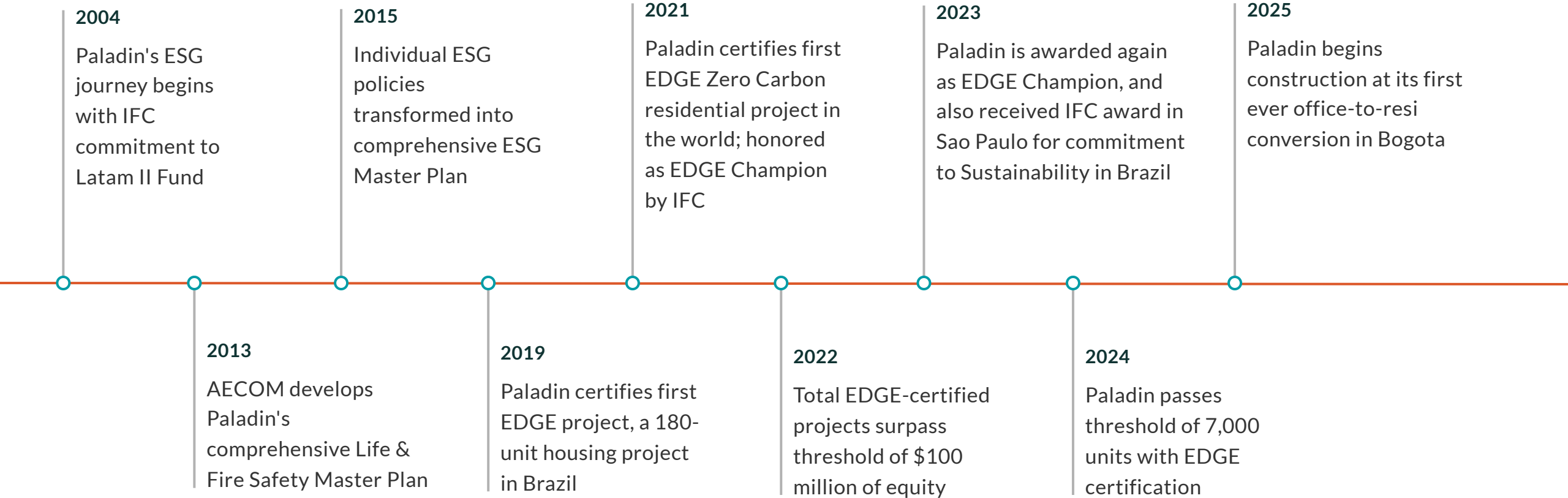


Gustavo
Quesada
Costa Rica



Randall
Loker
USA

Paladin's Evolving Commitment to ESG





ESG Highlights - 2025

Our 2025 highlights demonstrate disciplined execution across the areas that matter most: people, sustainability, and operational performance.

- **Accident Reporting**

TRIR accident rate at Paladin construction sites reached an all-time low of 2.5

- **Sustainable Projects**

2 new projects received sustainable certifications

- **Certified Investments**

Over \$110 million of Paladin equity now invested in EDGE-certified projects

- **Environmental Impact**

Projected annual CO2 savings across the portfolio total 4,194 tons and energy savings of 10 million kWh annually

- **Employee Well-being**

Achieved a 76% employee satisfaction metric, steadily improving year over year

- **Talent Development**

12 new hires, 42% of whom are women (5), 40% of whom are in senior positions (2)

Governance

AN APPROPRIATE GOVERNANCE STRATEGY IS THE CORNERSTONE OF DELIVERING INVESTMENTS WITH ENDURING BENEFITS FOR OUR INVESTORS AND COMMUNITIES.



Governance

Paladin's Code of Ethics & Compliance Policies

Paladin is committed to maintaining high standards of integrity in its interactions with clients, counterparties, and regulators. Compliance with applicable laws and regulations is central to our operations. As a registered investment adviser, Paladin operates in accordance with Rule 206(4)-7 under the Investment Advisers Act of 1940, which requires the adoption and implementation of written policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules.

These policies are documented in a comprehensive Compliance Manual tailored to Paladin's operations. The framework is designed to prevent, detect, and promptly address potential violations, while ensuring that personnel are informed of their regulatory responsibilities. All Paladin personnel are responsible for understanding and complying with applicable U.S. federal and state securities laws, as well as the local regulations governing the jurisdictions in which the firm operates.



Governance

Paladin's governance framework is designed to provide clear oversight, accountability, and disciplined decision-making across all aspects of the business. This structure is anchored by the Chief Compliance Officer, Executive Committee, Investment Committee, and ESG Committee, each with defined roles in managing risk, ensuring compliance, and guiding strategic execution.



Chief Compliance Officer

The CCO is responsible for the operation of the policies and procedures contained in Paladin's Compliance Manual. The CCO retains the authority to delegate certain duties to other qualified persons within Paladin, but the CCO has final responsibility for overseeing all compliance matters.



Executive Committee

The Executive Committee is comprised of Paladin's six owners and assists the CCO in connection with the consideration and determination of compliance related issues and policies. The EC and the CCO may consult with legal counsel as they may deem appropriate regarding any provision of Paladin's Compliance Manual.



Investment Committee

The Investment Committee is made up of seven senior members from across its regional offices. Its job is to evaluate and vet potential and existing investment decisions, and to avoid conflicts of interest in such decisions. Decisions are made by an iterative "vetting" process to ensure all members are comfortable with decisions before moving forward.



ESG Committee

Created in 2020, the ESG committee consists of 8 members from across the region, and was formed to formally implement and manage Paladin's sustainability strategy and its ESG practices and initiatives. It meets at least monthly to discuss all ESG matters, share lessons learned and areas for improvement.

ESG-Related Governance

Paladin's ESG governance framework is designed to integrate sustainability into investment decision-making, asset management, and partner oversight. ESG risk management is led by senior leadership and embedded across all stages of the investment lifecycle. This approach is implemented through a set of core principles:

- **(1) ESG Integration:** Sustainability criteria are embedded in underwriting, investment decisions, and ongoing asset management, with monitoring processes in place throughout the lifecycle of each investment.
- **(2) Stewardship:** Paladin requires partners and builders to adhere to its ESG standards, with compliance enforced through structured screening, contractual obligations, and ongoing oversight.
- **(3) Product-Level Impact:** Paladin focuses on developing real estate that addresses fundamental market needs—particularly workforce housing—improving quality of life while supporting long-term economic value and community stability.



Environmental

WE APPROACH SUSTAINABILITY AS BOTH A RESPONSIBILITY AND AN OPPORTUNITY TO ENHANCE ASSET PERFORMANCE AND LONG-TERM VALUE.





Environmental Performance

Paladin integrates environmental considerations into every stage of development, prioritizing reduced energy consumption, water usage, and embodied carbon.

Key Initiatives & Frameworks:

- **EDGE Certification:** Implementing the IFC's EDGE program since 2018 to measure and improve resource efficiency and carbon impact. Targets a minimum of 20% savings in energy, water, and embodied materials for all new developments. Overseen by regional ESG Managers, local EDGE Experts, and reviewed by Paladin's ESG Committee.
- **Focus Areas:** Energy efficiency, water conservation, sustainable construction materials.

Achievements:

- **27 Projects Certified:** EDGE certification achieved across Brazil, Colombia, Mexico, Peru, and Costa Rica.
- **Global First:** Developed the first EDGE Zero Carbon residential project outside of Mexico City.
- **Recognition:** Named an "EDGE Champion" by the IFC in 2021.

EDGE Certifications

Two new projects were certified in 2025, bringing our total to 27 projects, and over \$110 million of equity.

Project	Country	Certification	Units	Energy Savings	Water Savings	Material Savings	Annual CO ₂ Savings (tons)	Annual Water Savings (m ³)	Annual Energy Savings (KWh)	SMs	Invested Equity
Bosque da Serra	Brazil	EDGE	180	24%	26%	71%	40	3,807	145,000	10,942	\$15,230,000
Verah I & II	Peru	EDGE	213	26%	46%	55%	72	15,423	243,150	14,501	\$3,193,000
Art Home	Brazil	EDGE	378	24%	26%	62%	51	7,985	198,000	29,658	\$4,244,000
You, Collection Alves Guimaraes	Brazil	EDGE	162	29%	31%	59%	45	4,671	145,000	12,898	\$2,323,000
You, Collection João Moura	Brazil	EDGE	124	27%	26%	62%	27	3,266	84,000	9,067	\$1,790,000
Valenti	Colombia	EDGE	512	22%	35%	50%	193	19,419	579,170	29,965	\$6,376,000
Palmanova	Colombia	EDGE	600	42%	32%	60%	137	23,552	515,980	41,728	\$3,117,000
You, Perdizes	Brazil	EDGE	142	25%	30%	59%	22	2,531	68,000	9,703	\$2,331,000
ARQ	Brazil	EDGE	333	26%	28%	49%	192	13,329	598,140	16,244	\$4,600,000
Onze22	Brazil	EDGE	110	26%	28%	59%	138	2,812	48,160	4,646	\$10,750,000
You, Harmonia	Brazil	EDGE	210	25%	36%	44%	100	10,718	317,230	15,108	\$1,690,000
CORE Home	Brazil	EDGE	280	29%	31%	47%	139	10,753	40,114	10,478	\$3,557,000
CORE Hotel	Brazil	EDGE	152	28%	21%	27%	104	5,151	714,280	3,449	\$2,190,000
Praca Marajoara	Brazil	EDGE	204	22%	33%	70%	33	8,262	134,690	22,735	\$5,130,000
Villas San Lorenzo	Costa Rica	EDGE	201	34%	37%	61%	42	12,882	186,000	25,326	\$4,965,000
Villas del Fresno	Mexico	EDGE	1,639	41%	24%	74%	1,305	99,692	2,832,020	140,754	\$5,100,000
Homie	Peru	EDGE	217	23%	45%	61%	52	9,781	109,960	21,651	\$4,957,000
Funchal 641	Brazil	EDGE	165	24%	35%	58%	72	8,159	232,040	13,297	\$3,173,000
33 DC	Colombia	EDGE	653	34%	47%	34%	583	35,059	1,544,110	24,297	\$4,687,000
Simplicity	Peru	EDGE	168	34%	45%	56%	197	10,072	1,750	27,005	\$9,771,000
Klik	Colombia	EDGE	127	36%	46%	53%	31	5,918	148,360	2,413	\$800,000
Itacema	Brazil	EDGE	26	26%	22%	24%	32	1,885	71,060	5,566	\$3,724,000
Haddock	Brazil	EDGE	13	26%	21%	23%	11	547	12,980	2,762	\$890,000
Conego	Brazil	EDGE	32	30%	28%	36%	28	1,788	45,820	4,364	\$1,345,000
Molinos de la Sabana	Colombia	EDGE	400	36%	31%	65%	489	24,373	826,920	20,720	\$1,952,000
Franca 303	Brazil	EDGE	33	33%	29%	35%	19	1,558	44,853	1,246	\$744,000
Verah III	Peru	EDGE	108	36%	46%	42%	41	2,988	104,460	7,352	\$1,619,000
27 Projects			7,382	32%	32%	58%	4,194	346,379	9,991,247	527,876	\$ 110,248,000



Environmental

Water Savings

Water scarcity across Latin America requires a disciplined approach to resource management. Paladin integrates water-efficient design and infrastructure into its developments to reduce consumption and support sustainable, resilient communities.

Today across our EDGE-certified projects, projected water savings total 346,000 m³, or roughly 91 million gallons per year. This is primarily accomplished through a combination of:

- Low-flow faucets and shower heads
- Dual-flush toilets
- Rainwater harvesting systems
- Greywater recycling systems

Environmental

Energy Savings

The real estate sector accounts for approximately 40% of global carbon emissions, making energy efficiency a critical lever in reducing environmental impact. Paladin prioritizes energy-efficient design to lower consumption, reduce emissions, and improve affordability for residents.

Today across our EDGE-certified projects, annual projected energy savings total 10.0 million KWh. This is primarily accomplished through a combination of:

- Roof-mounted solar panels for pre-heating water
- Natural ventilation with operable windows
- Reduced window-to-wall ratios
- LED lighting with motion sensors for common areas
- External shading devices
- Reflective paint
- Insulative waterproofing systems





Environmental

Embodied Energy in Materials

Beyond energy and water use, Paladin addresses embodied carbon by selecting materials and construction methods that reduce lifecycle emissions. This approach minimizes resource intensity and lowers the overall environmental footprint of each development.

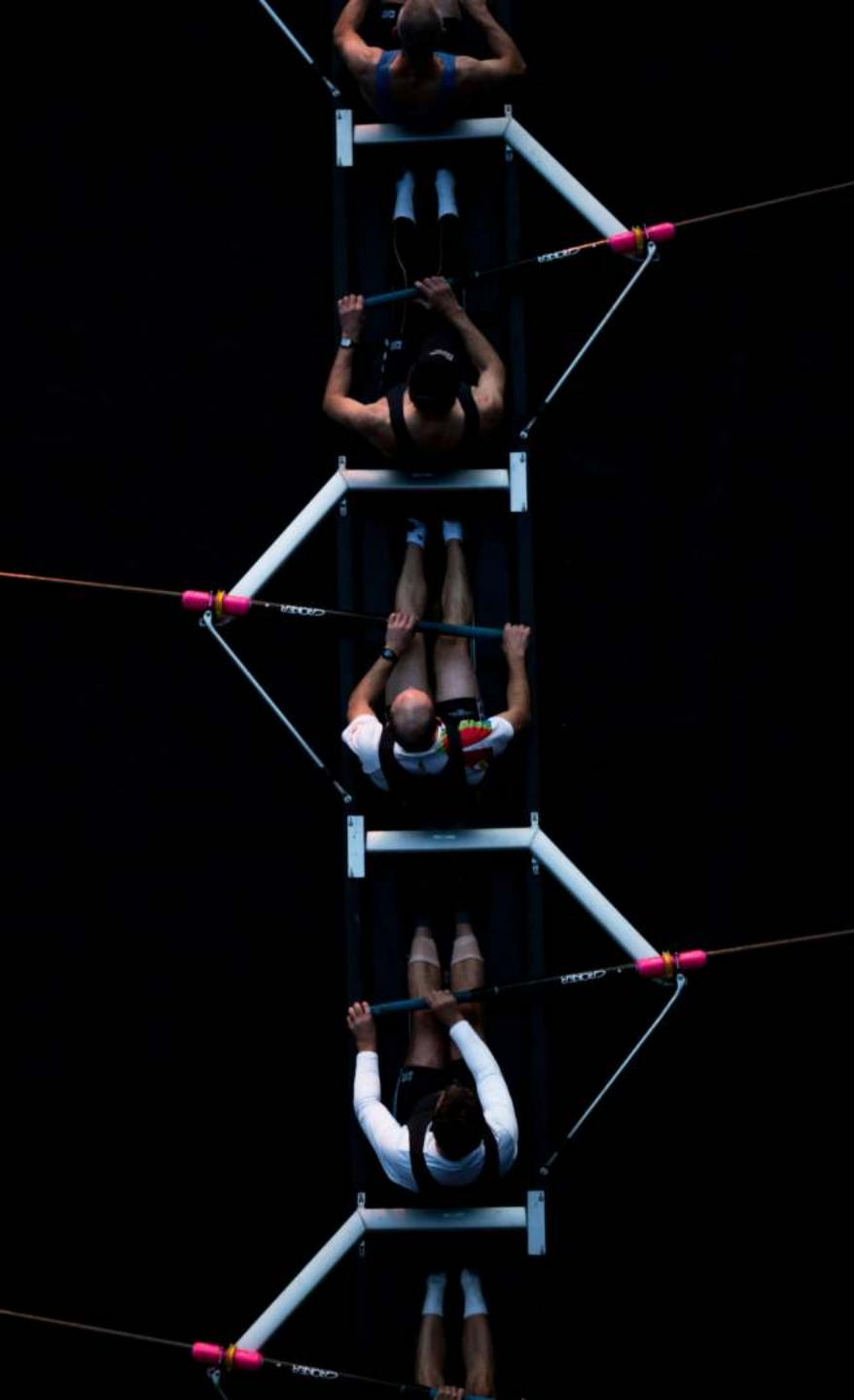
Today across our 27 EDGE-certified projects, we have been able to reduce the embodied energy in materials by 58% through a combination of:

- Low-carbon concrete
- In-situ reinforced concrete slabs, internal and external walls
- Internal walls with plasterboard, cement fibre board on metal studs
- Aluminum mold building systems for more efficient structures and that virtually eliminate waste
- Internal and/or external walls of reduced weight hollow concrete blocks
- Aluminum window frames

Social

BUILDING OPPORTUNITY THROUGH HOUSING, COMMUNITIES, AND PEOPLE.





Social

Diversity & Inclusion

At Paladin, diversity, equity, and inclusion are of the utmost importance. Our commitment to these values is central to our mission and to our impact. We are committed to creating a diverse and inclusive working environment where we value and develop employees of all backgrounds and experiences, believing that such collaboration among team members with varied pasts and perspectives generates deeper insights that better serve our investors, employees, residents and communities.

In 2025 Paladin made 12 new hires:

- 5 of those hires were women (42%)
- 2 of those women were in Director-level positions or above (40%)

As of year-end 2025 Paladin employees totaled 42 of which:

- 38% women
- 12% women at Director-level or above
- 75% minority (mainly Latino)

Paladin is 40% minority owned

Employee Satisfaction & Engagement

Employee satisfaction and engagement drive Paladin's performance and long-term value, shaping how we attract, retain, and develop talent. Our annual survey provides a clear, data-driven view of team sentiment, highlighting strengths and areas for improvement. In general, employees felt strong connections among one another, felt goals are clearly defined, and enjoyed comfortable work environments.

Room for improvement lies in reducing stress levels, more clearly defined goals (with more regular check-ins), and better training opportunities.

Overall Satisfaction

76%

▲ 4% vs. average (up from 74% in 2024)

Net Promoter Score (NPS)

41

▲ 27% vs. average (up from 39 in 2024)

Overall Engagement Rating

86%

▲ 4% vs. average (up from 85% in 2024)

How Often do you feel stressed?

54%

▼ 2% vs average (up from 52% in 2024)



Social Grievances

Ensuring Worker and Community Well-being

Formal Grievance Mechanisms

Paladin maintains structured channels across all projects to ensure timely identification and resolution of concerns from workers, residents, and community stakeholders.

Risk Mitigation

These systems are designed to reduce operational and reputational risks by supporting early issue resolution.

Grievances Logged in 2025

0

No grievances logged by any partners, builders, or communities.

In 2025, Paladin proudly announces that no grievances were logged by any partners, builders, or communities.



Social

Occupational Health & Safety

Paladin actively monitors all construction sites, tracking safety measures which are summarized in a statistic called the Total Reported Incident Rate (TRIR). The TRIR is our “safety grade” and was created in the early 1970s as a way for OSHA and the Bureau of Labor Statistics (BLS) to compare the relative safety of different companies against one another.

Across Paladin's 15 active jobsites in the countries of Brazil, Colombia, Peru and Costa Rica:

- 37 accidents were reported across over 2.95 million man-hours
- TRIR = 2.5, which is considered "average" (U.S. construction industry average [OSHA/BLS]: ~2.5–3.0); this is an improvement from 3.1 in 2024 and 2.7 in 2023
- Country with the highest TRIR was Colombia (average of 4.7) where we will focus our attention on improvement in 2026
- 0 fatalities

Social Impact, Costa Rica

Bernardo Drüg School Initiative

True to its adventurous spirit, Paladin's Costa Rica team organized a volunteer initiative to support the Bernardo Drüg School in Amubri, an underserved remote indigenous community in the mountains of Talamanca on the Caribbean coast.

The effort was made possible through the donation of 14 boxes of office supplies from a San Jose-based company, supplemented by contributions from the Paladin team to purchase soccer balls for each of the school's seven classes, ensuring both educational and recreational needs were addressed.

Reaching the community required a significant logistical effort, with the delivery team, led by Paladin's Investment Director Gustavo Quesada, traveling by motorcycle, crossing rivers by indigenous canoe, and continuing deep into the jungle to access the town. The initiative reflects Paladin's commitment to engaging meaningfully with underserved communities and supporting local education while getting the adrenaline flowing...Pura Vida!!



Social Impact, Peru

SJM Community Initiative

Paladin's Peru team partnered with TECHO Perú (a nonprofit that works across Latin America to address extreme poverty, primarily by mobilizing volunteers to build emergency housing and support community development in informal settlements) to support a community initiative in San Juan de Miraflores, Lima, focused on improving living conditions for vulnerable families.

The team contributed to the construction and painting of an emergency shelter, while also helping to strengthen the broader community through targeted infrastructure improvements.

As part of the effort, four light poles powered by small solar panels were installed throughout the settlement, enhancing safety and accessibility in an area with limited public services. This initiative reflects Paladin's commitment to practical, community-driven solutions that combine social impact with sustainable technologies.



Social Impact, Colombia

Community Build Initiative

Paladin's Colombia team also partnered with TECHO, supporting a community initiative in Soacha participating in the full construction of an emergency home, alongside volunteers and community members to deliver immediate, tangible housing support.

Beyond the physical build, the experience fostered a strong sense of teamwork and connection, as the group engaged directly with the beneficiary family, gaining a deeper understanding of their challenges. The initiative reflects Paladin's commitment to meaningful community engagement and to creating lasting social impact through hands-on involvement.



Social Impact, Los Angeles

Habitat for Humanity Build Day

Paladin's Los Angeles team came together in Altadena for a hands-on day of service, partnering with Habitat for Humanity to support the rebuilding of homes lost to devastating fires.

Working alongside fellow volunteers, the team contributed directly to reconstruction efforts, helping restore safe and stable housing for families impacted by the disaster. The initiative highlights both the urgency of disaster recovery and the importance of long-term housing affordability, with Habitat for Humanity playing a critical role in rebuilding entire homes for affected residents.

These efforts reflect Paladin's commitment to showing up locally, deploying time, effort, and teamwork where it is needed most. There may or may not have been an In-N-Out Burger close by...



Looking Forward

For 2026, we will continue to be a steward for sustainable business practices across Latin America.

A few goals towards that include:



Jobsite Safety

We will endeavor to improve our record best 2025 TRR score of 2.5 by increasing safety awareness across our jobsites, especially in Colombia



EDGE Renovation Certification

We expect to receive one of the first EDGE certifications in Colombia for renovating the outdated Rosales 77 building into a highly desirable residential rental asset



LEED Certifications

We will deliver our first of four LEED Gold office buildings in Sao Paulo, as well as several residential EDGE projects across the region



Employee Satisfaction

Through better internal communication and employee engagement, we will strive to reduce stress levels and increase overall satisfaction measures



Diversity & Inclusion

We will continue to hire diversely, with the goal of increasing percentage of executive-level women



Thank You!

For any questions regarding this report, or Paladin's business in Latin America,
please reach out to:

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Natalia Melendes - nmelendes@akamai.com.pe