



Broadstone Net Lease, Inc.  
NYSE: BNL



# 2024 Sustainability Report

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# CEO Message



**On behalf of Broadstone Net Lease (BNL), I am excited to share our third annual Sustainability Report.**

Our responsibility to our investors as a publicly traded, industrial-focused, diversified net lease real estate investment trust (REIT) pushes us to seek consistent growth in every cycle. We remain focused on operational real estate expertise that's critical in today's macroeconomic environment, and to this end, we pride ourselves on our leadership in governance practices, a deep commitment to our employees and communities, and environmental risk management.

As we continue to evolve our sustainability strategy and efforts, effective risk management and transparency remain central to our mission and vision. For our 2024 report, we have adapted our reporting to begin aligning with the disclosure standards developed by the International Sustainability Standards Board (ISSB), which aim to produce comparable and

consistent sustainability disclosures across global capital markets.

The growth and development of our employees took center stage during 2024 as we launched new training programs covering several skill areas to help strengthen an already high-performing team and workplace culture. Additionally, BNL's Senior Leadership Team invested meaningful time to reflect on our company's mission, vision, and corporate values. This was an important exercise involving team members from across the organization, and we are currently embedding these principles throughout the employee journey at BNL. The outputs of these workshops can be found in the "About" section of this report.

As CEO, I am both proud of our accomplishments so far and mindful that sustainability is a long-term exercise in continuous improvement. To right-size our strategy and resources, feedback from our stakeholders and the adoption of best practices in our industry remain crucial. Annually, we ask for input from

our employees to understand where we excel and where we can improve our practices as an employer. In 2025, we will continue to evaluate the return on investment of our sustainability-related investments and better understand the risks and opportunities that climate change presents to our portfolio.

I would like to express my gratitude to our employees, board members, and other stakeholders for their support as we continue to build a resilient portfolio and responsible business. Thanks to their efforts, we've been able to make great progress toward our goals, and we will continue to engage them in the iteration of future goals.

Thank you for taking the time to review BNL's sustainability commitments and performance.

A handwritten signature in blue ink that reads "John D. Moragne". The signature is fluid and cursive, written in a professional style.

**John D. Moragne**  
**Chief Executive Officer**



## → About Broadstone Net Lease

Governance

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Social

About This Report

# About Broadstone Net Lease

## Company Overview

Established in 2007, Broadstone (NYSE: BNL) is an industrial-focused, diversified net lease REIT that invests in primarily single-tenant commercial real estate properties that are net leased on a long-term basis to a diversified group of tenants.

We primarily—and selectively—invest in real estate across industrial and retail property types and strive to achieve growth in revenues and earnings through our four core building blocks, which are: (1) embedded same store net operating income growth, (2) revenue generating capital expenditures with existing tenants, (3) build-to-suit developments, and (4) a diversified acquisition pipeline.

We pride ourselves on establishing long-standing relationships with creditworthy tenants who occupy properties with strong real estate fundamentals. Further, as owners of commercial real estate, we recognize the importance of environmental sustainability, social responsibility, and good governance practices, and we strive to embed these factors into our day-to-day operations.



## Our Mission

To bring real estate to life and drive value through a relationship-based and innovative approach to net lease investing.

## Our Values

### SET THE STANDARD

We strive to go above and beyond, taking pride in delivering exceptional results and how we achieve them.

### REDEFINE WHAT'S POSSIBLE

We challenge the status quo, pushing ourselves to deliver unique, forward-thinking solutions.

### OWN THE WORK

We embrace accountability in everything we do, owning our work and its impact, so that we can achieve our common goals and deliver on our promises.

### BE BETTER TOGETHER

We leverage our collective strengths through collaboration, knowing we can accomplish more and do our best when we work together.

### TAKE CARE OF EACH OTHER

We actively listen to, care for, and serve the needs of our stakeholders, team members, and communities.

## Portfolio Overview

(as of December 31, 2024)

**765**

individual net leased commercial properties across industrial, retail, and other

**758**

properties located in 44 US states

**7**

properties located in 4 Canadian provinces

**39.4M**

sq. ft. leasable floor area

## 2024 Business Highlights

(as of December 31, 2024)

**\$404.8M**

invested

**99.1%**

rent collected

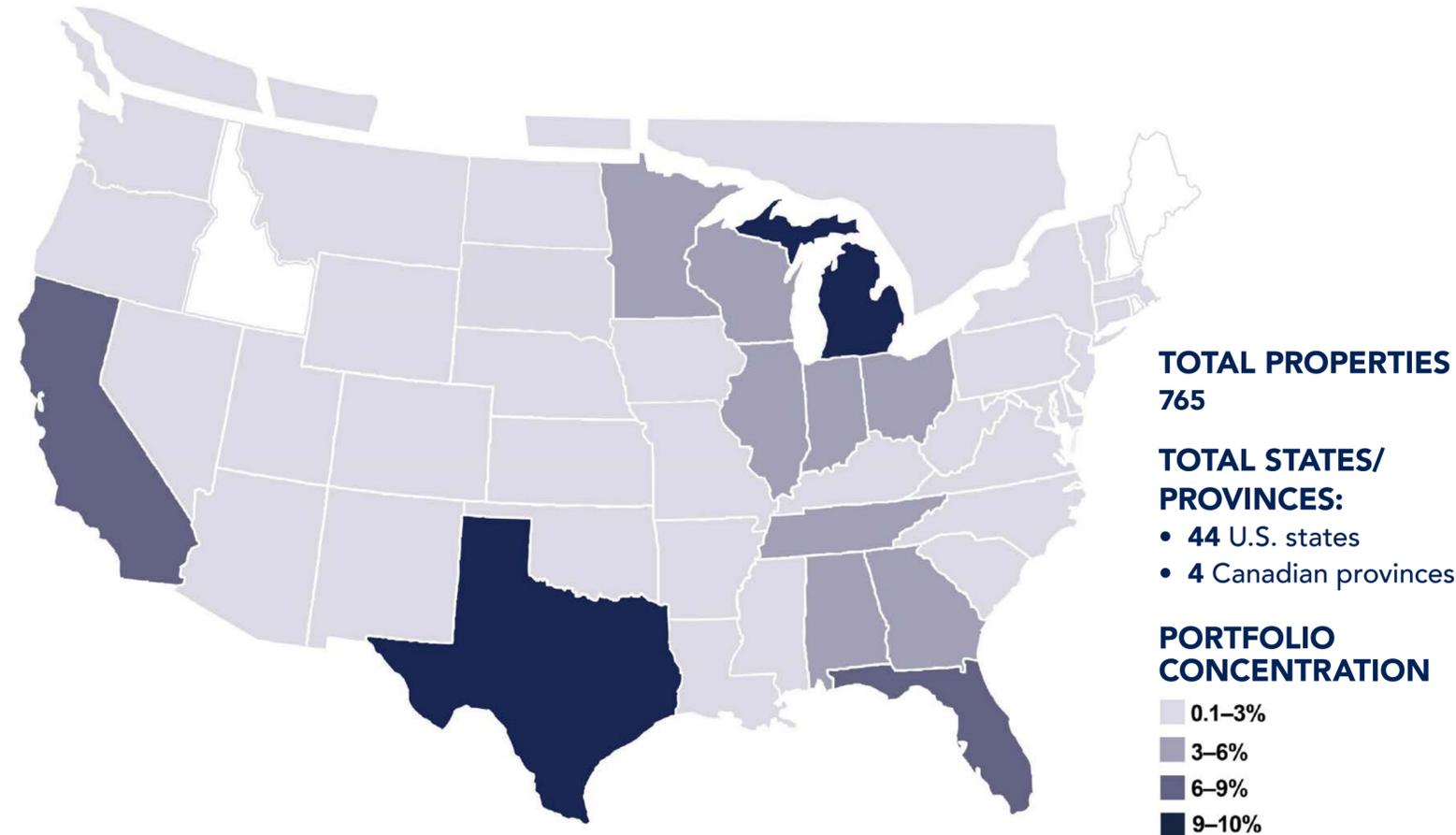
**99.1%**

economic occupancy

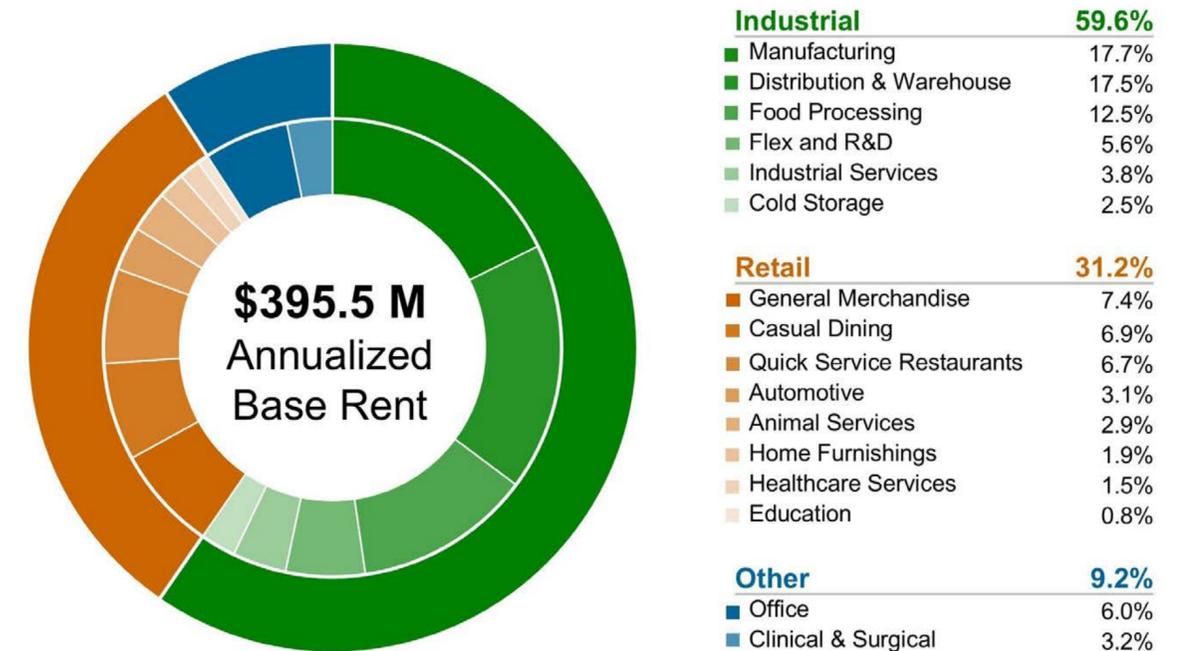
**\$1B**

total revolver capacity

## Significant Geographic Diversity



## Property Type Diversification (By ABR)



# Our Board of Directors

We are committed to maintaining a strong corporate governance framework, with our Board of Directors ensuring effective oversight and accountability.



**Laurie A. Hawkes**  
Chairman  
(Independent)  
Board member since 2016



**John D. Moragne**  
Chief Executive Officer  
and Director  
Board member since 2023



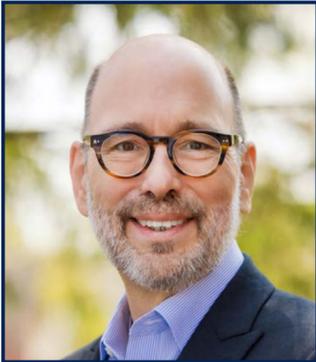
**Michael A. Coke**  
Director  
(Independent)  
Board member since 2021



**Jessica Duran**  
Director  
(Independent)  
Board member since 2023



**Laura Felice**  
Director  
(Independent)  
Board member since 2023



**Richard Imperiale**  
Director  
(Independent)  
Board member since 2025



**David M. Jacobstein**  
Director  
(Independent)  
Board member since 2013



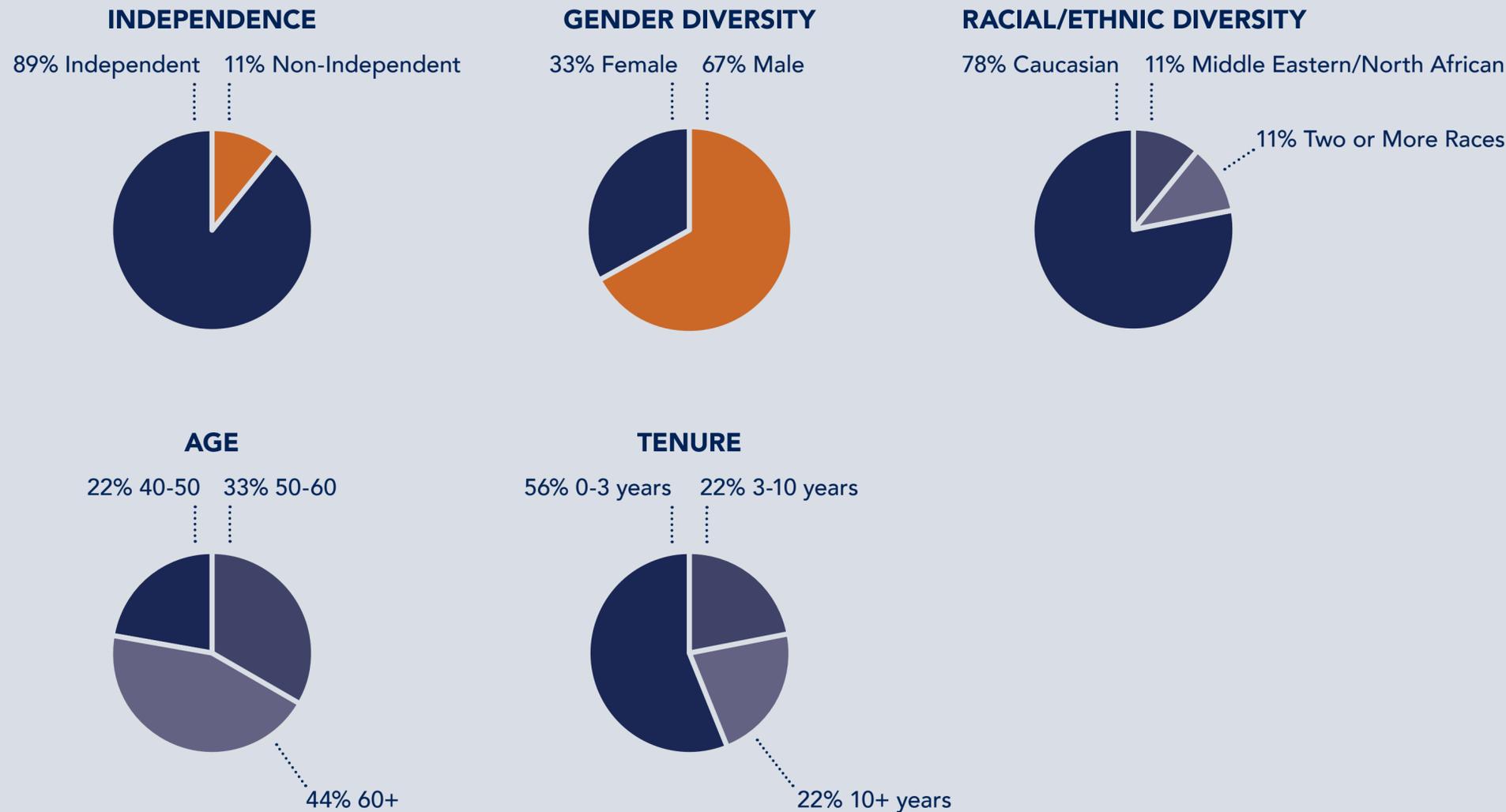
**Joseph Saffire**  
Director  
(Independent)  
Board member since 2025



**James H. Watters**  
Director  
(Independent)  
Board member since 2007

Our Board of Directors consists of independent, non-executive directors from diverse backgrounds, enabling us to harness a wide array of skills, including capital markets, finance, real estate, and compliance.

### Board Composition\*



### We have three fully independent standing committees.

**The Audit Committee** assists the Board in the preparation and review of the company’s financial statements. It is also responsible for the oversight of risk management policies and cybersecurity. Each of the members of the Audit Committee of the Board of Directors qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission (SEC).

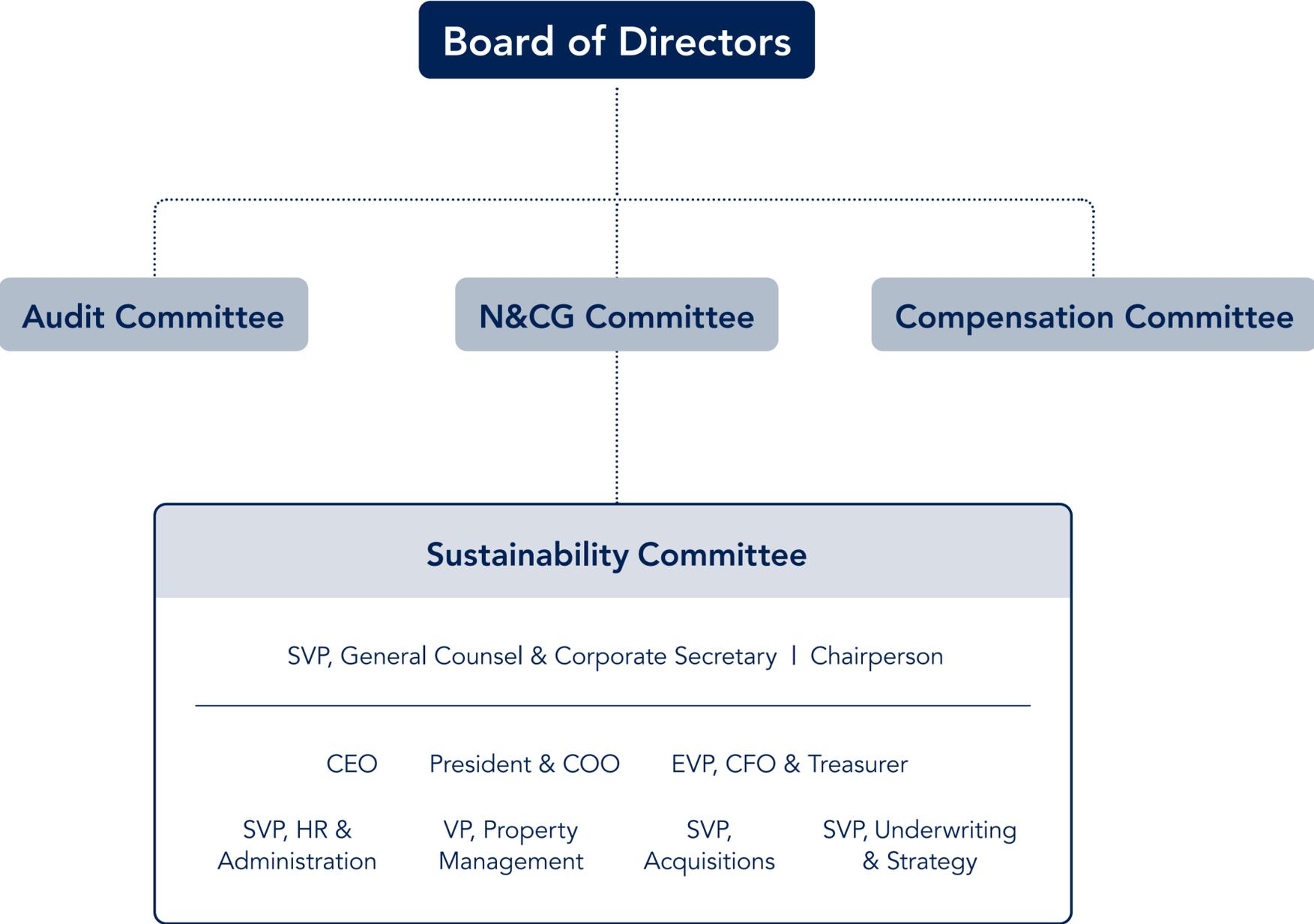
**The Nominating & Corporate Governance (N&CG) Committee** facilitates the ongoing effectiveness of the Board. Its responsibilities include the implementation and monitoring of governance-related policies, conducting Board evaluations, overseeing sustainability-related initiatives, and reviewing Board composition and structure.

**The Compensation Committee** oversees the company’s practices with respect to the compensation of executive officers and directors, including equity awards, approval of compensation-related arrangements, and an evaluation of incentives to ensure no excessive risk-taking arises from compensation programs.

# Sustainability Governance

Our approach to sustainability governance is designed to ensure regular and continued oversight of sustainability performance and our progress toward our business objectives. Holistic management of sustainability-related matters has been formally overseen by our Sustainability Committee. This committee reports to BNL’s N&CG Committee quarterly, which helps facilitate the rapid escalation of sustainability matters to our Board, if needed.

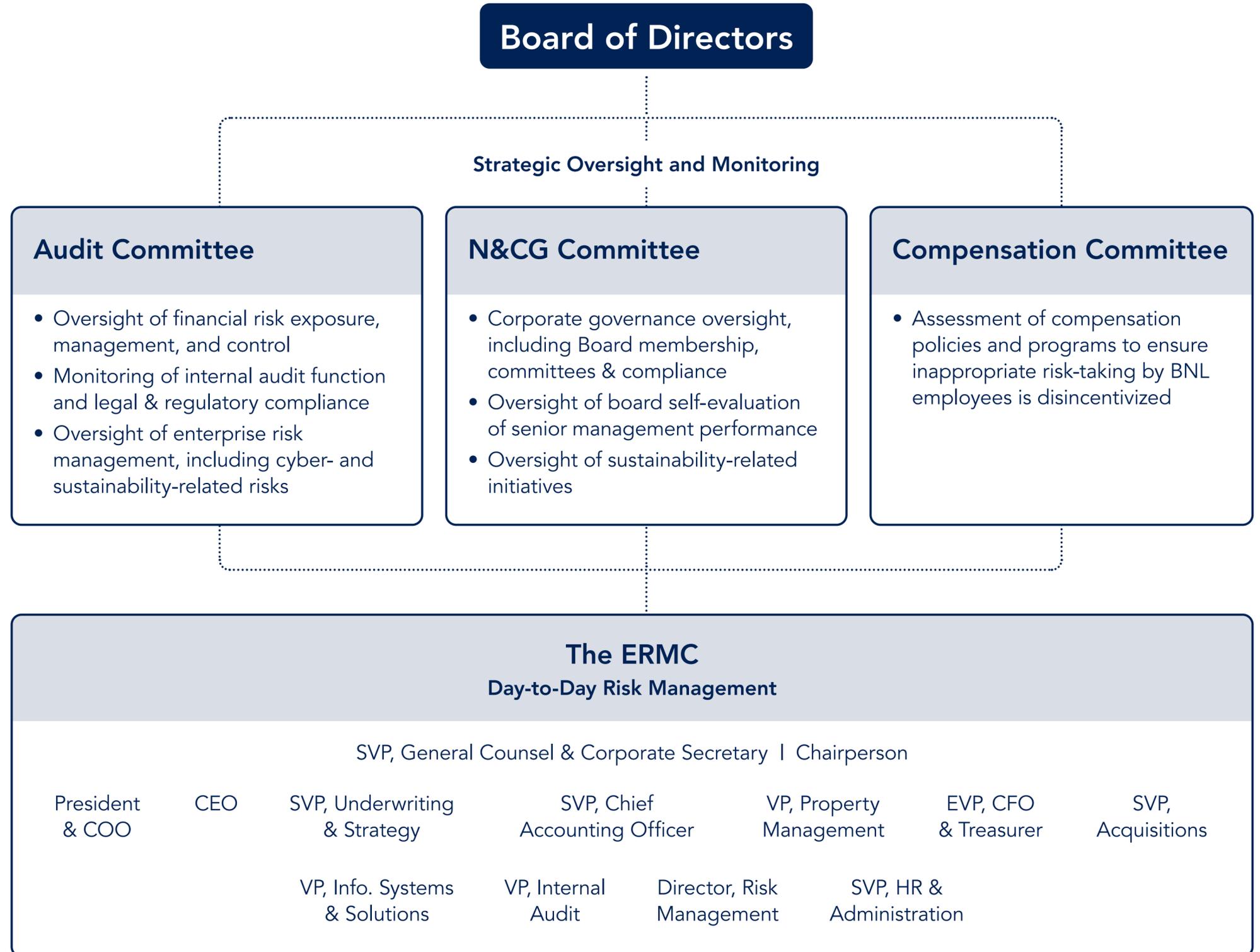
Our internal Sustainability Committee, led by our SVP and General Counsel (Chair), oversees our sustainability initiatives. The Committee also includes our SVP of Human Resources (HR) & Administration, who oversees our Inclusion and Belonging efforts and initiatives. Other members of the Committee include our Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, SVP of Acquisitions, SVP of Underwriting & Strategy, and VP of Property Management. Management discusses sustainability matters with the N&CG Committee and the full Board of Directors at least quarterly.



# Enterprise Risk Management

BNL’s enterprise risk management framework promotes a thorough approach to risk management. The Enterprise Risk Management Committee (ERMC) oversees daily risk management, while our Board’s standing committees monitor specific risk areas on behalf of the Board. The ERMC is composed of twelve members in business functions and senior management positions and is responsible for the end-to-end risk management process, encompassing risk identification, analysis, mitigation, treatment, and monitoring. The ERMC conducts an annual risk assessment, which is reported to the Board and its Audit Committee.

Our standing Board committees and the ERMC are responsible for the management of sustainability- and cyber-related risks and opportunities facing our business, with additional controls in place to ensure holistic, 360-degree risk-horizon-scanning.



# Stakeholder Engagement

We maintain an ongoing cycle of active engagement with internal and external stakeholders, including our employees, investors, tenants, and local communities.



Stakeholder	Engagement Channels	Frequency
<b>EMPLOYEES</b>	Engagement surveys to gauge employee sentiment and satisfaction	Annually
	Performance reviews to evaluate employee performance and provide a forum for two-way feedback	Annually with mid-year conversations
	Town hall meetings to provide updates from our senior leaders on company performance and key initiatives	At least quarterly
	Internal communication via email, newsletters, or BNL's intranet to keep employees informed about important updates, policies, and other company news	Ongoing
<b>TENANTS</b>	Direct engagement with our tenants via site visits and other meetings to identify opportunities to support their growth through capital expenditures, including sustainability investments	Ongoing
	General communication with tenant property management teams to build and strengthen tenant relationships	Ongoing
<b>INVESTORS</b>	Investor meetings and calls to provide insight and transparency into our operational performance and solicit feedback	Ongoing
	Investor presentations, public filings, and press releases to provide timely results of our operations and other important corporate updates	Quarterly
<b>COMMUNITIES</b>	Corporate contributions to support various causes in Rochester, NY; Phoenix, AZ; and, on a rotating basis, other communities in which our remote employees reside	Ongoing
	Corporate-sponsored employee volunteer events to donate time to charitable causes	Ongoing
	Individual employee contributions to support causes of choice with additional paid time off for volunteering	Ongoing

## Material Sustainability Topics

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In 2023, BNL conducted its first structured sustainability materiality assessment with the support of an external consultant and broad stakeholder participation. In our 2023 Sustainability Report, we included the results of this assessment in the form of a materiality matrix. This report also included BNL's inaugural disclosure on climate-related risks and opportunities aligned with the nine recommendations of the TCFD.

Sustainability-related risks and opportunities continue to evolve for both BNL's business and our wider industry, as do the expectations for the standardization of this information. The ISSB and its disclosure standards (IFRS S1 and IFRS S2) have gained prominence among investors and regulators as a global baseline for this type of disclosure. They directly integrate the TCFD recommendations and Sustainability Accounting Standards Board (SASB) Standards.

The term *materiality* is not used in the ISSB Standards to reflect the significance or importance of a sustainability-related topic. Instead, these standards require disclosure of (material) information about the sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. The industry-based SASB Standards are a source of guidance for applying IFRS S1 to voluntary sustainability reporting. Combined with many of the high-priority topics that surfaced during our 2023 materiality assessment, we are reframing BNL's sustainability strategy and disclosure with a more focused list of material topics, outlined here. This 2024 Sustainability Report has been prepared with the general recommendations included in IFRS S1 and S2 that are relevant to BNL's overall strategy, risk management, governance processes, and performance related to the following sustainability matters.

### Governance

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-  **Business ethics and transparency**
-  **Cybersecurity**

### Environmental

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-  **Climate change and greenhouse gas (GHG) emissions management**
-  **Tenant engagement and management of sustainability impacts**
-  **Energy management**

### Social

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-  **Talent acquisition, professional development, and employee engagement**
-  **Employee health, safety, and wellbeing**
-  **Inclusion and belonging**

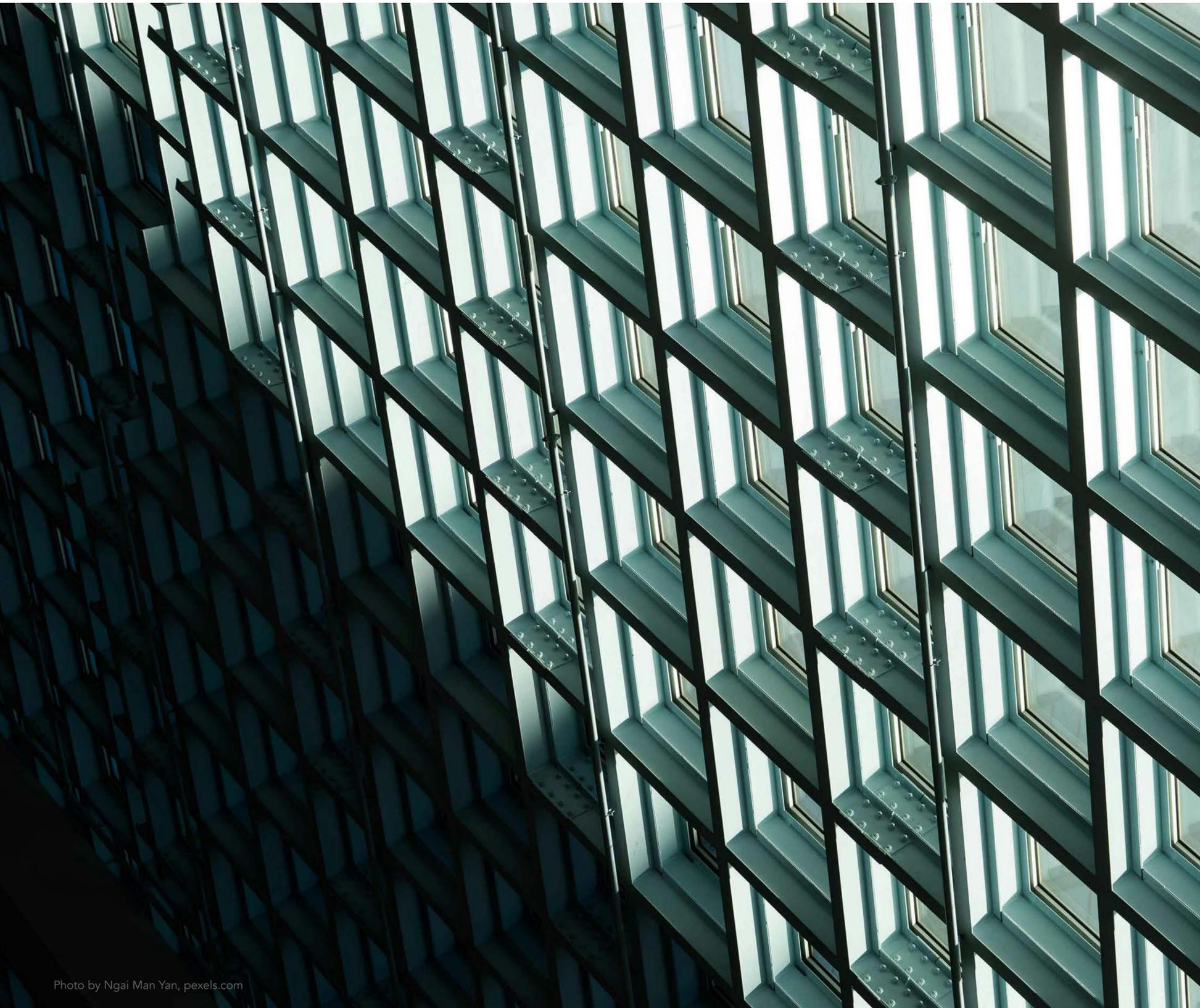


Photo by Ngai Man Yan, pexels.com

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# Governance

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders and broader stakeholders. BNL's unwavering commitment to high standards of corporate conduct and compliance is evidenced by how we manage our business daily.



## Business Ethics and Transparency

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We expect our directors, officers, and employees to act in accordance with the highest moral, legal, and ethical standards. By ensuring regulatory compliance through robust internal controls and transparency through policies and disclosures, BNL builds trust with our stakeholders and protects stockholder value.

### Oversight and Management

BNL's full Board oversees various areas related to business ethics and transparency across its three core committees, including the adoption of applicable policies and procedures. Our SVP & General Counsel oversees the day-to-day management of BNL's ethics program, including the implementation and maintenance of such policies and procedures, as well as the ERM, which monitors and mitigates ethics- and reputation-related risks, among other operational risks.

### Strategy

BNL proactively identifies potential conflicts of interest both internally and externally. To avoid conflicts within operations and ensure objective decision-making, our Charter requires a certain number of independent directors on our Board. Additionally, both the Code of Ethics and the Corporate Governance Guidelines prevent executives from engaging in transactions that may result in such conflicts.

To ensure a strong foundation in our governance practices, each employee meets with our SVP & General Counsel to review and discuss our Code of Ethics, Insider Trading Policy, and Anti-Bribery and Anti-Corruption Policy as part of employee onboarding. While BNL and its employees belong to certain trade associations and similar organizations, the use of corporate funds for political purposes is generally prohibited.

## **Risk Management**

BNL's commitment to strong business ethics is embodied in a suite of policies that set forth our guiding principles and underpin our approach to responsible business management.

### **CODE OF ETHICS AND BUSINESS CONDUCT**

Our Code of Ethics, applicable to employees, officers, and directors, aims to uphold the highest standards of integrity and prevent unethical conduct. It outlines comprehensive policies on crucial ethical matters such as confidentiality, conflicts of interest, and corruption.

The Code is founded on five core principles:

- Honesty and ethical conduct
- Full, fair, and accurate disclosure
- Compliance
- Prompt internal reporting of violations
- Accountability

In 2023, we revised our Code of Ethics to incorporate broader workplace safety, anti-bribery, and anti-corruption policy provisions

to ensure we continued to pursue our business in line with the highest ethical standards. To ensure ongoing compliance with the Code of Ethics, every BNL employee, officer, and director must annually submit a written acknowledgment confirming their receipt and understanding of our Code of Ethics.

### **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

Our Anti-Bribery and Anti-Corruption Policy is designed to uphold the highest ethical standards and prevent any form of improper business conduct. This policy strictly bans any form of bribery or facilitation payments, whether direct or indirect. It also provides comprehensive guidelines on how employees, officers, and directors should handle gifts, entertainment, and contributions to political or charitable causes, ensuring all actions are transparent and ethical. To underscore the importance of honesty and integrity within our business, every BNL employee, officer, and director must annually submit a written acknowledgment confirming their receipt and understanding of our Anti-Bribery and Anti-Corruption Policy.

## **HUMAN RIGHTS POLICY**

BNL is dedicated to respecting and promoting human rights in our employment practices and business relationships. We also support the broader protection and advancement of human rights for all. Our commitment is demonstrated through our endorsement of the United Nations' Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Additionally, we adhere to the human rights protections outlined in US laws and the regulations of the states and communities where we operate. These principles are formalized in our Human Rights Policy, which applies to our entire workforce and operations.

### **VENDOR CODE OF CONDUCT**

We firmly believe in evaluating the impact of our actions on all stakeholders, including the integrity and business practices of our vendors. Our Vendor Code of Conduct outlines our expectations for ethical business practices, respect for labor and human rights, and the promotion of vendor diversity. This code applies

to our vendors and their subcontractors involved in our daily operations.

### **COMPENSATION CLAWBACK POLICY**

BNL maintains a Compensation Clawback Policy that requires the recovery of certain forms of executive compensation in the case of accounting restatements resulting from a material error in the issuer’s financial statements. No finding of misconduct is needed for BNL to seek recovery.

### **WHISTLEBLOWER POLICY**

We are dedicated to addressing all whistleblower reports promptly, impartially, and with the highest level of urgency. We offer employees whistleblower protection when they report certain activities or make complaints about situations in the workplace that may be illegal, illicit, or fraudulent. Our Whistleblower Policy outlines the procedure for individuals to report suspected misconduct, unethical behavior, or violations of laws, rules, regulations, or company policies. To ensure confidentiality and anonymity, we use a third-party platform for submitting these reports.

### **INSIDER TRADING POLICY**

Our Insider Trading Policy offers guidelines for employees, officers, and directors to ensure compliance with insider trading laws, rules, and regulations, as well as the proper handling of material non-public information. The policy also generally prohibits any employee, officer, or director from hedging or pledging our securities. To ensure ongoing compliance with the Insider Trading Policy, all BNL employees, officers, and directors must annually provide a written acknowledgment confirming receipt and their understanding of the policy.

### **STOCK OWNERSHIP GUIDELINES**

We prioritize aligning management’s interests with those of our stockholders. To achieve this, we have established comprehensive stock ownership guidelines that mandate our executive officers and nonemployee directors to maintain a significant investment in our company. The required investment varies based on each individual’s role. For instance, our guidelines stipulate that the CEO must own shares of our Common Stock worth at least

six times their annual base salary, while non-executive directors must hold shares worth at least five times their annual cash retainer.

### **POLITICAL SPENDING POLICY**

In line with our dedication to maintaining high standards of ethical, honest, and legal business conduct, we have implemented a Political Spending Policy that forbids the use of corporate funds for political purposes. According to this policy, the company and its employees are allowed to join certain trade associations and similar organizations, such as Nareit. During 2024, BNL made no political contributions.

#### **Metrics**

**0**  
whistleblower incidents in 2024

**\$0**  
in monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related laws or regulations

# Cybersecurity

BNL has given careful attention to the identification, assessment, and mitigation of existing cybersecurity risks in the wake of more powerful digital threats. The growth of artificial intelligence has intensified discussions about cybersecurity due to its dual role in both enhancing and threatening data privacy and information protection. BNL is committed to identifying, assessing, and mitigating new cybersecurity risks as they emerge.

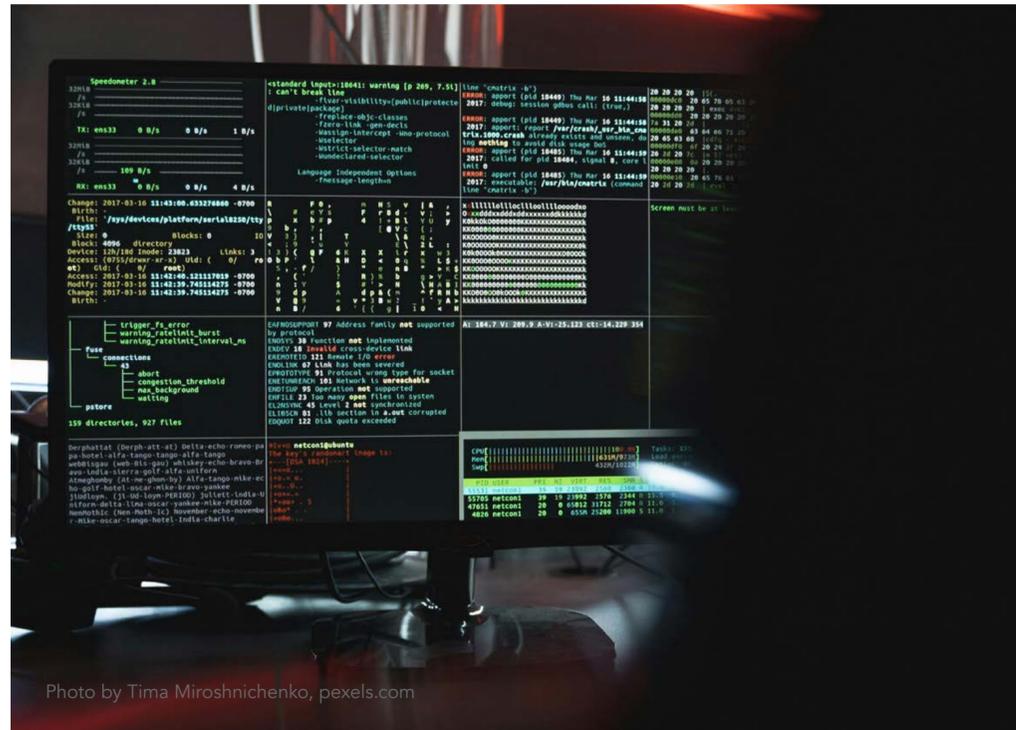


Photo by Tima Miroshnichenko, pexels.com

## Oversight and Management

Strategic oversight of cyber-related risks and guiding procedures ultimately lies with the Audit Committee of our Board. Our VP of Information Systems & Solutions leads BNL’s information technology and cybersecurity functions alongside five other employees. This department is in turn overseen by our Chief Financial Officer. BNL’s VP of Information Systems & Solutions and Director of Information Technology brief the Audit Committee on information technology (IT) and cybersecurity matters at least annually, with quarterly updates provided as needed.

## Strategy

BNL has established a Computer Security Incident Response Plan (Incident Response Plan) to outline the procedures for identifying, responding to, and recovering from cybersecurity incidents. Our dedicated, cross-functional Incident Response Team conducts annual tabletop exercises and simulations with external cybersecurity legal counsel to test the Incident Response Plan as part of our business



continuity, incident response, risk assessment, and disaster recovery planning. The Incident Response Team also assesses the materiality of any cybersecurity incident in accordance with the Incident Response Plan and may engage third-party experts to assist during such incidents.

Additionally, to reduce the impact of cybersecurity incidents, we require all employees to undergo IT and cybersecurity training when they join BNL and annually

thereafter. We regularly test employees' knowledge and compliance with our policies, which are reviewed yearly, through planned phishing simulations. We also provide educational newsletters and articles on IT and cybersecurity topics. We use third-party experts to review and test our IT infrastructure, including continuous monitoring for suspicious activity, routine penetration testing, and an annual security assessment to identify vulnerabilities.

**Risk Management**

Material cybersecurity risks are identified and assessed as part of our enterprise risk management process. Our ERM, led by our SVP & General Counsel, includes senior leadership and key personnel that meet quarterly to discuss these risks. Cybersecurity risks are reviewed in detail and assigned risk ratings annually, and mitigation efforts and process enhancements are discussed. The ERM's annual risk assessment is presented to the Board of Directors and the Audit Committee.

Our third-party service providers of technology services are generally required to provide us with system and organization controls (SOC) reports prior to formal engagement and annually thereafter. The reports are reviewed by our VP of Internal Audit and our VP of Information Systems & Solutions to assess and monitor compliance with cybersecurity best practices.





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# Environmental

Under BNL's triple net lease business model, tenants are responsible for the day-to-day operations of our properties, including energy usage and efficiency practices. Despite these constraints, we continually evaluate both business opportunities and risks related to environmental sustainability management, and we remain proactively transparent in our efforts to collect and report performance data where we can obtain it.

## **Climate Change and GHG Emissions Management (IFRS S2)**

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We leverage the IFRS S2 framework to guide our management and disclosure of climate-related risks and opportunities. An index mapping the paragraph numbers of IFRS S2 to the disclosures in the following sections can be found in the Index of this report.

### **Governance**

Our Board has delegated responsibility for oversight of sustainability matters to our N&CG Committee and has delegated responsibility for oversight of risk-related matters, including responsibility for oversight of climate-related risks, to the Audit Committee. The N&CG and Audit committees report to the Board on a quarterly basis and, where required, make recommendations to the Board on all sustainability- and climate-related issues.

On a day-to-day basis, sustainability- and climate-related matters are overseen and

managed by our Sustainability Committee, which reports directly into the N&CG Committee and currently comprises eight members of the management. Our ERMC also supports the management of risk, including climate-related risks.

The Board and management evaluate the potential benefits and drawbacks of various climate-related initiatives, balancing short-term costs with long-term gains and ensuring that the company's approach to climate risks aligns with its overall business objectives and stakeholder expectations. Management also considers climate-related risks and opportunities, the integration of climate considerations into strategic planning, and discussions on the potential impacts of climate change on the company's operations and long-term strategy.

The members of the Sustainability Committee and ERMC include individuals across the organization to more effectively oversee and manage risks and opportunities as part of

Physical Risks		
TYPE	TIME HORIZON	DESCRIPTION
Acute Risks	Medium-Term	<b>Sudden or Isolated Climate-related Events:</b> Increased frequency and/or severity of climate-driven weather events and natural disasters (e.g., floods, wildfires, hurricanes)
Chronic Risks	Medium- to Long-Term	<b>Gradual Effects of the Changing Climate:</b> Development of irreversible and/or long-term shifts in climate patterns (e.g., sustained changes to precipitation patterns and temperatures), leading to chronic phenomena (e.g., extreme heat, drought, sea level rise)

Transition Risks		
TYPE	TIME HORIZON	DESCRIPTION
Policy & Legal	Short-Term	<b>Regulatory Environment:</b> Changes to existing and/or introduction of new climate-related mandates (e.g., GHG emissions disclosures) impacting reporting processes, corporate governance, and portfolio management
Technology	Short- to Medium-Term	<b>Technological Advances:</b> Requirement or expectation for BNL to invest in new, low-emission, climate-friendly technologies
Market	Short- to Medium-Term	<b>Changing Stakeholder Preferences:</b> Changing viewpoints on the importance of climate change may lead to increased stakeholder attention to BNL's climate-related strategy, driving tenants and investors to re-evaluate respective leasing and investment decisions
Reputation	Short- to Medium-Term	<b>Climate-driven Reputational Impacts:</b> Reputational damage due to negative perception of BNL's approach to climate mitigation and adaptation

Opportunities		
TYPE	TIME HORIZON	DESCRIPTION
Market	Short- to Medium-Term	<b>Resiliency Improvements:</b> Integrating climate-resilient design, engineering, and controls across the portfolio can potentially increase the value of adapted assets
	Short-Term	<b>Enhancing Sustainability of Assets:</b> Achieving green building certifications for assets can help to meet stakeholder demand, attract and retain tenants, and lead to investor interest and better financing
Technology	Short- to Medium-Term	<b>Utility Savings:</b> Improved and lower-cost building systems and technology (e.g., lighting, heating, air conditioning, renewables) can lead to energy-related cost savings
Reputation	Short- to Medium-Term	<b>Stakeholder Engagement:</b> Engaging stakeholders to align on climate-related priorities and risk management and partner on asset-level sustainability initiatives can strengthen relationships and enhance BNL's reputation as a provider of high-value assets

their internal functions, in addition to focused sustainability- and climate-related issues. Climate-related performance targets are not currently part of BNL's remuneration policies for management.

### Strategy

Our latest climate risk assessment was conducted in 2024 and included the identification and assessment of climate-related risks and opportunities on various time horizons that could potentially impact our business. Broadstone defines short-, medium-, and long-term risks and opportunities as 0–5 years, 5–15 years, and 15+ years, respectively.

An overview of these identified climate-related risks and opportunities is summarized in the tables above. Additional details on the potential impacts and management of these risks and opportunities are discussed in the “Impact on Business, Strategy, and Financial Planning” section.

## **IMPACT ON BUSINESS, STRATEGY, AND FINANCIAL PLANNING**

BNL does not currently calculate actual or potential financial impact figures for its climate-related risks and opportunities but instead assesses impacts qualitatively. This is described for each risk and opportunity below.

### **PHYSICAL ACUTE RISKS—SUDDEN OR ISOLATED CLIMATE-RELATED EVENTS**

The increased frequency and severity of climate-driven weather events and natural disasters like floods, wildfires, and hurricanes can lead to property loss and damage, costs for property repairs, and increases in insurance premiums and deductibles. These events also have the potential to threaten occupant health and safety, which could lead to reputational impacts and loss of stakeholder trust.

We evaluate physical risks as part of the acquisitions due diligence process and as insurance policies are renewed. Depending on the results of asset-level insurance assessments, we may pursue capital and operational changes (e.g., climate-resilient design, improvements, and controls) or adjust our insurance strategy

(e.g., encourage more favorable risk transfer terms and pricing) to mitigate and manage the potential impacts of this risk. Additionally, we engage with tenants to encourage disaster preparedness activities, as well as validate their own risk management arrangements.

### **PHYSICAL CHRONIC RISKS—GRADUAL EFFECTS OF THE CHANGING CLIMATE**

The development of irreversible and long-term shifts in climate patterns, such as sustained changes to precipitation patterns and temperatures, can lead to chronic phenomena such as extreme heat, drought, and sea level rise. These changes can cause a higher rate of wear and tear across the portfolio, leading to higher and more frequent costs for repairs, maintenance, and operations. Extreme heat and higher average temperatures can increase cooling-related demands, resulting in higher energy costs, and could potentially result in withdrawal from tenants unable or unwilling to pay those costs.

Depending on the severity of the climate impacts, certain assets may be ineligible for insurance coverage, lack affordable insurance

options, or become unviable due to sea level rise or other hazards. These impacts have the potential to result in stranding assets, reliance on self-insurance, and limitation of our portfolio diversification strategy.

Similar to physical acute risks, our insurance assessments help us understand, mitigate, and manage climate-related risks for our assets. Where feasible, we pursue energy efficiency initiatives and design to manage operating costs at our offices and assets. We also conduct high-level research on potential CAT events (floods, wildfires, hurricanes, earthquakes) during due diligence and on an ad-hoc basis, which provides insights for our investment decision-making and insurance coverages.

### **TRANSITION RISKS—REGULATORY AND LEGAL ENVIRONMENT**

Updated and emerging climate-related mandates, such as GHG emissions disclosure regulations, can impact our reporting processes, corporate governance, and portfolio management. Depending on the regulation, our organization and assets may face fines and litigation for non-compliance. Additionally, we

may have to spend more financial and human resources on compliance-related activities, which may limit the deployment of resources elsewhere. Tenant obligations to comply with climate-related regulations may also negatively affect their operations and ability to pay rent.

To manage these risks, we have integrated climate-related items into our policies and procedures in anticipation of potential future regulatory requirements. Our legal counsel also keeps us up to date on any green building-related regulations applicable for our assets. Corporate climate-related regulations also drive our strategy. For instance, we quantify our Scope 1 and 2 GHG emissions and disclose our climate-related risks annually. We are also working to develop more formal programming and opportunities to allow for tenant partnerships on sustainability-related items, including those related to regulatory compliance.

#### **TRANSITION RISKS—TECHNOLOGICAL ADVANCES**

Requirements or expectations for BNL to invest in new, low-emission, and climate-friendly technologies can lead to significant

upfront capital expenditures. Additionally, the emergence of these new technologies in assets may be incompatible with legacy systems and require business- and portfolio-wide reforms and retrofits. Tenants may also be uninterested or opposed to changes that affect the assets they lease, which could have a reputational impact on BNL.

When integrating new technologies and systems, we prioritize tenant engagement to identify potential barriers and discuss partnership opportunities. We are also working to update our lease language to include provisions that can help enable partnerships with our tenants to pursue environmental data sharing, energy efficiency, and on-site renewable energy initiatives.

#### **TRANSITION RISKS—CHANGING STAKEHOLDER PREFERENCES**

Changing viewpoints on the importance of climate change may lead to increased stakeholder attention to BNL's climate-related strategy, driving tenants and investors to re-evaluate respective leasing and investment decisions. These changes in stakeholder

preferences (preferences either for or against BNL's climate-related strategies or BNL's climate-related practices have the potential to not meet tenant and investor expectations), which could lead to lower tenant attraction and retention and loss of access to capital. Additionally, managing changing preferences and any related updates to our climate-related initiatives could also result in increased use of human capital, which can take away from other beneficial initiatives.

At BNL, our strategy is focused on managing risks for our business and generating positive financial returns. These principles inform how we engage with and respond to tenants and investors, as well as the initiatives we pursue related to climate risks and opportunities. We also monitor and discuss trends in stakeholder preferences to proactively manage potential stakeholder outreach.

#### **TRANSITION RISKS—CLIMATE-DRIVEN REPUTATIONAL IMPACTS**

We may face reputational damage due to negative perceptions of BNL's approach to climate mitigation and adaptation. With increasing occurrences of natural disasters,

stakeholders may view BNL's approach to climate change to be insufficient. This could lead to lower demand for specific asset classes or assets located in certain regions and negatively impact BNL's revenue.

Conversely, if certain stakeholders disagree with the need to manage and report on climate-related risks and opportunities, this could also affect BNL's ability to gain access to capital. Overall, any negative perceptions of our climate strategy have the potential to strain relationships with stakeholders, and could lead to loss of key personnel, inability to win new business, and reduction in access to capital markets.

We work to diversify our portfolio's asset types and locations to accommodate changing stakeholder and market conditions and proactively engage with stakeholders to strengthen our relationships. In addition to our other initiatives to promote the resilience of our assets, we also align our climate disclosures and strategy with frameworks like IFRS S2 that are focused on disclosing information useful to users of financial reports.

### **MARKET OPPORTUNITIES—RESILIENCY IMPROVEMENTS**

Integrating climate-resilient design, engineering, and controls across the portfolio can potentially increase the value of adapted assets. As the risks related to natural disasters, higher temperatures, and rising sea levels increase, the demand for more resilient buildings may also increase. Building and retrofitting measures taken to enhance the resilience of these assets may increase asset value, leading to rent premiums, longer leases, and lower occupancy across the portfolio.

As our tenants' and our own insurance providers evaluate our assets for risk and provide recommendations for improvement, we may pursue certain measures that increase the resiliency of our assets when cost effective.

### **MARKET OPPORTUNITIES—ENHANCING SUSTAINABILITY OF ASSETS**

While our current opportunities to pursue green building certifications are limited, where possible, we are open to supporting our tenants with these certifications. Achieving green building certifications for assets can help to

meet stakeholder demand, attract and retain tenants, and lead to investor interest and better financing. Our green-building-certified assets may support our lease renewals and attract corporate tenants interested in leasing green assets. Additionally, certain investors may be interested in investment opportunities for green-building-certified assets, which can improve our financing.

We pursue green building certifications in partnership with interested tenants and in response to local and state regulations that require certain certifications.

### **TECHNOLOGY OPPORTUNITY—UTILITY SAVINGS**

Improved and lower-cost building systems and technology (e.g., lighting, heating, air conditioning, renewables) can lead to energy-related cost savings. When deployed at our offices and vacant assets, we can benefit from lower utility bills and reduced operating expenses. At our tenant-occupied properties, improvements to energy efficiency can similarly reduce our tenants' utility bills. These cost savings can increase the value proposition of

our assets, potentially contributing to tenant retention and attraction.

We are currently working with tenants on an ad-hoc basis to pursue energy efficiency and renewable-energy-related projects. We are also looking to evaluate additional opportunities for these projects throughout our portfolio. Through these experiences, we hope to showcase the success of these projects in the future to other tenants and expand sustainability partnerships and projects. Additionally, as part of our green lease program, BNL is beginning to pursue lease provisions in standard lease templates that allow for cost sharing of energy efficiency projects.

### **REPUTATION OPPORTUNITY—STAKEHOLDER ENGAGEMENT**

Engaging with stakeholders to align on climate-related priorities and risk management efforts and partner on asset-level sustainability initiatives can strengthen relationships and enhance BNL's reputation as a provider of high-value assets. Tenants interested in sustainability may have additional requests and requirements for the spaces they lease. Having

engaged landlords that are open to partnership opportunities can help lead to lease renewals, as well as positive reputational impacts.

When working with tenants on lease provisions, our team engages with tenants in the management of climate-related risks, typically through the discussion of insurance coverage.



### **CLIMATE RESILIENCE**

Our current resiliency strategy does not include a formal assessment of the potential impact of different future climate scenarios on our business. Asset-level resiliency measures

may be pursued as a result of insurance-related assessments or partnerships with interested tenants.

### **Risk Management**

BNL's enterprise risk management framework is described in the [Enterprise Risk Management](#) section of this report.

BNL's Annual Report on Form 10-K provides a detailed list of risk factors that are significant to our investors. Within the Risk Factors section of our latest Annual Report, we discuss how risks associated with climate change and natural disasters could materially and adversely impact our business.

### **PROCESS FOR IDENTIFYING, ASSESSING, PRIORITIZING, AND MONITORING CLIMATE-RELATED RISKS AND OPPORTUNITIES**

In addition to the identification and assessment of climate-related risks performed by the ERM, we conducted a separate evaluation of climate-related risks and opportunities in 2023. This evaluation involved identifying and evaluating climate-related risks, along with analyzing how these risks might influence other previously

identified organizational risks. To clearly differentiate the importance of each risk, the climate-related risks were rated on a scale of one to five across four key categories: impact, likelihood, vulnerability, and speed of onset. The results of this assessment were reviewed and refreshed for relevancy in 2024 in the “Strategy” section above.

BNL also leverages assessments conducted by our insurance providers to identify, assess, prioritize, and monitor risks.

**Metrics and Targets**

In 2024, we continued to advance our approach to GHG accounting, ensuring that our GHG inventory is consistent with the GHG Protocol and best practices in emissions reporting. This year’s emissions figures reflect enhancements to our data collection and validation processes, which have resulted in a more accurate and reliable inventory.

Considering these improvements, and following an internal review, we have elected to disclose only our 2024 GHG emissions. During this

review, we identified certain inaccuracies in our previously disclosed 2023 inventory. Rather than restating those figures, we are focusing on presenting emissions data that reflects our strengthened methodology and quality controls. We remain committed to transparency and continuous improvement in our climate-related disclosures and plan to revisit our historical data as needed in future reporting cycles.

We worked with a third-party consultant to calculate the 2024 Scope 1 and 2 emissions. After collecting energy utility data from our office spaces and vacant assets where available, we used relevant eGrid factors to calculate related GHG emissions. For any utility data we were not able to collect, we estimated using US Energy Information Administration Commercial Buildings Energy Consumption Survey factors. BNL does not own private vehicles or use private jet travel. Refrigerant data was not available and were estimated as part of Scope 1 emissions.

**2024 ENERGY AND EMISSIONS DATA**

Energy (MWh)	
Purchased electricity	1,850
Fuel (natural gas)	1,989

GHG Emissions (mt CO2e)	
Scope 1	361
Scope 2 (location-based)	525
Scope 2 (market-based)	561

BNL does not currently calculate its Scope 3 emissions, track climate-related impact metrics, use a carbon price, or set climate-related targets.

# Tenant Engagement and Management of Sustainability Impacts

Under a net lease business model, partnering with tenants is central to BNL’s environmental sustainability efforts. As such, we aim to enhance our assessments, communications, and considerations of tenant sustainability efforts. Effective management of tenant sustainability impacts, particularly related to energy and water, may drive asset value appreciation, increase tenant demand and satisfaction, decrease direct operating costs, or decrease risks related to building codes and regulations.

## Oversight and Management

BNL’s relationships with tenants and property management teams are overseen by our VP of Property Management. The Property Management team is responsible for all aspects of the physical properties, managing tenant relationships, and general lease administration. Our team regularly checks in with tenants to better understand their operations, space



needs, and facility utilization, and they help evaluate potential incremental investments in the properties themselves.

## Strategy

The crux of our sustainability efforts lies in being a reliable partner for our tenants and helping them achieve their objectives. When possible, we want to make sustainability objectives easier

to achieve for our tenants and provide landlord support. Broadly, tenant requests concerning sustainability are considered on a case-by-case basis. In 2024, BNL continued to position itself favorably to help tenants with any changes to buildings that can increase efficiency and improve environmental metrics.



## Risk Management

Through regular communication with the Property Management teams of our tenants, the BNL Property Management team collaborates to help address tenant concerns or requests as they relate to sustainability investments. Additionally, as new projects are brought to BNL for review and approval, our team looks to identify sustainability-related initiatives and to understand how we might partner to achieve them. Further, most of our leases require landlord consent to projects that are large in scale or impact the structural elements of our facilities. In reviewing these requests, the

BNL Property Management team can identify components of a project that may have more sustainability-related alternatives. Potential alternatives are then shared with tenants for their reference and review.

### Metrics

**100%**

of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property sector

## SPOTLIGHT



To further our tenant engagement priorities, we applied for and achieved Silver recognition under [Green Lease Leaders](#) in 2025, underscoring our commitment to collaborating with our tenants on sustainability. Through the updates made to our standard lease template, we hope to engage with new and renewing tenants to align both the financial and environmental incentives of green leasing, improve data coverage of tenant spaces, and explore options for asset-level sustainability initiatives.



About Broadstone Net Lease

Governance

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→ **Social**

About This Report

# Social

We are committed to fostering meaningful and beneficial connections with our employees and communities. Our dedication lies in nurturing a workplace environment that enables team members to grow, thrive, excel in their roles, and contribute to BNL's growth and goals.

Our social initiatives are led and managed by BNL's SVP of HR & Administration with execution support from the HR and Administration team along with guidance from the Senior Leadership Team and input from ongoing employee feedback.

## Employee Health, Safety, and Wellbeing

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At BNL, we recognize the vital importance of our employees' health and wellbeing. We believe that supporting our team is essential to our success. Therefore, we offer a comprehensive benefits program designed to assist our employees and their families. Through our benefits program, we aim to enhance our employees' health, wellbeing, and financial security, ensuring they feel valued and supported in all aspects of their lives.

### Oversight and Management

BNL's SVP of HR & Administration, Manager of Compensation and Benefits, and Director of Business Services oversee and manage employee health, safety, and wellbeing initiatives.

### Strategy

We employ numerous strategies and initiatives focused on nurturing the physical, mental, and financial wellbeing of our employees and their dependents. Over the past several years, we

expanded many of the benefits available to our employees, and are continually reviewing, refining, and improving our practices and benefits programs.

During 2024, BNL began supplementing all short-term disability leave benefits to keep an employee's pay whole for their first twelve weeks of short-term disability leave and to align with primary caregiver leave benefit offerings. We also began offering a Hospital Indemnity supplemental benefit to our existing Critical Illness and Accident supplemental benefits. General wellness and wellbeing educational resources were distributed through access to the Bree Health and Calm platforms, and our HR team organized a financial education workshop series and 1:1 financial planning time with BNL's retirement plan advisor.

Our benefits program is made available to part-time employees, although BNL did not employ any part-time or contract employees in 2024. All BNL employees receive annual equity awards and are eligible for performance-based annual bonuses.



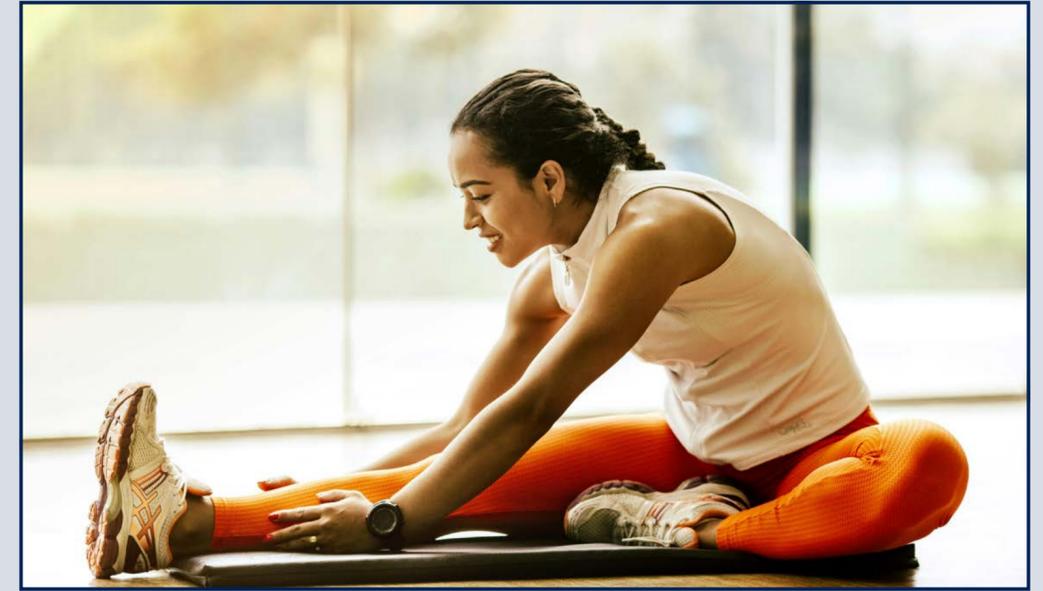
## Health Benefits

- Medical insurance plans, with options for both 100% employer-paid and partial employer contribution premiums
- Dental and vision insurance with employer contribution
- Medical & Limited Purpose Flex Spending Accounts
- BNL-funded Health Savings Account
- Employee Assistance Program
- Health concierge service to assist with navigating the healthcare system and costs
- Personalized health and fitness assessment, program, and tools
- Onsite flu shot clinic
- Pet protection plans with employer contribution
- Access to telemedicine services
- Retail health and wellness discounts



## Financial Benefits

- Competitive compensation programs
- Annual performance bonus program
- Competitive long-term incentive plans with annual equity awards for all employees
- 401(k) with generous employer match and immediate vesting
- Dependent care Flex Spending Account
- Financial planning and retirement savings education and resources
- Employer-paid legal services
- Company-paid insurance programs, including life and Accidental Death and Dismemberment (AD&D), and short- and long-term disability income protection
- Supplemental insurance programs, including life insurance, accident, specialized disease, and hospital indemnity benefit plans
- Tuition reimbursement program
- Cell phone stipend and paid parking
- Service anniversary awards



## Wellness Benefits

- A variety of paid time off benefits, including competitive vacation allowances, personal time off, holidays, bereavement leave, jury duty leave, volunteer time off, and a one-week annual corporate shutdown
- Generous primary and secondary caregiver paid leave
- Hybrid work schedule
- Office ergonomics and home office tech set up
- Company-sponsored wellness programs and events, including onsite chair massages and health and fitness resources and activities
- Premium subscription to a leading mental health app
- A variety of healthy and nutritious snacks in our corporate offices

Photos by Pixabay, Lukas, and Jonathan Borba via pexels.com

## Risk Management

In addition to a robust offering of wellness benefits, programs, and resources, BNL has comprehensive policies and procedures that cover numerous facets of the safety and wellbeing of our employees, such as workplace security, violence prevention in the workplace, inclement weather at our offices, operation of vehicles for company business, and procedures with respect to a severe influenza outbreak or other pandemic.

For essential safety protocols, we have trained first responders in our offices that are certified in first aid, CPR, AED, and bloodborne pathogen safety, and they are ready to assist should an office evacuation become necessary. We also have first aid kits and AEDs that are regularly serviced at every site, as well as LifeVac choking rescue devices obtained in 2024.

### Metrics

0

incidents or injuries during 2024

*(0% total recordable incident rate and lost time injury rate)*

## Talent Acquisition, Professional Development, and Employee Engagement

At BNL, we are as passionate about our people as we are about real estate. Our approach to building a strong talent pipeline combines the employment of proven recruitment strategies to identify strong external candidates and provides meaningful opportunities for current team members to engage in personal and professional growth. In doing so, we enhance our collective strengths through collaboration and development, ensuring that we attract and maintain the expertise needed to continue to deliver strong performance and financial results for our stockholders and other stakeholders.

### Oversight and Management

BNL's SVP of HR & Administration develops and manages our employee engagement and development strategy. Efforts and initiatives are led, developed, and executed by members of the HR and Administration team with guidance from the Board and senior leadership team and ongoing employee feedback.

We report our strategy, initiatives, and progress on a quarterly basis to Board members and to employees during Town Hall meetings.

### Strategy

#### TALENT ACQUISITION AND PIPELINE DEVELOPMENT

Our talent acquisition strategy varies depending on the needs of our functional areas. Our HR team partners closely with our hiring managers to assess near- and long-term talent needs, supporting strategic workforce planning to attract individuals who have the requisite skills and align with our mission, vision, and values. We review staffing needs at least annually with our department heads to develop an overall recruitment strategy for each calendar year. We continue to review staffing needs on an ongoing basis to address emerging talent requirements throughout each year.

We conduct an annual talent review and planning process for each of our corporate officers (Vice Presidents and above) to strengthen overall performance and ensure continuity with respect to the most senior positions at BNL. As part of this process,

we identify potential successors to support internal growth and, if needed, areas where external recruitment efforts may be necessary to supplement our internal talent. Further, we assess retention and developmental needs for our officers and potential successors. We report on these processes to our Board annually, and the Board actively engages in the annual talent review and planning process for each member of our Senior Leadership Team.

For mid- to senior-level positions, we review our internal talent bench and, if needed, leverage our HR team, external recruiting partners, and a robust employee referral network to identify potential external candidates. This approach helps identify candidates with expertise and industry experience to support the specialized nature of our operations.

For junior positions, we seek to identify recent or future graduates through early career talent acquisition strategies and our employee referral network. Additionally, we offer targeted internship opportunities based upon the current or forecasted needs of our functional teams. From 2022 through 2024, we employed nine



interns, two of whom were hired into regular full-time roles and are currently with the company. Attracting and developing individuals in junior positions acts as an incubator to identify potential talent for senior roles in the future.

Our strategic approach to recruitment and talent pipeline development ensures we attract and retain the skills and expertise necessary to assess functional needs,

identify growth opportunities, and foster an engaging, rewarding, and high-performance workplace culture.

**PROFESSIONAL DEVELOPMENT**

Our employee training efforts prioritize knowledge and skill development across a variety of competencies. Beyond our mandatory Cybersecurity and Harassment Prevention training, we support employee



development through attendance at external training opportunities and conferences, participation with relevant trade associations, an extensive online learning library, and tuition reimbursement. This purposeful investment in our employees reflects our commitment to building an engaged and high-performing workforce capable of achieving our strategic objectives and employees' own personal development goals.

To further support our employee development efforts, we employ various talent management strategies, including the facilitation of both a mid-year and formal year-end performance conversation process and an annual talent and succession planning review. Enhancements made in 2024 included additional resources for managers through a skills training program and additional HR support during the performance evaluation process.

### **EMPLOYEE ENGAGEMENT**

BNL has developed a robust new hire integration program that encompasses pre-boarding, onboarding, orientation, engagement

initiatives, and structured check-ins at thirty and ninety days—all designed to ensure a smooth and supportive transition into the organization. Our BNL Engager Program pairs new employees with a dedicated point of contact to enhance the integration experience through informal connection opportunities to discuss work experiences and further connect to the broader organization.

BNL is dedicated to contributing positively to the communities in which we operate and does so through various corporate giving and philanthropic endeavors. These efforts give our employees an opportunity to contribute to their local communities, and further solidifies their pride in working at BNL.

Our community engagement efforts are supported by a committee that is responsible for partnering with community organizations, planning and organizing various opportunities for employees to make a difference through volunteer giving and service, and facilitating corporate donation and fundraising drives.



Additionally, we hosted several special events and programs throughout the year to foster a strong sense of camaraderie across teams and to recognize and celebrate our employees and their contributions to the company.

These included:

- Employee Appreciation Day
- Winter Corporate Dinner for employees and guests
- Summer Lakeside Corporate Dinner
- Farm Fall Fest for employees and their families/guests
- Holiday Party for employees and their families/guests
- Annual BNL Corporate Award Program
- Service Anniversary Award Program
- Monthly social hours
- Monthly birthday and service anniversary celebrations

## 2024 SPOTLIGHT

### Investments in Employee Development

In 2024, BNL launched a DISC (Dominance, Influence, Steadiness, and Compliance) Behavioral Styles training series to enhance both individual and team performance.

The training series began with a foundational session that provided employees with an overview of the DISC methodology, including the strengths and potential limitations associated with each behavioral style.

Participants also received personalized DISC profile assessments and engaged in guided self-reflection. Building on this foundation, functional teams then participated in targeted workshops focused on practical tools and strategies for recognizing and effectively communicating across the styles. As part of the training, employees took part in an interactive exercise aimed at strengthening team performance by acknowledging the unique value of each team member and making personal commitments to enhance collaboration.

We were also proud to launch our Management Skills Training Series in 2024, a comprehensive program designed to equip talent managers with the foundational tools, practical strategies, and resources needed to lead high-performance teams effectively and confidently. Delivered through a structured series of interactive sessions, the program focused on strengthening core talent management capabilities across the employee life cycle. Key training areas included employee engagement, performance management, delivering and receiving feedback, coaching, delegation, legal considerations, talent acquisition and onboarding, and more.

This initiative reflects our ongoing commitment to developing strong, consistent talent management practices to support individual growth, team effectiveness, and overall organizational success.

## Risk Management

To enhance employee engagement, development, and success in their roles, managers are expected to meet with their employees on a regular basis. In addition to



one-on-one meetings and routine feedback discussions between managers and their employees, we require both an informal mid-year and a formal year-end performance

conversation process to provide a standard format and opportunity to document and discuss goals and progress, personal performance, resource needs, training and development opportunities, growth potential, and the employee-employer relationship. As part of the formal year-end performance conversation, employees and managers complete written self-reviews and manager feedback, respectively.

BNL also facilitates the submission of anonymous questions to senior leadership, which is aimed at making employees more comfortable in raising any concerns regarding their wellbeing or development. Questions and feedback received through the anonymous channel are shared and addressed by our CEO during quarterly Town Hall meetings and/or a CEO newsletter. In addition to providing employees with an opportunity to raise questions or concerns, this process enables our Senior Leadership Team to better understand the needs and concerns of employees.

### Metrics

**86%**  
participation in  
2024 employee  
engagement  
survey

**94%**  
2024 overall  
employee  
satisfaction

**11%**  
total 2024  
turnover rate  
(8% voluntary, 3%  
involuntary)

**9.6%**  
2024 internal  
promotion rate

**5.6 YRS**  
Average  
employee  
tenure

**100%**  
of employees  
received regular  
performance  
reviews in 2024

## Belonging at Broadstone

We seek to create an inclusive and dynamic culture for our employees, which allows us to attract, engage, and develop top talent to manage our business. We strive to provide our employees with a work environment that is free from discrimination and harassment, that respects and honors their differences and unique life experiences, and that enables employees the opportunity to develop and excel in their roles and reach their full potential. We recognize that we are better together and our unique backgrounds and experiences help drive our performance and contribute to our company's growth.

### Oversight and Management

Our SVP of HR & Administration reports to the Board and N&CG committee at least quarterly and is responsible for oversight of our key initiatives relating to the promotion of an inclusive workplace culture.

## 2024 SPOTLIGHT

### Corporate Giving and Community Service

In 2024, our corporate charitable contributions exceeded \$131,000. Our corporate giving efforts supported organizations in our local communities, advancing a wide range of initiatives that included combatting food insecurity; providing support for at-risk women, children, and teens; promoting urban entrepreneurship; providing critical mental health and social services; combatting homelessness; breaking the cycle of poverty; and providing free civil legal services for eligible individuals.

In 2024, BNL also supported various groups and events through our corporate and employee community connections, including our paid volunteer time off program. Through these efforts, we aim to improve our communities and reinforce our bond with local organizations and the people they serve.



## Strategy

BNL prioritizes executing our Inclusion and Belonging strategy across five focus areas:

- Internal and external benchmarking
- Recruitment, onboarding, and integration
- Inclusive policies and programs
- Related training and education
- External commitment and accountability initiatives

Initiatives across the key elements of our Inclusion and Belonging strategy are embedded in our organization and the employee lifecycle, from customized interview rubrics that support structured and objective hiring practices to educating new hires in our inclusive culture initiatives as part of their orientation. We focus on building inclusion and belonging skills through our employee training and development programs. We distribute a quarterly digest about our inclusion and belonging efforts to keep our employees informed about these opportunities and our progress. Please see the [Employee Health, Safety, and Wellbeing](#) section for more information.

## 2024 SPOTLIGHT

### Broadstone's Women's Group (BWG)

The BWG is our principal employee resource group formed to engage, develop, and support Broadstone women through relationship-building, professional and personal development programming, and female-focused philanthropic opportunities. The BWG offers a slate of programs available to all employees throughout the year.



During 2024, BWG's planning committee organized several events, including:

- Leadership development event
- Personal branding and self-care workshop
- Golf lesson and social
- Assembling personal care kits for residents of a facility supporting and sheltering victims of domestic violence

In addition, we are proud to be a founding sponsor of Commercial Real Estate Women (CREW) Rochester which aims to strengthen the community of women in the commercial real estate industry through networking and professional development programming.

## Risk Management

Our legal and human resources policy libraries, including our Human Rights Policy, detail our commitments and responses to health and safety, workplace violence, freedom of association and collective bargaining, work hours, and wages and benefits, among many other topics. These policies highlight the fundamental principles that we collectively abide by.

We strive to foster a culture of inclusion and belonging for all through our training programs, which have included mandatory trainings on managing unconscious bias, inclusive culture and leadership, and harassment prevention.

### Metrics

**92%+**

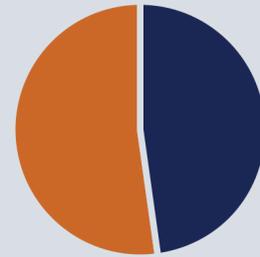
satisfaction for engagement survey topics related to inclusion and belonging (e.g., "BNL's culture fosters a sense of belonging," "Different ideas and points of view are encouraged at BNL")

## Workforce Composition

### Gender Diversity

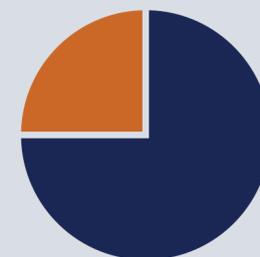
TOTAL WORKFORCE

53% Female 47% Male



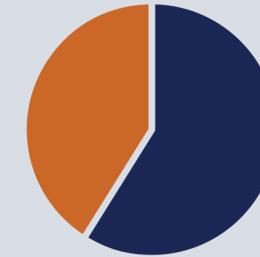
SENIOR LEADERSHIP TEAM

25% Female 75% Male



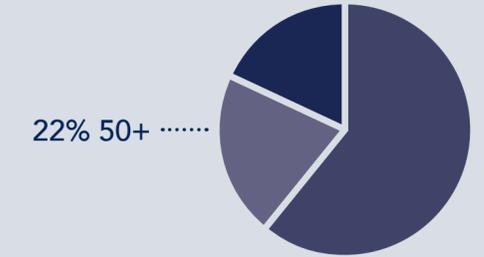
OFFICERS

41% Female 59% Male



### Age

19% Under 30 59% 30-50



### Racial/Ethnic Diversity

82% Caucasian

8% Hispanic or Latino

3% Asian

3% Prefers not to disclose

1% Black or African American

1% Two or More Races

1% Other



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**→ About This Report**

# About This Report

This is BNL’s third annual Sustainability Report. All quantitative data is from the 2024 calendar year, unless otherwise stated. Where applicable, we have provided updates on our progress in 2024 and our planned activities for 2025.

This report partially applies the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) as issued by the ISSB. BNL plans to work toward full alignment with the IFRS Sustainability Disclosure Standards when sufficient sustainability data becomes available and after we have further refined its control systems and processes for sustainability disclosure.

IFRS S2 Paragraph Numbers	Section within the Climate Change and GHG Emissions Management (IFRS S2)	Page
6.a, 6.b, 29.g	Governance	14
10.a, 10.b, 10.c, 10.d	Strategy	14, 17, 21
13.a, 13.b, 14.a, 14.b, 14.c, 16.a, 16.c, 16.d, 21.a	Impact on Business, Strategy, and Financial Planning	22
22.a, 22.b, 25.a.ii, 25.b	Climate Resilience	25
25.a.iv, 25.c	Enterprise Risk Management	10
25.a.i, 25.a.iii, 25.a.v, 25.a.vi	Process for Identifying, Assessing, Prioritizing, and Monitoring Climate-Related Risks and Opportunities	25
29.a, 29.b, 29.c, 29.d, 29.e, 29.f, 32, 33	Metrics and Targets	26

## Contact

[sustainability@broadstone.com](mailto:sustainability@broadstone.com)

# Disclaimer

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## CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

This report contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our plans, strategies, and prospects, both business and financial. Such forward-looking statements can generally be identified by our use of forward looking terminology such as “may,” “will,” “should,” “expect,” “intend,” “anticipate,” “estimate,” “would be,” “believe,” “continue,” or other similar words. Forward-looking statements, including our 2025 guidance, involve known and unknown risks and uncertainties, which may cause BNL’s actual future results to differ materially from expected results, including, without limitation, general economic conditions, including but not limited to increases in the rate of inflation and/or interest rates, local real estate conditions, tenant financial health, property acquisitions, and the timing and uncertainty of completing these acquisitions, and uncertainties regarding future distributions to our stockholders. These and other risks, assumptions, and uncertainties are described in Item 1A “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 20, 2025, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed with the SEC on May 1, 2025, both of which you are encouraged to read and will be available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Please note that such Risk Factors will be updated, if necessary, through the filing of Quarterly Reports on Form 10-Q. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. The Company assumes no

obligation to, and does not currently intend to, update any forward-looking statements after the date of this presentation, whether as a result of new information, future events, changes in assumptions, or otherwise.

### NON-GAAP FINANCIAL INFORMATION

This report contains certain financial information that is not presented in conformity with accounting principles generally accepted in the United States of America (GAAP), including funds from operations (“FFO”), core funds from operations (“Core FFO”), adjusted funds from operations (“AFFO”), earnings before interest, taxes, depreciation and amortization (“EBITDA”), EBITDA further adjusted to exclude gains (losses) on sales of depreciable property and provisions for impairment on investments in real estate (“EBITDAre”), Adjusted EBITDAre, Annualized Adjusted EBITDAre and Net Debt. We believe the use of FFO, Core FFO, and AFFO are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs. We believe that EBITDA provides investors and analysts with a measure of our performance that includes our operating results unaffected by the differences in capital structures, capital investment cycles and useful life of related assets compared to other companies in our industry. We believe that the presentation of Net Debt to Annualized Adjusted EBITDAre is a useful measure of our ability to repay debt and a relative measure of leverage and is used in communications with our lenders and rating agencies regarding our credit rating. Such non- GAAP measures should not be considered in isolation or as an indicator of the Company’s performance. Furthermore, they should not be seen as a substitute for metrics prepared in accordance with GAAP. Reconciliations of these measures to their most directly comparable GAAP measures for the periods that are presented in this presentation can be found in the section entitled “Management’s Discussion and Analysis

of Financial Condition and Results of Operations – Non-GAAP Measures” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 20, 2025.

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## **2024 Sustainability Report**

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