



CORPORATE STEWARDSHIP REPORT

2023 ANNUAL REPORT // PREPARED BY CIMINELLI REAL ESTATE CORPORATION



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MESSAGE FROM OUR PRESIDENT AND CEO, PAUL CIMINELLI

At Ciminelli Real Estate Corporation, we believe in bringing life to the communities we serve. Our commitments to Environmental, Social, and Governance (ESG) are reflected in all of our business decisions.

With the introduction of our first Corporate Stewardship Report, we are excited to share with you our continued commitment to create real estate value to the communities, businesses, and people we serve. Being environmentally conscious, socially responsible, and governing with transparency forms the basis of our operations. Ciminelli Real Estate Corporation has been committed to sustainable practices since its formation in 1981, and continues to communicate that commitment with the formation of this annual report.

On behalf of myself and our executive leadership team, we invite you to learn more about our business practices and initiatives in the pages that follow. We look forward to continuing to support and invigorate the surrounding community and improving our reporting to reflect our dedication to being a responsible corporate partner.

A handwritten signature in black ink that reads "Paul Ciminelli".

Paul Ciminelli
President and CEO



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Being environmental stewards, socially responsible, and governing with transparency form the basis of our operations.



ABOUT CIMINELLI REAL ESTATE CORPORATION

Ciminelli Real Estate Corporation's origins date back to 1981, starting as a small development company in Buffalo, New York and evolving to a full service corporate real estate firm with over 200 employees. We focus on offering real estate expertise from an owner's perspective.

While our headquarters is still in Western New York, the company's growth has taken us into new markets. Ciminelli has offices in New York, Florida, Pennsylvania and Massachusetts, serving a portfolio in seven states. We offer a full suite of corporate real estate services including facilities and asset management, residential management, development services, and through our alliance with Newmark Ciminelli, brokerage services.

Our ongoing commitment to the communities in which we operate, their businesses, and their residents has helped grow our portfolio to approximately 26 million square feet of office, residential, medical, industrial, and retail space.



26M SF
UNDER MANAGEMENT



\$6 BILLION
REAL ESTATE VALUE CREATED



200+
EMPLOYEES



ABOUT THE CORPORATE STEWARDSHIP INITIATIVE TEAM

Corporate stewardship has become a key focus area for organizations around the world. It involves balancing economic, social, and environmental concerns in the pursuit of long-term success, creating value for their stakeholders, and contributing to a more sustainable community.

In 2022, Ciminelli Real Estate Corporation created the Corporate Stewardship Initiative (CSI) Team, composed of individuals across various departments.

This CSI team, with diverse experiences and expertise, seeks to enhance Ciminelli's operations in a sustainable and responsible manner. The team is comprised of employee representatives across a majority of departments, including corporate services, development, facilities management, human resources, and marketing. They are tasked with evaluating the company's operations and implementing measures that reduce its environmental footprint, promote social responsibility, and enhance corporate governance.



ENVIRONMENTAL STEWARDSHIP



Responsible Development



Sustainable Management



Waste Reduction



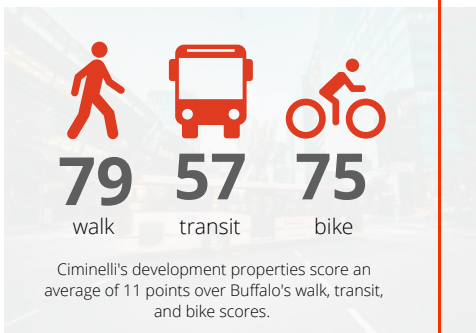
RESPONSIBLE DEVELOPMENT

Responsible real estate development is integral to good corporate citizenry and a priority to Ciminelli.

Our team incorporates a multi-faceted approach to development that includes creating housing in underserved areas, stewarding environmentally sensitive sites, proactively remediating brownfields, bringing underutilized properties a higher and better use, engaging the surrounding community, nurturing strategic partnerships, providing and leading the way in mobility options. This diverse method creates positive economic impact, and positions our projects to contribute to regional sustainability and resilience.

The Ciminelli team's intention is to contribute to the creation of long lasting communities when spearheading development and renovation projects.

While developing residential and commercial projects, we look for opportunities to invigorate the surrounding environment, support transportation and accessibility needs, offer unique amenities to promote health and wellness, and produce high-quality environments that are conducive to work and play.



Location and Transportation Options

Our development projects have been thoughtfully located and designed with convenience and easy access to the surrounding community in mind.

Excellent examples include:

- 201 Ellicott, the City's first Mobility Hub in a private development
- Bethune Lofts, a certified LEED Silver project, strategically located near public transportation for residents
- Conventus, a certified LEED Platinum project, created funds to make necessary transportation improvements to the surrounding area



Health, Wellness, and Amenities

The health and wellness of the people in our communities are forefront in the development process, with the incorporation of:

- Building fitness centers/wellness programs
- Biophilic office designs
- Dedication to natural light
- Community and wellness rooms
- Park-like atmospheres
- High-quality workspace
- Public art displays
- Collaboration with Buffalo businesses to provide local service and shopping options to community members



RESPONSIBLE DEVELOPMENT

Wetlands Protection: Muir Woods

Muir Woods, a 326-acre parcel located in Amherst, NY, is being developed into a large-scale mixed-use development including single family homes, student housing, townhomes, self-storage, office, and more. Much of the land to be developed is located on both state and federal wetlands. For every acre of wetland we disturb with development, we create new wetlands at a 3:1 ratio within that same flood plain. To successfully complete the mitigation, Ciminelli Muir Woods purchased a 64.99-acre farm, in Newstead, NY. Once the mitigation is complete, Ciminelli Muir Woods will be donating over 193+/- acres of land to the Town of Amherst to be held as permanent green space. On that land, we have built a portion of the community recreational trail, and will be working with local partners to monitor and maintain the wetlands for the next 10 years.

Brownfield Remediation

Brownfield remediation was performed in our historical renovations and ground-up development projects including Conventus, The Mentholatum, The West End, and 201 Ellicott. The projects totaled over 6.7 acres remediated, 98,985 tons of contaminated soil removed, and 537,000 gallons of groundwater and LNAPL disposed.

6.7 ACRES
OF LAND REMEDIATED

98,985 TONS
OF CONTAMINATED SOIL REMOVED

537,000 GALLONS
OF POLLUTED WATER DECONTAMINATED



Community-Based Development

Engaging the surrounding community and project stakeholders provides invaluable insight and helps ensure our projects, and the process we use to deliver them, produce viable outcomes for our customers and community. Additionally, we engage both locally renowned and internationally acclaimed artists to enrich the daily experience of our community at large.

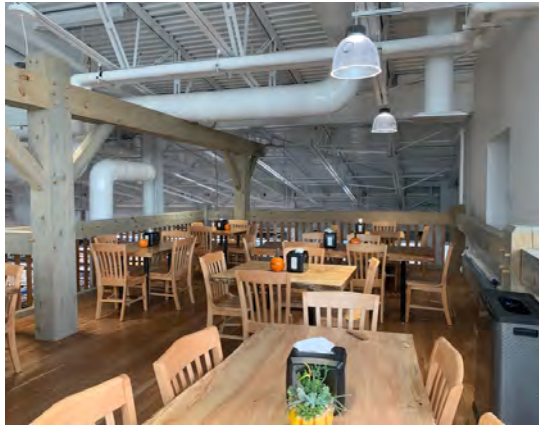
COMMUNITY MEETINGS

PUBLIC ART PROGRAMS

SURVEYS/FEEDBACK



CASE STUDY: 201 ELLICOTT



201
ELLICOTT





case study:

201 ELLICOTT



TRANSFORMATIONAL DEVELOPMENT

The 201 Ellicott Project is a transformational and equitable transit-oriented development in downtown Buffalo, bringing highest and best use to a remediated site with attainable housing units, a fresh food market—Braymiller Market—and expanded mobility options to a previously under-resourced community.

SMART DESIGN

The 192,000 SF Residence provides 201 attainable housing units to residents earning 50%, 60% and 80% of the Area Median Income. These include 130 one-bedroom/one-bath units at 560 SF and 71 two-bedroom/one-bath units at 770–780 SF for lease. Many of the common spaces are organized on the first floor to enliven the streetscape: a welcoming lobby with plug-in worktables, soft seating and a chess table; a multipurpose community room with kitchenette and flexible furnishings; a fitness gym and a laundry facility. Outdoor spaces with a mix of landscaping and hardscape allow for relaxation and recreation. The front yard is adjacent to the Market, encouraging engagement with the public, while the private backyard offers a grill and picnic tables for residents.

SUSTAINABILITY

Designed with high performing materials and systems planned to provide efficiency and carbon footprint reduction, the Project received approval from the New York State Energy Research and Development Authority Multifamily New Construction Program and ENERGY STAR Certification. The development optimizes daylight spaces that reduce electrical lighting energy use and minimize heating/cooling loads.

Braymiller Market operates as a zero-landfill site. Both retail and wholesale HVAC systems adapt according to the season to provide optimal energy management for food storage.

In addition, remediating the site is a green practice that ensured its sustainability by allowing it to host a higher and better use. The Project received a Track 1 Certificate of Completion from the New York State Department of Environmental Conservation.

ENHANCING COMMUNITY

Community engagement is essential to the design and long-term sustainability of the development. Having the community engaged throughout the development process guided the Project and helped distinguish it as a model for collaborative change within Buffalo's Central Business District that supports and enhances the surrounding community.

201 Ellicott also marks the creation of Buffalo's first Mobility Hub, which includes the only Transportation Management Association membership in a private development. The Project is located within less than a 10-minute walk to two light rail rapid transit stations, eight bus stops, and hundreds of commercial parking spaces, houses a bike storage and Reddy Bike station, and neighbors the NFTA Bus Terminal.

HIGHLIGHTS:

Attainable Housing
Sustainability Attributes
Mobility Hub
Community Revitalization
Equitable Development
Addresses Food Security



SUSTAINABLE MANAGEMENT

Reduce Energy Usage for Managed Sites

Owners and managers play an integral role in reducing these emissions and mitigating the impacts of climate change. The Ciminelli team has integrated climate considerations into our daily functioning, ensuring that building operations are energy efficient. In addition to refining sustainable processes and reducing emissions, our team is decreasing building operational costs and finding cost savings for owners.

Listed below are four of the most impactful programs that our facilities management team has initiated to reduce our carbon footprint and conserve energy:



Janitorial Practices

Where possible, utilization of green cleaning products (Green Seal, UL Ecologo, Design for Environment (DfE) FSC certification, EPA safer choice standard). Documentation by vendor includes SDS sheets.



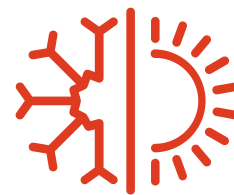
Pest Control

Our team utilizes an Integrated Pest Management Program. Documentation by the vendors include SDS sheets and logbooks.



Reuse/Repurpose

Our team reuses, repurposes, or donates used fixtures and furniture. The property management teams at Fountain Plaza and Lafayette Court retain fixtures, hardware, and doors that can be reused throughout the building, storing items in attic stock for reuse when necessary.



R22 Phase Out Program

In compliance with the Paris Accord, and seeking to lower GHG emissions, our properties have begun to implement an R22 phase out program and replace old units as necessary. Current participating properties include Fountain Plaza, Creekside Center, Sweet Home Commerce, Lafayette Court, 455/495 Commerce Drive, and 40 John Glenn Drive.



WASTE REDUCTION

According to the U.S Environmental Protection Agency (US EPA), the average person produces around 4.5 pounds of landfill waste per day. When not disposed of properly, waste is sent to landfills and results in increased greenhouse gas emissions, contaminating valuable natural resources. Ciminelli is committed to minimizing the impact of the waste our team and buildings generate through reduction and recycling at the properties we manage.

The Ciminelli team implements the following three best practices within our corporate office and managed properties:

Landfill Diversion

We provide standard trash and recycling recommendations of a single stream recycling program to our clients to aid with the increase in recycled goods and the diversion of waste to the landfill. Ciminelli provides desk-side recycling bins paired with a smaller trash bin at all our offices. Our studies have shown this combination to have the below effect on recycling awareness:



Increased recyclables from 65% to 85%
Decreased contamination in recycling bin by 20%



Reduced amount of recyclables in the trash from 29% to 12%



Reduced the amount of office paper in the trash to approximately 0 pounds

As standard waste management operating procedure, each building utilizes one single stream recycling container and one waste container, for larger buildings multiple containers of each may apply. The cleaning contractor disposes of recycling and waste into each respective container. For uniformity, all cleaning contractors are interviewed to ensure expectations of client and Ciminelli are aligned, notified of building's waste management policy and monitored for strict adherence.



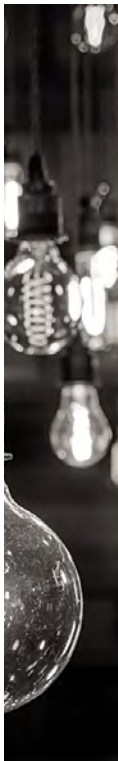
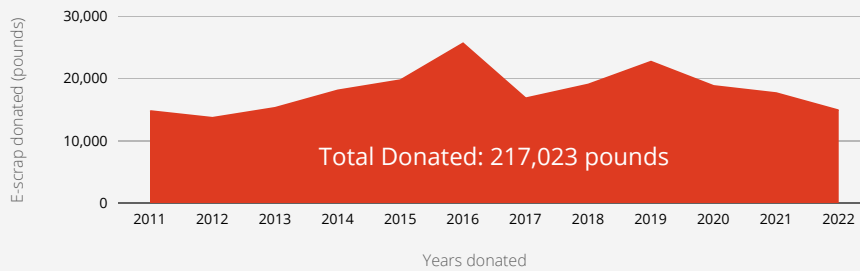


WASTE REDUCTION



Electronics Recycling

In 2011, Ciminelli developed a partnership with Sunnking to participate in their annual electronics recycling event. Every Spring, employees, tenants, and the surrounding community donate their e-scrap at participating Ciminelli facilities. Since the inception of the event, we have been able to recycle a total of 202,115 pounds of electronic recycling material, averaging more than 18,000 pounds per year. Funds raised through the program support Camp Good Days and Special Times.



Alternative Waste Recycling

Utilizing our waste management partners, the Ciminelli team collects and responsibly recycles the bulbs and ballasts throughout the year. In 2022, over 6,000 bulbs and ballasts were recycled.



6,000+ light bulbs and ballasts were recycled in 2022



SOCIAL RESPONSIBILITY



Community Involvement



Corporate Wellness



Employee Success Programs



COMMUNITY INVOLVEMENT

Our core focus is to create value within our communities. This focus impacts our employees, tenants, business partners, investors, and our neighbors.

In addition to corporate sponsorship and support, we are fortunate to have a wealth of talented people employed at Ciminelli. We support them in sharing their knowledge, skills, and abilities with community-based non-profit organizations through volunteerism and Board participation.

Ciminelli supports over 30 charities throughout the local community, and has formed a valuable partnership with The Foundry. The Foundry offers a variety of opportunities for our team to contribute to the community, given that The Foundry is an active, community-based makerspace.



30+

Charities and community organizations receive monetary donations or volunteer hours from the Ciminelli team

Our focus causes:

- Health & Wellness**
- Environmental**
- Workforce Development**
- Diversity & Inclusion**

Highlighted Community Partner:



Additional community relationships include:





CASE STUDY: THE FOUNDRY





case study:



EDUCATION, EMPOWERMENT, & EXPOSURE TO POSSIBILITIES

Located in East Buffalo, The Foundry is an active, community-based makerspace committed to regularly programming afterschool arts, science, technology, engineering, mathematics, and entrepreneurship sessions. These programs are designed for workforce development opportunities for young adults; hands-on classes for adults; and providing local entrepreneurs space and support for developing maker-based businesses.

Ciminelli partnered with The Foundry to launch a new education program in 2020 - the Youth Entrepreneurship Program (YEP). YEP teaches youth about using their creative curiosities, problem solving skills, and business acumen to start their entrepreneur journey.

YOUTH ENTREPRENEURSHIP PROGRAM (YEP)

Since its launch in 2020, YEP developed into a formalized learning structure students can use to increase an understanding of business processes. It offers them the ability to test their business in a low-stakes manner among a supportive community. It allows students to explore self-employment, access mentorship opportunities with successful business owners, and acquire skill-based learning and leadership skills for maker-based businesses. Additionally, all YEP students are paid a stipend for participating in the program, increasing their understanding of alternative income sources and confidence for an entrepreneurial career.

In addition to YEP, Ciminelli has supported The Foundry through volunteer work, board membership, and connecting ownership with valuable community relationships.

STUDENT SUCCESS

In the last three years of the program, The Foundry has served approximately 50 students, roughly 8-10 per semester, for a student to instructor ratio that supports individualized attention. A majority of students live in underserved areas of East Buffalo, over 85% identify as people of color, and a consistent majority identify as female or nonbinary. Despite pandemic hardships and low enrollment at the start, The Foundry team developed an effective and sustainable virtual curriculum during the height of a lockdown, and saw enrollment numbers drastically increase as the program could be offered on-site at The Foundry.

YEP PHASE II

In the upcoming three years, Ciminelli will be supporting Phase II of YEP. In addition to offering youth education, The Foundry is also a business incubator. Phase II will combine their mission of education and entrepreneurship to provide self-employment opportunities for low-income young adults. The goal is to build a path for students who graduate YEP into a program that gives them access to more in-depth, one-on-one support to launch and sustain their small business. Students will be paired with vetted small business owners within the entrepreneurial incubator at The Foundry, providing mentorship and support for youth to launch their own brand.

Additional resources Ciminelli will provide include guest speakers, career shadowing, field trips, market events, and volunteering hands-on instructors.

HIGHLIGHTS:

Youth & Education
Workforce Development
Diversity and Inclusion



CORPORATE WELLNESS

As a multi-generational business, Ciminelli places a strong focus on employee health and well-being, implementing strategies that encourage wellness in the workplace.

Ciminelli's most important resources are our people. We take our employees well-being seriously, regularly performing surveys to understand their needs, and implementing initiatives that benefit their physical and mental well-being.

Since 2020, we have seen a rise in the success of our following wellness programs:



Pandemic Initiatives

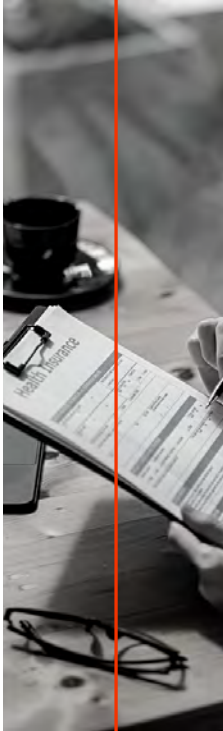
After the pandemic, employee well-being has become even more paramount. Concerned about our employees' ability to maintain health insurance coverage and having income to support their families, Ciminelli successfully kept all our teammates employed through the pandemic lockdown. To ensure open lines of communication and reduce employee stress, a dedicated email address was established to provide pandemic-related company news when available, which may impact their health and safety. Additionally, Ciminelli was able to secure and supply protective gear and cleaning supplies for personal use for any employee who was unable to do so independently. Our Employee Assistance Program was at the ready and continues to provide support for any concerns or challenges our people may experience.



92% of employees agree that Ciminelli is committed to the wellness and safety of all employees



CORPORATE WELLNESS



Employee Health Initiatives

To ensure our employees and their families have access to quality healthcare, Ciminelli offers multiple healthcare plan options and contributes 70% of the average plan premium. This allows family health insurance coverage available to our team members for as little as \$20/month. Ciminelli offers an annual monetary stipend to any employee who does not enroll in single or family coverages offered by the company. Employees are only approved to receive the stipend if they can provide proof of on-going alternate coverage. Through this practice, we ensure our employees and their families have access to necessary healthcare.

On an annual basis, we offer CPR and first aid training to our teammates and their families, and regularly publish information regarding community-based health initiatives on our intranet site to keep our employees informed of external resources available to them. Ciminelli is in the process of updating the company intranet to include a wellness tab, which will house a wealth of information regarding strategies and resources available to maintain and improve both physical and mental health.

6 diverse medical plan options

employees allowed to choose their plan based on needs



Work/Life Balance

The negative health effects of stress are well-known, and can lead to employee and workplace burnout. One of the ways our company has helped employees reduce stress is through providing a flexible work schedule allowing better work/life balance. Employees are offered a variety of work schedules and the ability to work remotely. In addition to flexible work schedules, we have a designated, private wellness room in the corporate office to accommodate employees.

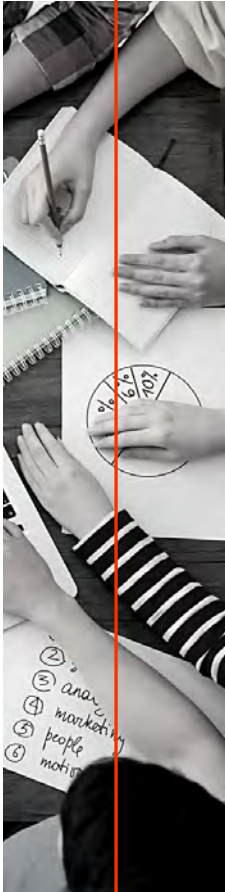
As of 2023, 35% of our office staff utilizes the flexible work schedule, which translates to employees not commuting by car a total of 89 days per week. With an average roundtrip commute of 25 miles, our flexible work schedule also positively impacts our environment by reducing **52 tons** of carbon dioxide emissions per year. Ciminelli also provides an employee stipend for anyone using mass transit, further encouraging public transportation and reducing our carbon footprint.



90% of employees agree that Ciminelli enhances the ability to balance work and personal life



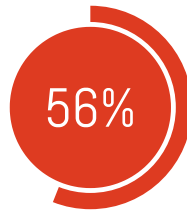
CORPORATE WELLNESS



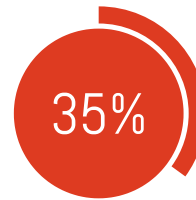
Continuing Education

Ciminelli is passionate about providing value to our employees through professional growth and development opportunities. All employees have access to a library of over 300 online training courses at their disposal to enhance and develop their skills and increase their opportunities for career growth. In-person training opportunities are offered to encourage continuing formalized education, and a Tuition Assistance program is offered to encourage college or trade school pursuits. Participation in industry-specific professional organizations is positively recognized, and 18% of our staff are members of local organizations to ensure we keep abreast of industry trends and best practices.

Over 56% of Ciminelli professionals hold certifications in their field of expertise. As of 2023, 35% of our employees have received one or more promotions based on their performance. Of those promoted, 36% received their first promotion within their first two years of employment.



Over 56% of employees hold certifications in their field of expertise



35% of employees have received promotions based on their performance





EMPLOYEE ENGAGEMENT SUCCESS PROGRAMS

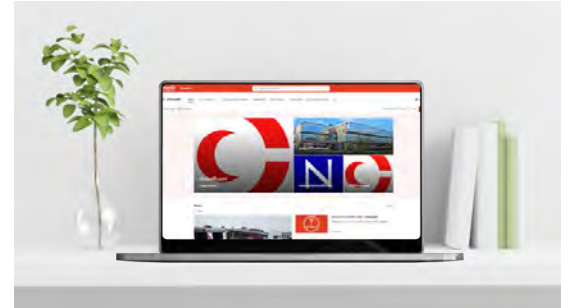
Ciminelli values employee communication and identifies it as a crucial component of our business model and practices.

After taking inventory of our current communication strategy, the company identified areas for improvement, which ultimately led to the redesign of our main communication platform – the **Intranet**.

Our Intranet underwent a series of upgrades to make access and knowledge more attainable to all employees. Now available through a phone app, our employees can receive company updates through push notifications that send directly to their phones. This is especially important for our off-site employees, which make up a majority of our workforce.

The Intranet also provides employees with an easily accessible method to a variety of important forms, HR-related resources, and useful how-to videos.

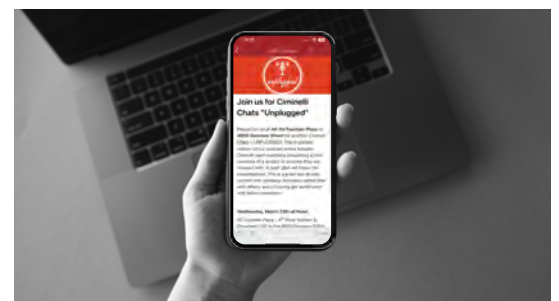
Since its rollout, the Intranet has been visited 58,209 times, with an average time of 5m 56s per employee.



Contains

40+

Helpful employee documents and resources



76,596

Visits to the Intranet*

5m 52s

Average site time per employee per visit*

*Visits since creation of the Intranet in Q1 2022



EMPLOYEE ENGAGEMENT SUCCESS PROGRAMS

Ciminelli Chats Unplugged

In addition to increased digital communications, we have also increased the in-person experiences within the office. Six times a year, our company holds **Ciminelli Chats Unplugged** – an extension of our podcast "Ciminelli Chats". Ciminelli Chats Unplugged is a short presentation and Q&A session with employees throughout various departments within Ciminelli. It gives all employees an casual opportunity in a comfortable setting to engage with colleagues outside of their department to ask questions, learn about current projects, and develop a better sense of community. These sessions are held in our corporate offices, but are also broadcasted to accommodate our off-site and hybrid workers.

Along with these unplugged events, twice a year, our executive team holds the State of the Company. These events bring all employees together for a company-wide update on goals, accomplishments, and reinforce our company missions and values.

6 Ciminelli Chats Unplugged Sessions/Year

Increasing Ciminelli employee engagement





TRANSPARENT GOVERNANCE



Corporate Policies and Procedures



Cyber and IT Security Strategy



Financial Management and Compliance



CORPORATE POLICIES & PROCEDURES

Ciminelli creates inclusive policies that prevent discrimination and promote a positive working culture.

Ciminelli employees are provided with our Company Code of Conduct, alongside a variety of anti-harassment and non-discrimination training sessions to ensure that corporate protocol is understood and enforced. Ciminelli maintains a zero-tolerance policy regarding harassment and discriminatory behavior, in an effort to provide a safe work environment for all.

Harrassment Prevention Training (HPT)

New teammates are provided with HPT upon hire, and all employees receive an annual HPT refresher course. Participation in the training is mandatory and tracked with 100% compliance required to ensure everyone is aware of the importance of respecting others unconditionally.

Annual Performance Review Process

Every employee receives a job description, which includes the core expectation that they treat both internal and external customers with respect. Compliance is monitored through a formal annual performance review, which includes rating adherence to the core expectations outlined in the job description. Employees receive daily feedback through deliberate coaching and ongoing support.

Performance Improvement Plan (PIP)

If an employee's performance does not emulate Ciminelli's core values, they are provided with a PIP and additional assistance to clearly understand what it means to be a Ciminelli team member. Continued disrespectful behavior is not tolerated and results in separation from our team.

Employee Survey Statistics



of employees trust Ciminelli and their colleagues



of employees feel valued



of employees understand Ciminelli's corporate strategies and goals



of employees intend to stay with Ciminelli





CORPORATE POLICIES & PROCEDURES

Ciminelli implements the Entrepreneurial Operating System (EOS), an organizational system that supports our team by clarifying our vision and gaining traction, while keeping our entrepreneurial spirit.

EOS is a process that includes tools and templates to help keep all levels focused on success and minimize distractions. The process begins with solidifying the long-term goal, and then breaking it down into digestible, obtainable tasks. The components of EOS are visible in our day-to-day activities, including employee communications, meetings, performance reviews, quarterly objectives, and the implementation of Level 10, a moderated discussion among leadership.

We recognize that our employees have a lot to offer, and this process ensures that every voice within our company is heard.

Best Practices in Business Management

Ciminelli has always aligned itself with entrepreneurs, investors, community activists, and business owners who share our passion for people and excellence. As part of our core model, our leadership team is encouraged to collaborate with other successful peers to continue to learn and implement best business practices. Below is a peek into some of the influential groups our executive team actively participates in:

Vistage

Both Paul and Kyle Ciminelli are active members of Vistage, a peer group that allows them access to a vast range of experience, insights, and wisdom from respected business leaders and peers. This national program assists them with critical decisions, and offers support in facing challenges.

Real Estate Advisory Committee of the NYS Common Retirement Fund

Jim Gottstine, Chief Operating Officer, serves on the Real Estate Advisory Committee, reviewing proposed mortgage and real estate investments that directly impact the NYS Common Retirement Fund. This experience gives Jim additional insight into upcoming real estate industry trends.

Professional Organizations

The Ciminelli team is involved in various industry organizations that promote best business practices and highlight industry standards within commercial real estate. These organizations include, but are not limited to, Urban Land Institute (ULI), Building Owners and Managers Association (BOMA), U.S. Green Building Council (USGBC), and National Association for Industrial and Office Parks (NAIOP).



Six Key Components of The EOS Model.



case study:

CORPORATE SERVICES



CREATION OF CORPORATE SERVICES DEPARTMENT

The creation of Corporate Services successfully consolidates the functions of corporate and client procurement, corporate legal, information technology management, and risk management with a dedicated team to help support special projects across the enterprise. In the past 2 years, the Corporate Services team has seen success in rebidding services and contracts, supporting our Property Management and Development departments on numerous projects, and taking the lead in developing many processes and policies designed to help solve overarching, long-term organizational issues.

LEGAL AND RISK MANAGEMENT

In the areas of compliance and risk management, Ciminelli has focused over the last year on refining long-standing successful programs to mitigate liability, and design solutions that automate those processes as much as possible.

All subcontractors who work with Ciminelli sign a time-tested risk transfer document, provide updated insurance documentation, and are governed through a carefully managed system that tracks all work orders and facilitates invoice approval.

We supplement our decades of experience and honed processes by aligning ourselves with trusted partners. A recent insurance bid in 2022 marked the award of corporate insurance policies to Lawley Insurance from Buffalo. Lawley not only acts as broker for Ciminelli and it's managed entities on all policies, but provides contractual risk and loss control consulting to sharpen the tactics used by Ciminelli in reducing any and all risk exposures.

PROCUREMENT

In addition to legal and risk management, Corporate Services efficiently manages the process, negotiates terms, executes, and maintains contracts both internally and for clients. These processes effectively balance quality, cost, and risk.

This includes the evaluation of software, supplies and equipment, service contracts, utilities, purchasing agreements, and other large product procurement needs.

COMPLIANCE

Ciminelli's Corporate Services manages vendor compliance using established metrics and processes. In addition to aligning ourselves with trusted partners, we monitor their ongoing work to ensure our subcontractors and vendors comply with our corporate policies and high standards.

As an added benefit, our attention to these details realizes cost savings to the company and our clients.

\$1.5M	\$507,177	98%
Client Savings*	Ciminelli Savings*	Compliance Rating

*Savings since January 1st, 2021

HIGHLIGHTS:

- Streamlining Processes
- Managing Risk
- Operational Advisors



CYBER AND IT SECURITY MANAGEMENT

Ciminelli's technology strategy has taken a leap forward in recent years to align with the company's long-term vision and support the demands of an increasingly mobile workforce.

Ciminelli has traditionally complemented a small IT team with PCI, an industry leading technology vendor headquartered in Buffalo. This allowed a scalable solution to be built as our business radically grew from dozens of sites within a single area code to hundreds of properties across the Northeast. Our team identified technology as an area of growth opportunity. To balance performance and efficiency, we have invested a greater number of resources to meet the demands of an increasingly volatile cybersecurity environment.

In 2022, Ciminelli successfully launched multi-factor authentication (MFA) for all users, tightening the restrictions to limit fraud and unauthorized access to our network. The program was designed and implemented by our IT team.

Implemented IT Policies Include:



Security Awareness Training

Our IT team implements security awareness training combined with simulated phishing attacks to protect our employees and client data against ransomware.

1.7% of our employee base are phish-prone users

Compared to the industry average of 3.5%



Cloud-Based Software

In 2022, Ciminelli transitioned to Microsoft Cloud, an open cloud platform. Not only did this provide our employees with a modern way of accessing information, it greatly improved our companywide security with MFA requirements for all users.



FINANCIAL MANAGEMENT AND COMPLIANCE

Ciminelli provides financial oversight of over 100 managed assets, including monthly financial reporting and tax compliance.

Our financial teams provide expertise over all facets of our business, supporting the operations of our managed portfolio of properties, investment portfolio, and corporate operations.

Our inter-departmental teams develop yearly budgets and provide recurring reports to our clients to track results. Our team has developed and enhanced internal controls to govern banking systems, financial results, and tax matters. Specifically, responsibilities related to our vendors (compliance, supervision, invoice approval, and check issuance) are performed by different staff in different departments with controls and checks in place to mitigate risk of impropriety.

Ciminelli's investment committee maintains rigorous standards and procedures to facilitate diligent review and approval of all new ventures. Streamlined investor communication is essential to increase transparency and accelerate capital raises, and our team utilizes a financial reporting portal to issue distribution reports to our investors.

To ensure compliance with our lenders and other outside investors, Ciminelli financial statements undergo an in-depth annual review from an independent accounting firm. The team also coordinates with numerous firms on the reviews and audits of many properties to ensure those financial statements satisfy any and all requirements and provide for the timely filings of tax returns for all entities under management.



REVIEWS FROM

8

**OUTSIDE AUDITORS
FOR COMPLIANCE**

38,000

**INVOICES PROCESSED
ANNUALLY**



LOOKING FORWARD

Ciminelli is committed to setting challenging yet attainable objectives for corporate stewardship.





LOOKING FORWARD

Ciminelli Real Estate Corporation will continue to set ambitious, yet achievable goals for corporate stewardship. In the coming years, Ciminelli will expand existing programs, implement new initiatives, develop sophisticated methods to track measurables, and continue to be a thoughtful industry leader and mindful community partner.

When completed, Ciminelli will enroll in a PILOT program related to our most recent development project, 716Health (111 North Maplemere Road), to fund an afterschool program in the Sweet Home Central School District.

Ciminelli will investigate waste recycling protocols to include the recycling of alternative materials, in an effort to reduce the amount of waste that the company and vendor partners produce. Team members from Ciminelli are committed to increasing participation in organizations and causes that support our sustainability initiatives.

Another key goal for Ciminelli is to ensure that 100% of employees complete Diversity, Equity, and Inclusion (DEI) training. This commitment will help create a more welcoming and supportive workplace culture. The company will implement employee focus groups to gather feedback on company culture, and identify areas for improvement.

Ciminelli continues to remain dedicated to supporting the community through programs like Phase II of The Foundry's Youth Entrepreneurship Program. This program will focus on enrollment and continuing support for young entrepreneurs, providing them with the resources and mentorship they need to succeed in Buffalo's small business community.

By embracing these initiatives, and many others, Ciminelli Real Estate Corporation is setting an example for other organizations to follow. We demonstrate our commitment to our communities through environmental stewardship, social responsibility, and transparent governance.





Ciminelli Real Estate Corporation

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