



W. P. CAREY

2021 ESG Report





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“By its nature, our work promotes jobs and prosperity. *Doing Good While Doing Well* means that when we are financing properties for companies, we are also helping the communities those companies serve. It is important to always ask, ‘What is the impact of what we are doing? What is good for society?’”

**Wm. Polk Carey**

Founder

May 19, 2001

# Since our founding in 1973, we have operated under two guiding principles:

*Investing for the Long Run®*

*Doing Good While Doing Well®*

## Overview

# About W. P. Carey

# ~\$22B

enterprise value

# 156M

sq. ft.

# 1,304

properties

# 352

corporate tenants

W. P. Carey ranks among the top 25 REITs, with an enterprise value of approximately \$22 billion and a diversified portfolio of operationally critical commercial real estate that includes more than 1,300 net lease properties covering approximately 156 million square feet as of December 31, 2021.

We invest in high-quality single-tenant industrial, warehouse, office, retail and self-storage properties subject to long-term net leases with built-in rent escalators. Our portfolio is located primarily in North America and Europe and is diversified by tenant, property type, geographic location and tenant industry.



## Overview

## 2021 Business Highlights

# \$1.72B

Record investment volume completed

# \$4.89

per share Real Estate AFFO generated<sup>1</sup>

# \$2.4B

Record long-term and permanent capital issued, including our inaugural Green Bond

# \$4.21

per share dividends declared, representing our 83<sup>rd</sup> consecutive increase

1. (f) We believe that adjusted funds from operations ("AFFO") and AFFO from Real Estate ("RE AFFO") are useful supplemental measures that assist investors to better understand and measure the performance of our business over time and against similar companies. AFFO and RE AFFO do not represent net income or net cash provided by operating activities, which are computed in accordance with accounting principles generally accepted in the United States ("GAAP"), and should not be considered alternatives to net income or net cash provided by operating activities as an indicator of our financial performance. These non-GAAP financial measures may not be comparable to similarly titled measures of other companies. See Appendix A for a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures in our consolidated financial statements for the fiscal year ended December 31, 2021.

## Overview

# CEO Message

I am pleased to present W. P. Carey's fourth annual ESG Report, intended to provide a comprehensive overview of our ESG program and initiatives.

W. P. Carey has followed its two core principles since our founding nearly 50 years ago: *Investing for the Long Run* and *Doing Good While Doing Well*. Being responsible to our stakeholders and our community is fundamental to good corporate citizenship and continues to be part of W. P. Carey's core beliefs. We employ these principles across our operations as part of our Environmental, Social and Governance (ESG) program, which is led internally by our ESG Committee and overseen by the Nominating and Corporate Governance Committee of our Board of Directors.

As a net lease REIT, substantially all of our properties are leased to our tenants on a triple-net basis, whereby tenants are responsible for maintaining the buildings and are in control of their energy usage and environmental practices. Despite this lack of direct control, we have prioritized the collection of Scope 3 tenant electricity usage data and collected data from properties that generate approximately 25% of our ABR since starting our efforts in 2021. We believe that this approach will ultimately reflect a leadership position in the net lease industry and will enable us to quantify and reduce our portfolio's global carbon footprint. It will also allow us to benchmark our portfolio's performance so we can establish goals and measure progress as we go forward.

We continue to execute sustainable projects with existing assets, which help align our goals with those of our tenants, while adding value to our portfolio over time. In 2021, we issued our inaugural \$350 million green bond and more recently achieved Gold Level recognition as a Green Lease Leader.





## Overview

# CEO Message (continued)

Our employees are at the forefront of our *Investing for the Long Run* philosophy. In order to execute on our business strategy, we must attract and retain top talent with diverse backgrounds and insights, so we are deeply committed to continuously evolving our culture to remain a "best in class" employer. As we continued to navigate the ongoing pandemic, we returned to the office on a hybrid schedule, providing employees with the in-office opportunity for building relationships, community, mentorship and culture, while also providing flexibility to our employees, as they balance their work and personal needs. We prioritize employee engagement, development and opportunity to ensure that our employees progress and grow within our organization. Our Commitment to *Doing Good While Doing Well* was again highlighted as in-person employee volunteer events returned and we increased our corporate contributions by more than 30% over the prior year, supporting organizations such as the Gift of Adoption and the American Red Cross.

We also continue to focus on the important work in the areas of diversity, equity and inclusion, which has become a priority of ours in recent years. At W. P. Carey, we understand the tremendous value of diversification. We also believe in a society where everyone has a voice in our democracy, and to that end, we signed the Civic Alliance Joint Statement on Protecting Voter Access. Throughout the year, our DEI Advisory Committee facilitated employee communications around race, sexual orientation, gender, disabilities and other that topics important to our workforce. We have worked diligently towards building an inclusive W. P. Carey and ensuring that our employees feel a sense of belonging and that our processes are equitable. There is always more work to be done and we are determined to keep making progress in 2022.

**We are pleased to have had many ESG accomplishments over the last year, including those highlighted below:**

- Issued our inaugural green bond, the first U.S. dollar denominated green bond issued by a net lease REIT;
- Received the first BREEAM In-Use Very Good certification for a life sciences building in the U.S;
- Achieved Gold Level Recognition as a Green Lease Leader;
- Recognized as one of the "Best Places to Work" in Commercial Real Estate by GlobeSt.com;
- Signed the Civic Alliance Joint Statement on Protecting Voter Access;
- Were included as a constituent in the 2022 Bloomberg Gender-Equality Index for the second consecutive year; and
- Maintained the highest QualityScore rating of "1" by ISS in Governance

I hope you enjoy reading more about W. P. Carey's ESG commitment and progress in this report. We are proud of our efforts and will continue to pursue initiatives that support our long-term goal of positioning W. P. Carey as an ESG leader in the net lease industry.

Sincerely,



Jason E. Fox  
Chief Executive Officer  
May 2022

# Our ESG Strategy

Since our founding in 1973, we have believed that being responsible to our stakeholders and our communities is fundamental to being good corporate citizens. We employ these principles across our strategies as part of our ESG program.

## Environmental:

We consistently evaluate and target sustainability opportunities for all build-to-suits and redevelopments, as well as for existing buildings within our portfolio. We believe these initiatives represent both attractive investments and opportunities to partner with our tenant base in support of their own sustainability goals. We are collecting our portfolio's Scope 1, 2 and 3 data, which will lead to a better understanding of our portfolio's carbon footprint.

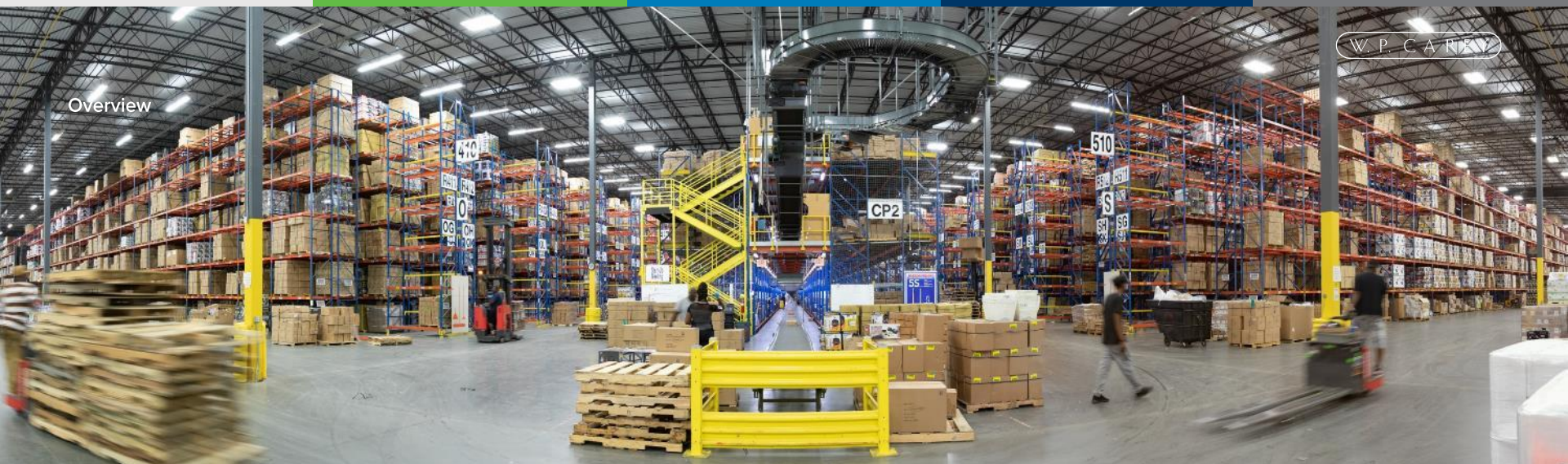
## Social:

*Doing Good While Doing Well* is woven into the fabric of who we are. We prioritize our employees to ensure we attract, develop and retain a high-caliber, diverse workforce. We view engagement with our stakeholders, including tenants and investors, and supporting the communities in which we work and do business, as critical components of being good corporate citizens.

## Governance:

A company's tone is set at the top and we are proud that many of our governance provisions are recognized as best practices. We are committed to managing risk, providing transparent disclosure and being accountable to our stakeholders.





# ESG Governance

## Our ESG Committee

Our cross-functional committee is composed of senior members of departments across our organization that serves to support W. P. Carey's ongoing commitment to environmental and sustainability initiatives, corporate social responsibility and corporate governance. The ESG Committee is Co-Chaired by our Head of Asset Management and Chief Administrative Officer. We provide regular updates on our ESG strategy, initiatives and progress to the Nominating and Corporate Governance Committee, which has oversight over our ESG program, and the Board. Our ESG Committee is tasked with understanding pertinent ESG matters and developing W. P. Carey's overall ESG strategy; overseeing the integration of strategically significant ESG policies into W. P. Carey's business and operations; and assisting in shaping communications with W. P. Carey's stakeholders, including tenants, with respect to ESG matters. Our Sustainability Team, which sits within our Asset Management department, is responsible for executing on sustainability projects within our existing portfolio.





As part of our ongoing commitment to *Doing Good While Doing Well*, W. P. Carey has identified eight of the United Nation's 17 Sustainable Development Goals (SDGs) where we believe we can have the greatest impact and that align with our ESG objectives.

The SDGs were established by the UN to address today's global challenges and to create a more sustainable future by 2030.











## Overview

# Contributing to the UN SDGs



We endeavor to create positive outcomes in each of these areas:

	Description	Goals	Achievements
	Zero Hunger	Address food insecurity in our communities	Partner with local food banks and charities such as City Harvest's Share Lunch Fight Hunger program, Holy Apostles Soup Kitchen and the Amsterdam Food Bank
	Good Health and Well-Being	Promote the physical and mental well-being of our employees	Robust health benefits and wellness events as part of our internal program focused on a holistic approach to employee wellness; ongoing support to community organizations, such as the American Cancer Society and local blood drives and hospitals
	Quality Education	Continue our Founder's commitment to quality education	Mentor partnership with Student Sponsor Partners; team up with Volunteers of America to collect critical school supplies and backpacks for children living in shelters; donate to organizations such as Schools That Can
	Gender Equality	Further our commitment to gender balance in the workplace by continuing to increase female representation at our company	Women represent 30% of our Board of Directors, 48% of our global workforce, 33% of our executive team and 42% of our managers; constituent in the Bloomberg Gender-Equality Index in 2022; Recognized as a "Winning" Company by Women on Boards
	Industry, Innovation and Infrastructure	Provide innovative capital solutions for companies that serve as the lifeblood of our global economy	Execute sale-leaseback and build-to-suit transactions
	Responsible Consumption and Production	Maintain our commitment to <i>Investing for the Long Run</i> within our corporate offices and our portfolio	GoGreen internal campaign to reduce our environmental impact; operate our headquarters out of a LEED-Gold and WELL-Health Safety certified building. At the portfolio level, work with our existing tenants to help fulfill their sustainability objectives through capital investment/redevelopment projects
	Climate Action	Increase the percentage of our portfolio that has received third-party sustainability certifications and/or maintains energy-efficient systems	Execute sustainability projects on existing assets, issue green bonds and allocate capital to sustainable investments and projects
	Life on Land	Support community environmental efforts and encourage employees to participate in philanthropic activities to maintain and improve our local parks and protect vulnerable wildlife	Financial support and employee volunteer event with Billion Oyster Project and support of High Line Sustainable Gardens Project, De Hortus Botanical Garden and Kew Royal Botanic Gardens

## Overview

# Stakeholder Engagement

Stakeholder	Type of Engagement	Description
Employees	Town Hall Meetings	Town Hall meetings where management provides updates on company performance and initiatives and employees have the opportunity to ask questions
	Training Sessions and Events	Frequent training sessions and gatherings to educate employees, encourage cross-functional collaboration and exchanges of ideas
	Communications and Policies	Day-to-day interaction; Carey Connect, our employee intranet, ensures access to our employee handbook, policies, procedures and our Code of Conduct
Investors	Investor Meetings/Calls	Frequent direct engagement with the investment community to solicit feedback regarding our strategy, performance, disclosures and ESG practices
	Press Releases and SEC Filings	Timely and fulsome disclosures to alert investors of our investments, performance and important corporate news
	Third-party Perception Studies	Periodic perception studies to gather candid and anonymous feedback on our company, which forms a valuable part of our Investor Relations process
Tenants	Proactive Asset Management	Partner with our tenants to support their growth via capital investment projects, including expansions, new facilities and building retrofits
	Tenant Relationships	Close relationships with tenant management teams, including regular communication, on-site visits and inspections of approximately 30% of the portfolio each year
	Sustainability	Major focus on increased tenant engagement on sustainability including energy usage data collection, sustainability projects and renewable energy opportunities
Vendors and Suppliers	Vendor Code of Conduct	Our expectations surrounding human rights and environmental sustainability also extend to include our vendors
	Vendor Survey	Survey to understand vendor commitment to D&I in order to inform our vendor selection process
Our Community	Carey Forward	Support of local organizations through our employee volunteer program
	Corporate Contributions	Financial donations to support community organizations
	W. P. Carey Foundation	Matching by the W. P. Carey Foundation of qualifying contributions made by our employees and directors, as well as certain corporate contributions made by the company



# Industry Association Memberships

Industry associations provide a platform to actively participate in meaningful conversations and initiatives that will continue to propel our industry and communities forward.



## Overview

# Our Shared Commitment to Corporate Social Responsibility

Our portfolio not only comprises high-quality assets, but high-caliber companies making a positive impact on the social and environmental systems in which they operate.



## Extra Space Storage

Extra Space Storage, one of W. P. Carey's top 10 tenants and a leading owner and operator of self-storage facilities, is committed to improving the sustainability of its operations through environmental, social and governance best practices. Extra Space has made significant progress in reducing its portfolio's carbon emission, with 50% of its wholly-owned portfolio powered by solar energy. Extra Space is also GRESB's highest rated U.S. self-storage REIT and was selected by Forbes as one of "America's Best Employers for Diversity."



## Casino Guichard-Perrachon

In 2021, W. P. Carey completed a \$119 million off-market sale-leaseback of three hypermarket properties located in Southern and Central France. The portfolio is leased to Casino Guichard-Perrachon, one of the largest food retailers in the world. The transaction was also an opportunity to work with a tenant that shares W. P. Carey's commitment to sustainability, as Casino is one of the "World's Top 100 Most Sustainably Managed Companies," according to The Wall Street Journal.



# Environmental



## Environmental

# Our Commitment to Sustainability

As a net lease REIT, substantially all of our properties are leased to our tenants on a triple-net basis, whereby tenants are responsible for maintaining the buildings and are in control of their energy usage, and environmental sustainability practices. Despite this lack of direct control, we strive to be a leader in the net lease industry in environmental sustainability over the long-term by taking a proactive approach to quantifying and reducing the global carbon footprint of our portfolio.

To achieve this goal, our Sustainability Team, which sits within our Asset Management Department, is tasked with three primary objectives:

- build and deploy scalable systems to collect and analyze our portfolio's carbon footprint data;
- systematically engage in tenant outreach; and
- execute sustainability projects

This Team is comprised of Asset Managers and Project Managers in our New York and Amsterdam offices, including the Head of Asset Management, who is a member of our Operating and internal Investment Committees, and Co-Head of the ESG Committee.

## Environmental

# As of December 31, 2021, our portfolio comprised:



5.4M sq. ft. of green-certified buildings (3.4% of total sq. ft.)



Five (5) LEED-certified buildings



11 BREEAM-certified buildings

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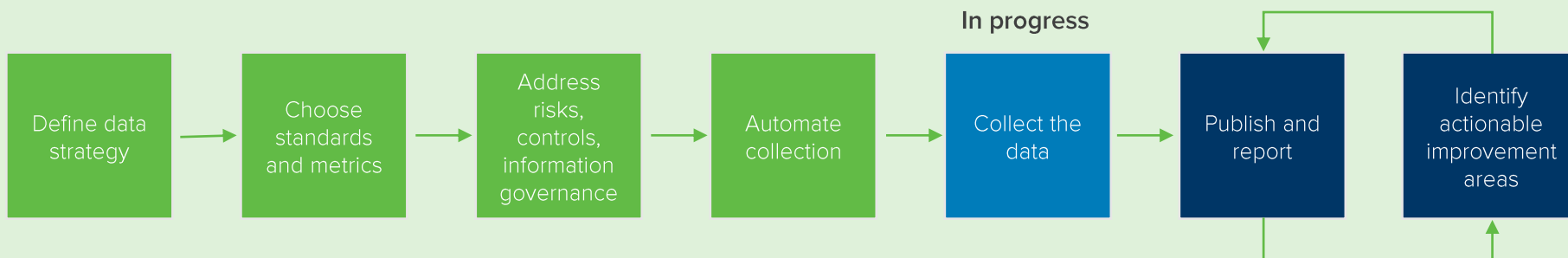
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## Environmental

**Data Collection & Analysis:** In 2021, we launched a program to collect our Scope 3 tenant energy usage data globally in an automated and scalable manner. The platform we instituted aids us in determining the carbon footprint of our portfolio, identifying outliers and opportunities, and will facilitate future reporting to third-party benchmarking organizations, such as the GRESB and CDP, and prepare us for regulatory disclosures on environmental metrics. It also enables us to equip our tenants with tools to better manage and benchmark their own energy consumption. In 2021, we met our goal to collect approximately 25% of our tenants' electricity usage data as a percentage of ABR, with a goal of collecting 40% by the end of 2022.

We began a program to gather our Scope 1 and 2 emissions in early 2022 with the intent to collect 100% by year-end and to then develop an asset-level plan to reduce these emissions.

25%+

tenant electricity usage data  
collected as a percentage of  
ABR in 2021



## Environmental

**Tenant Outreach:** We have always taken a proactive approach to managing our portfolio and our Asset Management department is structured around tenant relationships. Each Asset Manager is responsible for a portfolio of tenants, across property types and regions. As a result, the team develops long-term relationships with tenant management teams, providing a direct and ongoing dialogue about the tenant's business and how they can operate more efficiently in their real estate.

We take a systematic approach to tenant engagement, with regular business update meetings with tenants and property visits representing approximately 30% of tenants on-site every year, as measured by ABR. Our Asset Management department takes the same approach regarding sustainability by consistently reaching out to tenants to better understand their energy consumption and start actionable conversations around how to make their buildings more efficient and reduce their carbon emissions. These discussions often lead to projects such as energy efficiency upgrades or on-site renewable projects.

In 2022, we also rolled out our sustainability tenant survey, which seeks to better understand our tenants' top priorities around sustainability. This survey will be sent to all tenants in 2022.

## We incorporate sustainability into every tenant interaction:

- ✓ Sustainability and satisfaction surveys
- ✓ Transaction negotiations
- ✓ Energy outlier analysis
- ✓ Sustainable building guidelines
- ✓ Green lease provisions

## Environmental

**Sustainable Construction:** We recognize that implementing sustainable practices during the construction phase has an outsized impact on a building's lifecycle emissions and aim to proactively incorporate sustainability considerations with any redevelopments and built-to-suits.

For every project where we are involved early on, we engage a sustainability consultant and aim for the highest green building certification possible. Depending on the project's specifications, we have conducted life cycle carbon assessments and considered net zero building design standards during the design and development process.

We also finalized our Sustainable Construction Guidelines and plan to roll these out for any redevelopment and built-to-suit projects in 2022. Accompanying these guidelines is a checklist to support our ability to track the implementation of sustainability initiatives for our projects moving forward. Our Asset Management team plans to leverage these guidelines in 2022 to educate our tenants on sustainability projects they can implement as part of our tenant interactions.



## Environmental

**Managing Climate Risks:** We recognize climate-related risks may have a significant impact on our assets. We conduct climate-related risk assessments as part of our due diligence process and for our existing assets in partnership with our insurance provider. Together, we use geolocation data for our assets to assess the current potential physical climate-related risks that may affect each asset, including flooding, wind, storms, hail, wildfire, etc., as well as the potential for these physical climate-related risks to become of greater significance in the future.

From our most recent climate-related risk assessments, we identified that our portfolio overall has a low Climate Risk Score, indicating our portfolio is currently relatively resilient. Any remaining climate-related risk is mitigated through insurance. Where appropriate, supplemental insurance is included, typically at the tenant's expense. We plan to reassess the climate-related risks to our portfolio every 2-3 years.





## Environmental

**Green Lease Leader:** We also continue to add “Green Lease” provisions to our leases, including eight leases in 2021 totaling \$12 million of ABR and 1.9 million square feet as of December 31, 2021.

Examples of green lease clauses include the ability to install on-site renewable energy, a cost recovery clause for energy efficiency upgrades, annual tenant disclosure of environmental metrics, and required minimum energy efficiency fit-out guidelines which may include engagement with tenants to meet LEED requirements.

In 2022, we achieved **Gold Level Recognition as a Green Lease Leader**.

Green Lease Leaders is a national recognition program developed by the Institute for Market Transformation (IMT) and the U.S. Department of Energy’s (DOE) Better Buildings Alliance with support from leading real estate practitioners to promote the incorporation of green leasing to drive high-performance and healthy buildings.



## Environmental

# Sustainability Projects

We believe that improving the quality and sustainability of our assets increases renewal probabilities, deepens tenant relationships and increases the overall value of our portfolio. Sustainable buildings reduce tenant operating costs and are more likely to attract high-quality tenants, improve renewal outcomes and drive higher rents.

Sustainability projects fall within five key areas:

- renewable energy opportunities;
- building energy retrofits;
- existing building green certifications;
- new construction green certifications; and
- tenant energy audits

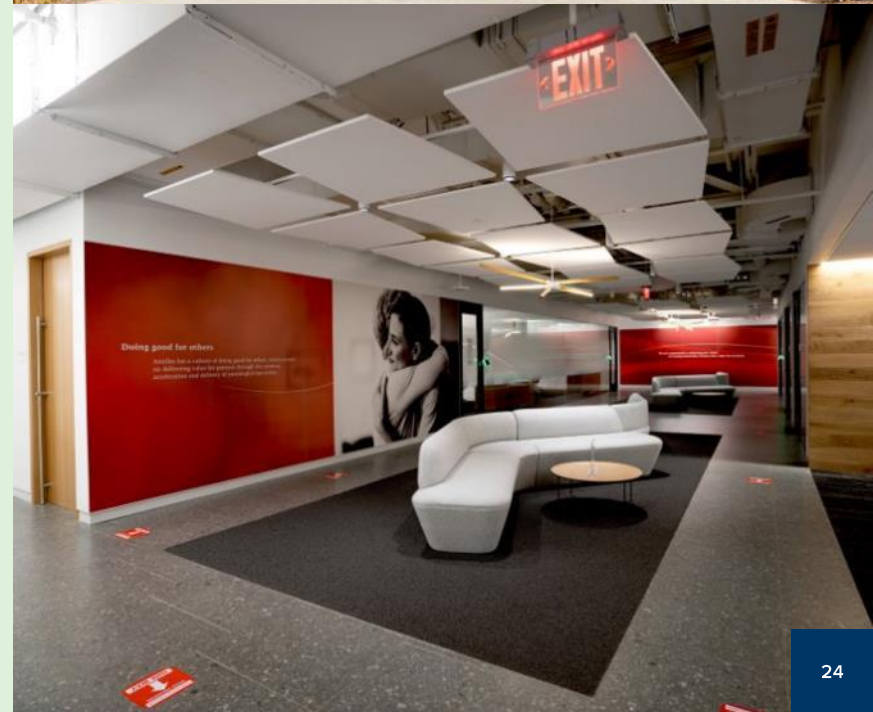
## Environmental

# Astellas

## Working with existing tenants on property-level sustainability projects

In 2018, W. P. Carey agreed to fund the redevelopment one of its existing office buildings into a state-of-the-art life sciences facility for its new tenant, Astellas Institute for Regenerative Medicine ("AIRM"), a subsidiary of a Tokyo-based top 20 global pharmaceutical company. The \$52 million redevelopment of the custom-built 262,000-square-foot facility in the Greater Boston area was completed in 2020, and the facility currently serves as AIRM's R&D headquarters for regenerative medicine and cell therapy. In 2022, the facility received a BREEAM "Very Good" certification, making it W. P. Carey's first BREEAM-certified building in the U.S. and, more notably, the **first life sciences building in the U.S. to be certified with any BREEAM rating** framework. We are also seeking to implement a solar installation at this property, with the ultimate intention of achieving net-zero emissions.

# BREEAM®





## Environmental

# Cuisine Solutions

## Funding sustainable building development from the ground up

In 2020, we completed a **\$74 million build-to-suit food production facility** in San Antonio, Texas for our existing tenant, Cuisine Solutions, the largest manufacturer and distributor of sous vide food. The brand-new, state-of-the-art facility is LEED certified and features a number of green features funded by W. P. Carey, including **electric car charging stations** and a **300-space parking lot shaded by solar panels**. The facility was **recently named 2021 “Sustainable Plant of the Year”** by Food Engineering Magazine for its innovative approach to sustainability and delivers a Global Warming Potential (GWP) of 0, the lowest possible rating.



## Environmental

# Mid-Valley Logistics Project

## Redevelopment of portfolio asset into state-of-the-art logistics facility

In August 2021, we completed a \$25 million redevelopment of a warehouse first acquired by W. P. Carey in 1997. When the tenant vacated the property years later, we were left with a 325,000-square-foot, Class C metal warehouse. Instead of selling the asset, we leveraged our in-house development capabilities to **transform the property into a state-of-the-art 505,000-square-foot, Class A warehouse and logistics facility**. Located in Lehigh Valley, Pennsylvania, one of the most desirable industrial markets in the U.S., the property is now fully leased and is expected to receive a **LEED Silver certification** for its environmental features.





## Environmental

# Nippon Express

## Build-to-suit expansion and solar panel installation with existing tenant

In 2015, W. P. Carey acquired a modern, BREEAM- and FM-certified **logistics facility** in the Netherlands for \$43 million. The facility is located in the Port of Rotterdam, Europe's largest port and logistics hub, and leased to Nippon Express, one of the largest third-party logistics companies in the world. In 2018, we agreed to fund up to \$20 million for a build-to-suit expansion of the property, which was completed in 2019 and added an additional 350,000 square feet. We also agreed to the installation of a one-million-square-foot solar roof, which was completed in 2021 and is the **second largest solar rooftop in the Netherlands**, generating 12,000 MWh annually. This transaction demonstrates our commitment to supporting our tenants' growth strategies while investing in a sustainable asset.

**BREEAM®**

W. P. CAREY



## Environmental

# Green Investments

We continue to enhance the ESG aspect of our investment underwriting, looking not only at the environmental impact of a property and how it can be improved, but also reviewing the governance and social practices of the tenant company as we consider our investment.

Jaguar Land Rover is committed to producing electric versions of all vehicle models by 2030 and to becoming a net zero carbon business across its supply chain, products and operations by 2039. The company's 1.1-million-square-foot Class-A logistics facility in the U.K. acquired by W. P. Carey in 2021, is **certified as BREEAM "Very Good" and operates at the highest level of energy efficiency with an EPC "A" energy rating.** The company is certified as carbon neutral by the Carbon Trust for U.K. manufacturing and product development.



# BREEAM®



## Environmental

# Green Investments

In 2021, W. P. Carey agreed to fund €25 million in build-to-suit financing for the development of a state-of-the-art food research facility for Upfield, a portfolio company of KKR, a global private equity firm. Upfield is the leading producer of plant-based spreads and cheese with over 100 brands including Flora, Pro-Activ and Country Crock. The construction of Upfield's new global R&D headquarters will be critical for the development of new and innovative plant-based consumer products and environmentally-friendly packaging.

The facility is expected to receive a **BREEAM "Outstanding"** environmental rating upon completion of construction in 2022.









## Environmental

# Green Bond Issuance

W. P. Carey strives to be a leader in environmental sustainability over the long term. In October 2021, we completed our inaugural \$350 million green bond issuance with proceeds allocated to new and existing eligible green projects. The green bond was a particular point of pride for our company, furthering our commitment to ESG and marking the **first U.S. dollar green bond issued by a net lease REIT**.

With this offering, we also achieved one of the tightest spreads for a net lease REIT on a ten-year bond offering and further diversified our investor base to include ESG-focused investors. Moving forward, we hope ESG investors will continue to be a source of capital for W. P. Carey as we acquire more eligible buildings and seek opportunities to improve or redevelop existing properties to enhance their sustainable characteristics.

Our Green Financing Framework can be found on our [website](#).

GBP Eligible Category	Eligible Green Projects and Examples	UN SDG Alignment
Green Buildings	Investments and financings related to real estate projects that have received or are expected to receive third-party sustainability certifications or verification such as: <ul style="list-style-type: none"> <li>• LEED (Silver, Gold, Platinum)</li> <li>• BREEAM® (Very Good, Excellent, Outstanding)</li> <li>• ENERGY STAR: Rating of 75 or greater</li> <li>• Additional equivalent certifications</li> </ul>	
Renewable Energy	Investments related to the design, construction, operation and maintenance of on-site or off-site renewable energy sources, such as wind and solar	
Energy Efficiency	Investments related to the design, construction, operation, and maintenance of energy-efficient systems (including efficient LED lighting, HVAC, cool roofing and energy management systems) that yield at least a 15% energy efficiency improvement	
Pollution Prevention and Control	Investments aimed to reduce waste and contribution to landfills	
Sustainable Water and Wastewater Management	Investments in infrastructure that promote clean water management, conservation and water-use efficiency	
Clean Transportation	Investments in electric transportation, including investments in infrastructure for the operation of electric vehicles (EV)	



## Environmental

# In Our Offices

**We demonstrate our commitment to sustainability on a daily basis through how we address waste and recycling in our corporate offices and educate our employees, including:**

- Operate out of our headquarters in a LEED Gold and WELL-Health Safety certified building that will operate with net-zero emissions
- Actively recycle materials, including everyday supplies, cell phones and other electronics and the use of Terracycle “Zero Waster Boxes” in each of our offices
- Use ENERGY STAR-certified desktop and laptop computers, monitors and printers
- Significantly reduce of paper usage through enhanced file-sharing abilities and “follow me” printing
- Use eSignature software to minimize printing needs
- Offer commuting benefits for employees who use public transportation
- Celebrated Earth Day with donations to the Sustainable Garden Project in NYC, the De Hortus Botanical Garden in Amsterdam and Kew Royal Botanic Garden in London; provided employees with the tools to calculate their carbon footprint; and asked New York City residents to complete the Environmental Justice for All Report, which was designed to analyze the city’s environmental and climate issues.
- Use an electronic vendor invoice processing and payment system
- Provide tips to reduce the amount of single-use plastic in connection with Plastic-Free July
- Use reusable W. P. Carey water bottles and coffee mugs
- Use of recycled and sustainable paper and kitchen products







Social





## Social

# Doing Good While Doing Well

Our commitment to *Doing Good While Doing Well* is evidenced by the way we work, how we treat one another and the way we engage in our communities. Our employees are at the forefront of this commitment, as we recognize that our success is due to their hard work and talent. As good stewards of the community, we remain steadfast in our efforts to:

- uphold the highest standards of ethical behavior
- maintain our core values, including our commitment to diversity, equity and inclusion, among our employees, tenants and business partners
- achieve higher standards of business conduct than is required by law
- serve society and strive to leave the world a better place than we found it



## Social

## Our workforce by the numbers

180+

employees globally

20+

languages spoken

39

average  
employee age

39%

are Asian, Black or  
African American, or  
Hispanic or Latino

### Women currently represent:

48%

of our global workforce

33%

of our executive team

42%

of our managers

30%

of our Board of  
Directors

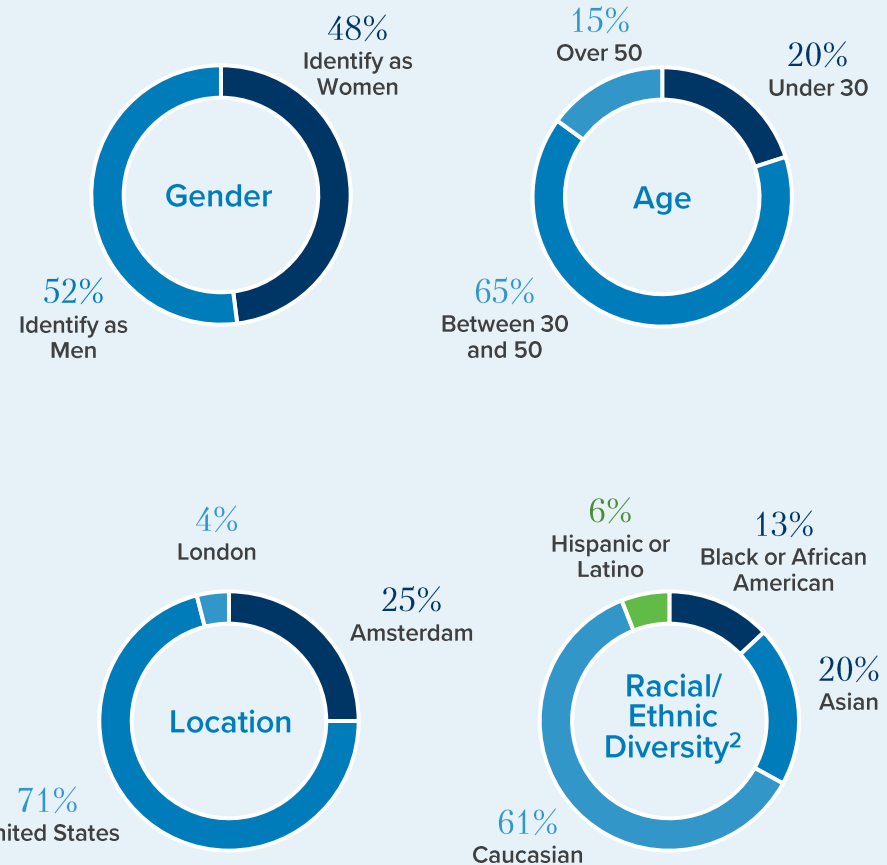
In 2022, we were included for the second consecutive year as a constituent in the Bloomberg Gender-Equality Index.

## Social

# Diversity and Inclusion

## Maintaining our commitment to workplace diversity

We strive to make our company a place where everyone is welcome, respected, treated fairly, and has the resources and opportunities to advance in their careers. Cultivating a diverse, inclusive and equitable workforce is supported at all levels of the organization, starting with our Board of Directors, and has been critical to our success over the long run. We strongly believe in the benefit of having diverse backgrounds and perspectives, and maintaining an open dialogue. Our DEI Advisory Committee actively supports these efforts by facilitating conversations around race, sexual orientation, gender and other important topics.



2. Data is collected by our Human Resources Department and is only for our U.S.-based employees.

## Social

# In 2021 we are proud to have:

- Signed the Civic Alliance Joint Statement on Protecting Voting Access, a nonpartisan movement committed to ensuring that every eligible American has the freedom to easily cast their ballot and participate fully in democracy;
- Made donations to the Asian American Federation, Union Settlement, the Afghan American Foundation, Gift of Adoption and Dress for Success among other organizations;
- Achieved 100% employee participation in firm-wide DEI training by active employees as of December 31, 2021;
- Participated in and supported NYC Pride;
- Hosted Dartmouth Professor Dr. Matthew Delmont, to speak to our employees on “The Past and Future of Black History Month” for a special edition of Conversations@Carey; and
- Volunteered at the Dominican Women’s Development Center





## Social

Our people are critical to our success and, in an effort to ensure they are recognized accordingly, we conduct regular pay equity analyses of our employee population with the assistance of external legal counsel and labor economists working under their supervision. This analysis takes into account performance, skill and experience level, with the aim of identifying any pay disparities among comparable roles.

Our offices are located in New York, Amsterdam, London and Dallas, and our employees represent various backgrounds and speak more than 20 languages. With an average age of 39, our employees currently range in age from 22 to 76.

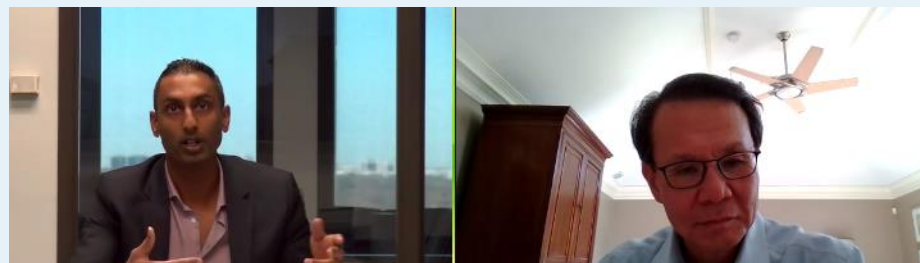
At W. P. Carey, it is one of our fundamental beliefs that all people should be treated with dignity and respect. We are committed to conducting business in accordance with U.S. equal employment opportunity laws, as well as the International Labour Organisation (ILO)'s Declaration on Fundamental Principles and Rights at Work. W. P. Carey is an equal opportunity employer and considers qualified applicants regardless of race, color, religion, gender, sexual orientation, gender identity, gender expression, or national origin, age, disability, military or veteran status, genetic information or other statuses



protected by applicable federal, state and local law. We have a “zero-tolerance” policy towards unlawful employee harassment and discrimination, which expressly prohibits any form of employee harassment based on race, color, sex, gender, sexual orientation, national origin, age, disability, pregnancy, military or veteran status, genetic information, or status in any group protected by applicable federal, state or local law. Improper interference with the ability of our employees to perform their expected duties is not tolerated, whether it involves our employees or third parties (including job applicants, contractors or vendor personnel) who conduct or seek to conduct business with us.

It is paramount that employees feel safe and comfortable at work, so we maintain formal complaint and grievance procedures to support them through any conflicts that may arise. While we first request that employees go to their supervisors or Human Resources with concerns, if the grievance is not resolved they may escalate the concern to our Chief Ethics Officer or Chief Executive Officer. Employees may also anonymously file a complaint through our third-party hotline.

## Conversations@Carey



Our Conversations@Carey educational series aims to help employees gain a broader perspective of the various departments at W. P. Carey through internal interviews and Q&A sessions. Led by our President, Conversations@Carey has featured employees across our offices in New York, Dallas, London and Amsterdam

# Investing in Our Employees

When we invest for the long run, our employees are at the core of that philosophy.

We strive to make W. P. Carey a great place to work and to attract and surround ourselves with the best and brightest. We want to enhance their lives in and out of the offices as they progress and grow with the company.

We develop a talent pipeline through our internship and college recruiting programs, in addition to internal and external training programs through all levels of the organization. We put time and resources into talent management and retention practices, including succession planning for key roles, to support and cultivate potential throughout the organization.

## Training and Development

By investing in our employees’ careers through training and development, we are building a talent pool capable of executing our business strategies today and in the future. In 2021, we spent over \$250,000 on training initiatives and employees completed 2,200+ training hours, averaging 12 training hours per employee.

Our training program includes:

- Executive coaching
- Management training
- Respect in the Workplace training
- FCPA/anti-bribery training
- DEI training
- Conferences and industry group memberships
- Upskilling (e.g. certifications and licensing)
- Conversations@Carey
- Ethics training for new employees
- ESG training (new in 2022)

In addition to the regular training that existing employees receive, all new hires also receive training when they join W. P. Carey. This training is designed to familiarize them with our business, our corporate culture and our policies, including those set forth in our Code of Business Conduct and Ethics.

In 2021, as part of our commitment to creating an inclusive work environment, we also implemented firm-wide Diversity, Equity and Inclusion training for all employees. 100% of our active managers and employees participated in this training.

We endeavor to create a vibrant, inclusive work environment free of any form of bias or discrimination. We are also committed to the safety of our employees and abiding by all laws pertaining to worksite safety, including OSHA rules and regulations. We require all employees to participate in our annual Respect in the Workforce training program, which includes anti-sexual harassment training as specified by New York Local State and New York City Human Rights Laws.

	Operating Committee	Managers	Non-Managers
Respect in the Workplace	100%	100%	100%
DEI Training	100%	100%	100%

## Social

# Connecting with the Whole You

**The financial health and overall wellness of our employees and their families are paramount.**

Through our employee compensation and benefits program, *Connecting with the Whole You*, we invest in the overall well-being of our employees. We understand that our employees are our most important asset and by investing in our people, we invest in our future and build on our long-term success.

## In 2021, we approved the following enhancements:

- A hybrid work schedule
- Egg freezing benefits for our employees and their partners
- Increased secondary caregiver leave
- Religious observance days added to our PTO policy
- Increased gym reimbursement
- Financial prize to the recipient of our *Carey the Torch* award



In 2021, our average benefit spend per employee in the U.S. was \$41,000.



## Social

# Compensation and Benefits

**We are committed to providing fair and competitive wages to all of our employees, with a focus not only on their current compensation, but also on retirement planning for their future.**

**We provide:**

- Competitive compensation programs;
- Company-paid profit-sharing plan under which the company contributes 10% of an employee's total cash compensation, up to the annual limitations set by the Internal Revenue Service (\$29,000 for 2021), into the employee's retirement account;
- Employee-funded 401(k) and Roth 401(k) plans;
- Employee share purchase plan (ESPP);
- Long-term incentive plan;
- Stock grants for milestone anniversaries;
- Adoption Assistance: \$10,000/child;
- Surrogacy Assistance: \$20,000/birth;
- Egg-freezing benefits;
- Flexible spending accounts (FSA/DCA) for medical and dependent care (in addition to the Carey Fund allowance);
- Tuition reimbursement;
- Employee referral program;
- Employee-paid pet insurance and legal insurance;
- Pre-tax commuting and parking benefits;
- Carey the Torch financial prize for the award recipient; and
- Charitable contribution matching program by the W. P. Carey Foundation

Reflects U.S. benefits program. Competitive local benefits program available for international employees.

## Social

# Health and Wellness

**We believe we offer some of the most robust and inclusive healthcare and wellness benefits in our industry, including:**

- Company-paid medical and dental insurance, including family and domestic partner coverage, at 100%;
- Company-paid life and accidental death and dismemberment (AD&D) insurance;
- Supplemental life insurance;
- Long-term disability;
- Short-term disability, including an eight-week continuation of pay program at 100% of base salary;
- 24/7/365 access to telemedicine;
- Carey Fund, which provides each employee with \$2,000 per year for healthcare expenses not covered by insurance;
- Stress management reimbursement;
- Weight loss and stop smoking management; and
- Employee Assistance Program through our healthcare provider, which allows employees to access counseling, legal and financial planning referrals, caregiver referrals and other resources.

## Time-Off Benefits

- Competitive paid time off policy, based on years of service
- Paid sick leave
- Paid holidays
- Religious observance days
- Primary and secondary caregiver leave
- Paid Family Leave
- Personal leave
- Bereavement leave
- Military leave
- Jury duty



Reflects U.S. benefits program. Competitive local benefits program available for international employees.

## Social

# Carey Wellness

Launched in 2016, our Carey Wellness program provides employees with education and practical guidance on nutrition, stress management and general health matters that they can apply both in and out of the office. Throughout the pandemic, we continued the program with a series of virtual seminars including helpful information on COVID-19, vaccinations and remote work. Today, our programs have increased focus on topics related to safety and mental health.





## Social

# Corporate Citizenship

**We believe it is our responsibility to give back and that our ability to recruit and retain top talent depends on demonstrating our commitment to the communities in which we operate.**

W. P. Carey and the W. P. Carey Foundation continue to support educational programs, as well as hospitals, museums and other organizations. Bill Carey's mission to encourage personal generosity lives on through the Foundation's support of the philanthropic activities of the W. P. Carey community by matching certain charitable contributions made by employees and our Board of Directors. In 2021, the Foundation matched over \$170,000 of employee and director contributions.



## Carey Forward

We introduced our Carey Forward program in 2013 as a tribute to our founder, inspired by his generosity and lifelong commitment to *Doing Good While Doing Well*. Since then, we have continued to grow the program through our employees' collective commitment to building and fostering productive relationships between our company and our communities. The program is funded by the company and encourages employees to participate in philanthropic and charitable activities, bringing the same skills and dedication they demonstrate in their professional work life to our communities.

## Carey the Torch

In 2019, the W. P. Carey Foundation launched its inaugural Carey the Torch initiative to recognize employees exemplifying Bill Carey's motto of *Doing Good While Doing Well* by making a positive impact on the community. The company also awards a prize to the employee who is selected as the Carey the Torch recipient.

The 2021 Carey the Torch Award recipient was Leah Speckhard of our Legal Transactions Team for her years of pro bono legal work on behalf of the Southern Center for Human Rights, which provides counsel to people who would otherwise have none, fights racial injustice, unfair application of the death penalty and the criminalization of poverty.

Seven years of pro bono legal work on behalf of:

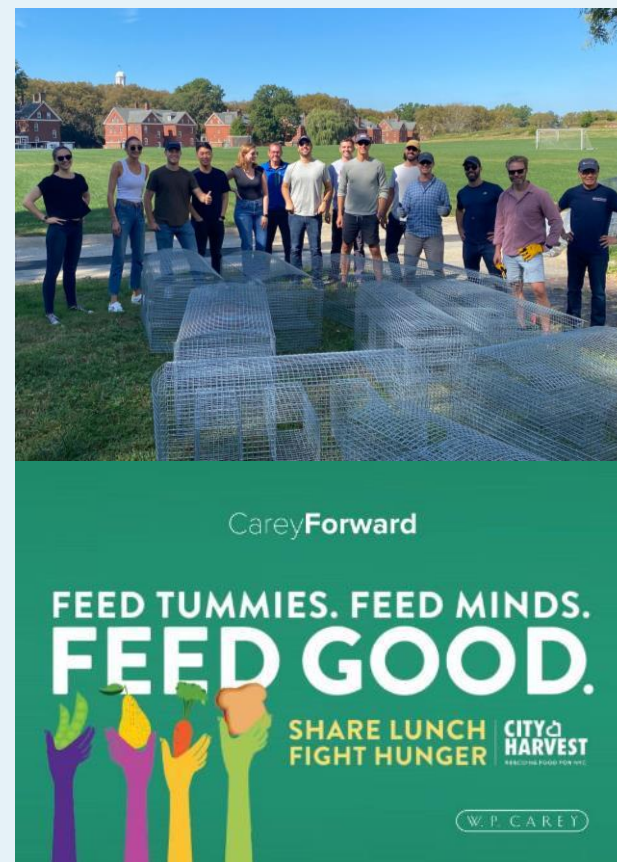


## Social

# 2021 Charitable Highlights

In 2021, our employees supported the following organizations:

- American Cancer Society
- Billion Oyster Project
- Care India
- City Harvest
- Dominican Women's Development Center
- Holy Apostles Soup Kitchen
- London Wildlife Trust
- Student Sponsor Partners
- Stichting Voedselbank Steunpunt
- U.K. National Emergencies Trust
- Volunteers of America



Social

# 2021 Charitable Highlights

Together with the W. P. Carey Foundation, W. P. Carey continues to support local parks, educational programs, hospitals and other community organizations, including:

- American Museum of Natural History
- Hospital for Special Surgery
- Memorial Sloan Kettering Cancer Center Mount Sinai Health System
- Central Park Conservancy
- New York-Presbyterian Hospital
- Solomon R. Guggenheim Museum
- The Frick Collection
- Friends of the High Line
- The Metropolitan Museum of Art
- The Museum of Modern Art
- The New York Botanical Garden
- The American Red Cross
- Whitney Museum of American Art
- Wildlife Conservation Society

## Annual Corporate Giving

In 2021, we increased our corporate giving by 30%, donating to organizations such as the Asian American Federation, the Afghan American Foundation, Gift of Adoption and the American Red Cross.

2019	2020	2021
\$277,665	\$423,205	\$552,713

+30%

Increase in corporate donations over the prior year



# Governance

## Governance

We believe that good corporate governance is essential to the effective operation of our business and our long-term success. Our governance practices are designed to ensure that our company is run responsibly and in the best interest of our shareholders, employees and tenants.

**Many of our Board-level governance provisions are recognized as best practices. Critical components of our governance profile include:**

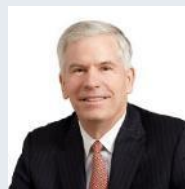
- A separation between our Non-Executive Chairman and our CEO;
- A Board comprised of all independent directors except for the CEO;
- Annual Board and Committee self-evaluations;
- Annual election of directors via majority voting;
- The absence of a poison pill;
- 3/3/20/20 proxy access;
- Shareholder amendment of bylaws with majority voting standard;
- A considered approach to executive compensation and reliance on a carefully constructed group of compensation peers;
- Sound compensation practices, including an anti-hedging policy, a clawback provision, meaningful limits on pledging and a robust annual compensation risk assessment;
- Robust executive and director stock ownership guidelines;
- Board review of management succession plans;
- A commitment to identify and consider diverse candidates as part of Board searches; and
- A limitation on over-boarding by our directors, with a maximum of five public company boards.

## Governance

# Our Board

Comprised of our CEO and ten independent directors, our Board benefits from a mix of tenured and newer directors

Each brings expertise in areas such as real estate, capital markets and international business. We believe this diversity provides the varied experience, viewpoints and robust discussion that result in better outcomes for our shareholders.



**Christopher J. Niehaus**  
Non-Executive  
Chairman of the Board,  
Chairman of the Executive  
and Investment Committees,  
Board Member



**Constantin H. Beier**  
Board Member



**Jason E. Fox**  
Chief Executive Officer,  
Board Member



**Tonit M. Calaway**  
Board Member



**Mark A. Alexander**  
Chairman of the Audit  
Committee,  
Board Member



**Robert J. Flanagan**  
Board Member



**Peter J. Farrell**  
Chairman of the  
Compensation  
Committee,  
Board Member



**Jean Hoysradt**  
Board Member



**Margaret G. Lewis**  
Chair of the Nominating  
Corporate Governance  
Committee,  
Board Member



**Nick J.M. van Ommen**  
Board Member



**Axel K.A. Hansing**  
Board Member  
(Not standing for re-election in 2022)



## Governance

# Board Diversity\*

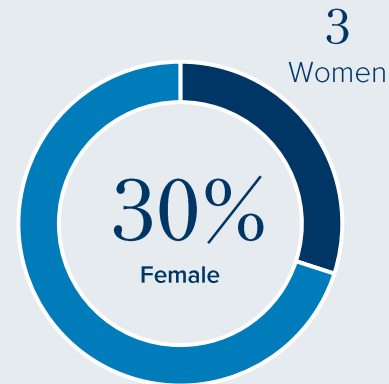
## Tenure



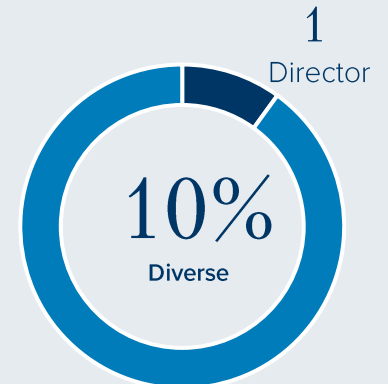
## Independence



## Gender Diversity



## Racial/Ethnic Diversity



We were pleased to be recognized as a “Winning” Company by Women on Boards initiative, helping accelerate gender balance on corporate boards above the 20% average.

\* Reflective of those directors standing for re-election at our 2022 Annual Shareholder Meeting.

## Governance

## Risk Oversight

Our Board has overall responsibility for risk oversight and regularly reviews our Enterprise Risk Management (ERM) program to identify, assess and manage risks that may affect our ability to execute our corporate strategy and fulfill our business objectives. These activities involve the identification, prioritization and assessment of a broad range of risks, including operational, financial, strategic, and compliance risks, and the formulation of plans to manage these risks and mitigate their effects.

Our Director of Internal Audit leads the ERM program and conducts risk assessments with input from senior management, as well as other key stakeholders. The risk assessment considers a broad range of potential risks, including climate risks that may impact our portfolio or overall business, diversity and other human capital considerations, governance issues and other emerging risks. Based on the results of the risk assessments, the Risk Appetite Statement is updated and presented to the Board at least annually. The Risk Appetite Statement articulates our philosophy and approach to managing key risks, providing a common framework and a comparable set of measures for senior management and the Board to clearly indicate the level of risk that the Company is willing to accept in the pursuit of its business objectives. We align our risk statements to our strategy and communicate the risk tolerances and protocols within which we operate - allowing us to be decisive in pursuing opportunities, while ensuring that we are not exposing the Company to excessive risk.

## Information Security Risks

Our information technology and internal audit teams utilize the NIST Cybersecurity Framework to identify and mitigate information security risks. PricewaterhouseCoopers LLP, our independent auditors, also evaluate our cybersecurity program on an annual basis. We engage in monthly vulnerability assessments and periodic simulated social engineering scenarios. The information technology team also reviews our incident response program on an annual basis. We have not identified any information security breaches in over six years and maintain information security risk insurance coverage.

Our information technology team oversees an active information security training program, including annual mandatory cybersecurity awareness training for employees. As a result of the COVID-19 pandemic and our transition to a hybrid work environment, we have become increasingly dependent on the internet and our employees have greater exposure to the malware campaigns and phishing attacks preying on the uncertainty surrounding the pandemic. Our information technology team has implemented additional employee training and outreach efforts and our internal audit team has evaluated and adjusted our internal controls in an effort to mitigate these heightened cybersecurity risks.

During 2021, we completed a tabletop exercise to evaluate the effectiveness of our business continuity plan (which is reviewed on an annual basis) and we implemented a company-wide data retention policy to ensure that we are only retaining necessary business data. Since the start of 2021, we have begun a new cybersecurity assessment to evaluate the effectiveness of our overall cybersecurity program.

## Governance

## Human Rights and Our Code of Conduct

W. P. Carey is committed to protecting and promoting human rights. We recognize our responsibilities in respecting and fostering the expansion of human rights through our business operations and engagement with our employees and vendors. We are opposed to human trafficking and involuntary labor of any kind, including forced, bonded, indentured, prison or child labor, and we abide by federal, state and local employment laws and regulations aimed at protecting minors and other vulnerable individuals.

We recognize that compliance with international norms for protecting human rights is not only a positive social good, it also represents sound business practice. We will strive to incorporate a commitment to human rights into our business operations and to understand the impacts of our business on the rights of people.

At W. P. Carey, we not only hold ourselves accountable, but also expect our vendors and business partners to do the same. We have launched a Vendor Diversity Survey and outreach project to better assess our vendors' commitment to diversity and inclusion. The Vendor Diversity Survey is part of our standard vendor onboarding package and is mandatory for any vendor providing over \$25,000 of products or services to W. P. Carey in any calendar year. We review vendor responses on a quarterly basis and target significant vendors or vendor groups for additional outreach when needed.

All of W. P. Carey's governance documents, including our Code of Business Conduct and Ethics, are publicly available on our website. Our employees participate in our Respect in the Workplace training annually, and in 2021, 100% of our employees completed that training. We maintain an independent 24-hour whistleblower hotline online to enable the anonymous reporting of illegal or improper conduct or

concerns regarding accounting, internal accounting controls or auditing matters related to W. P. Carey or its managed programs. Our Board provides ultimate oversight of issues related to our Code of Conduct and any whistleblower complaints are directed to the Chair of the Audit Committee of our Board, as well as our Chief Ethics Officers, Director of Internal Audit and Chief Legal Officer. All comments and inquiries raised in good faith are reviewed on a confidential and nonretaliatory basis. In 2021, W. P. Carey received no reports or inquiries through the whistleblower hotline.

## Responsible Supply Chain

Our commitment and expectations surrounding human rights and environmental sustainability also extend to include our vendors, and we expect them to follow the same, or similar, environmental policies as we do. W. P. Carey expects that all of its vendors and suppliers adhere to high ethical standards and follow all applicable laws in the specific jurisdiction(s) where they operate, inclusive of regulations prohibiting child labor, protecting worker health and safety, ensuring appropriate workplace conditions and ensuring legal remuneration practices. Through our Vendor Diversity Survey, we seek to engage with our vendors to gather information regarding their own organizational composition and diversity policies, which will aid our vendor selection process.



## Governance

## Compliance with Anti-Bribery, Foreign Corrupt Practices Act, Office of Foreign Assets Control and Anti-Money Laundering Requirements

It is our policy to prohibit all bribes, kickbacks or other similar payments, or anything else of value in any form, made or given directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action and to comply with all applicable laws and adhere to the highest level of ethical conduct, including international anti-bribery laws, such as the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act and similar laws in other jurisdictions. In that regard, we have adopted an Anti-Bribery and Foreign Corrupt Practices Act Policy that is posted on our employee portal and periodically distributed to appropriate personnel, and we ensure compliance with that policy by monitoring our activities abroad and through periodic employee training.

In addition, we have policies and procedures in place that promote and articulate our compliance with U.S. economic sanctions administered by the U.S. Department of Treasury, Office of Foreign Assets Control in all facets of our operations. We use a screening vendor with respect to all payments that we initiate. Our Economic Sanctions Compliance Policy is periodically distributed to appropriate personnel.

We work closely with our financial service providers to comply with all aspects of their Anti-Money Laundering (AML) Programs.

## Political Activities and Contributions

No corporate funds may be used for the purposes of political advocacy, including lobbying campaign contributions and contributions to tax-exempt groups (such as trade associations).<sup>3</sup> Employees, as individuals, are free to make contributions to candidates and causes of personal choice; however, employees may not represent personal views as being those of W. P. Carey and may not seek reimbursement for personal political contributions.

3. We or certain of our employees may be members of industry or trade associations, such as the National Association of Real Estate Investment Trusts, which may participate in political advocacy on behalf of the REIT industry.

## Governance

## Disclosure and Transparency

Our focus continues to be on increasing transparency surrounding our policies and introducing new programs to ensure our operations align with the policies set forth by our Board of Directors. In doing so, over time we significantly improved our Institutional Shareholder Services (ISS) ESG QualityScore, a key metric to assess corporate ESG risk.

In aligning our ESG Report with GRI Standards, we believe we are furthering our promise of transparency and accountability. In 2021, our GRESB Public Disclosure Score improved from “C” to “B,” reflecting the work we have done in enhancing our programming and disclosure. We continue to review every aspect of our business through the lens of ESG and are evaluating other frameworks, such as those developed by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). We remain committed to operating our business at the highest possible standards to achieve our strategic goals and safeguard the long-term interests of our shareholders.



W. P. CAREY

## Reporting



## Reporting

# Employment Data

EEO-1 Reporting<sup>4</sup>

	Male							Female							Overall Totals
	White	Black or African American	Hispanic or Latino	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Hispanic or Latino	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	
Executive/Senior Officials and Managers	3	0	0	0	1	0	0	2	0	0	0	0	0	0	6
First/Mid Officials and Managers	15	0	0	0	2	0	0	4	0	0	0	1	0	0	22
Professionals	25	6	2	0	8	0	0	16	5	5	0	13	0	0	80
Administrative Support	2	4	0	0	0	0	0	11	2	1	0	1	0	0	21
Total	45	10	2	0	11	0	0	33	7	6	0	15	0	0	129
Previous Year Total	52	9	2	0	10	0	0	32	7	6	0	16	0	0	134

## Reporting

# Employment Data (continued)

Category	KPI	2019	2020	2021
Employees by Age Group	Under 30	20%	19%	20%
	30-50	71%	68%	65%
	Over 50	9%	13%	15%
Female Representation	Total Employees	48%	46%	48%
	Operating Committee	33%	33%	33%
	Managers	45%	42%	42%
	Non-Managers	49%	49%	51%
New Hires by Age Group	Under 30	60%	64%	65%
	30-50	36%	29%	35%
	Over 50	4%	7%	0%
New Hires by Gender	Male	44%	64%	59%
	Female	56%	36%	41%
Voluntary Turnover by Gender	Total	9%	4%	9%
	Male	50%	50%	75%
	Female	50%	50%	25%

## Reporting

# Employment Data (continued)

Category	Description			
<p>Parental Leave</p> <p>All US employees working at least 25 hours/week on average are eligible for Parental Leave. This benefit includes Primary Caregiver Leave (12 fully paid weeks following the birth or adoption of a child) and Secondary Caregiver Leave (2 fully paid weeks following the birth or adoption of a child). Employees working from our European offices are eligible for generous Parental Leave in accordance with local law</p>	Employees entitled to parental leave			
	Gender	2019	2020	2021
	Male	Not available	10	10
	Female	2	8	8
	Employees who took paternal leave			
	Gender	2019	2020	2021
	Male	Not available	80%	80%
	Female	100%	100%	100%
	Employees who returned after parental leave in the reporting period after parental leave ended			
	Gender	2019	2020	2021
	Male	Not available	100%	100%
	Female	100%	88%	100%
Occupational Health and Safety	Lost Time Injury Frequency Rate			
	KPI	2019	2020	2021
	Employees	0	0	0
Local Communities	Local Communities			
	KPI	2019	2020	2021
	Charitable Contributions	\$277,665	\$423,205	\$552,713



## Reporting

# GRI Content Index

GRI Standard	Disclosure Title	Description	Source							
102-1	Name of the Organization	W. P. Carey Inc.	<a href="#">Form 10-K</a>							
102-2	Activities, Brands, Products, and Services	Our primary business objective is to increase long-term stockholder value through accretive acquisitions and proactive asset management of our real estate portfolio, enabling us to grow our dividend. Our business operates in two segments: Real Estate and Investment Management (as described in more detail in our Form 10-K).	<a href="#">Form 10-K</a>							
102-3	Location of the Organization’s Headquarters	One Manhattan West, 395 9 <sup>th</sup> Avenue, 58 <sup>th</sup> Floor, New York, New York 10001	<a href="#">Form 10-K</a>							
102-4	Location of Operations	United States of America	<a href="#">Form 10-K</a>							
102-5	Ownership and Legal Form	Public Corporation (NYSE: WPC)	<a href="#">Form 10-K</a>							
102-6	Markets Served	North America and Europe	<a href="#">Form 10-K</a>							
102-7	Scale of the organization	Refer to our Form 10-K for detailed information regarding the scale of our organization.	<a href="#">Form 10-K</a>							
102-8	Information on Employees and Other Workers	Personnel	Gender	Age	Region			N/A		
			Male	Female	Under 30	30-50	Over 50		U.S.	Int’l
		Permanent	96	87	36	119	28		129	54
		Full-Time	94	81	35	114	26		126	49
		Part-Time	2	6	1	5	2		3	5
102-9	Supply Chain	Our Code of Business Conduct and Ethics and our Vendor Code of Conduct sets forth the guiding principles by which we operate our Company and conduct business with our vendors.	<a href="#">Code of Business Conduct and Ethics</a> and <a href="#">Vendor Code of Conduct</a>							
102-10	Significant Changes to the Organization and Its Supply Chain	No Significant Changes	N/A							
102-11	Precautionary Principle or approach	See Part I of our Form 10-K for a discussion of our “Business” and “Risk Factors.”	<a href="#">Form 10-K</a>							

## Reporting

# GRI Content Index (continued)

GRI Standard	Disclosure Title	Description	Source
102-12	External Initiatives	Please see our ESG Report for information regarding our Company's external initiatives, including our support of the UN Sustainable Development Goals (SDGs).	<a href="#">ESG Report</a>
102-13	Membership of Associations	Please see the "Charitable Highlights" and "Industry Association Memberships" sections of our ESG Report.	<a href="#">ESG Report</a>
102-14	Statement from Senior Decision-Maker	Please see our ESG Report for statements from our CEO.	<a href="#">ESG Report</a>
102-15	Key Impacts, Risks and Opportunities	Descriptions of key impacts, risks, and opportunities can be found in our Form 10-K.	<a href="#">Form 10-K</a>
102-16	Values, Principles, Standards and Norms	We strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct is reflected in all of the Company's business activities, including, but not limited to, relationships with our employees, shareholders, customers, clients, service providers, competitors, the government and the public. All of our employees, officers and directors must conduct themselves according to the language and spirit of our Code of Business Conduct and Ethics.	<a href="#">Code of Business Conduct and Ethics</a>
102-17	Mechanisms for Advice and Concerns About Ethics	Please refer to our Code of Business Conduct and Ethics, Corporate Governance Guidelines and Proxy Statement.	<a href="#">Code of Business Conduct and Ethics</a> , <a href="#">Corporate Governance Guidelines</a> , and <a href="#">Proxy Statement</a>
102-18	Governance Structure	Please refer to our Proxy Statement for a detailed overview of our governance structure.	<a href="#">Proxy Statement</a>
102-19	Delegating Authority	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-20	Executive-Level Responsibility for Economic, Environmental and Social Topics	Nominating and Corporate Governance Committee provides oversight on environmental and social matters and delegates authority to our Chief Executive Officer.	<a href="#">Nominating and Corporate Governance Committee Charter</a> and <a href="#">Proxy Statement</a>
102-21	Consulting Stakeholders on Economic, Environmental and Social Topics	See Stakeholder Engagement Section in our ESG Report, as well as our Proxy Statement.	<a href="#">ESG Report</a> and <a href="#">Proxy Statement</a>

## Reporting

# GRI Content Index (continued)

GRI Standard	Disclosure Title	Description	Source
102-22	Composition of the Highest Governance Body and its Committees	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-23	Chair of the Highest Governance Body	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-24	Nominating and Selecting the Highest Governance Body	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-25	Conflicts of Interest	Please refer to our Code of Business Conduct and Ethics, Corporate Governance Guidelines and Proxy Statement.	<a href="#">Code of Business Conduct and Ethics</a> , <a href="#">Corporate Governance Guidelines</a> , and <a href="#">Proxy Statement</a>
102-26	Role of the Highest Governance Body in Setting Purpose, Values and Strategy	Please refer to our Code of Business Conduct and Ethics, Corporate Governance Guidelines and Proxy Statement.	<a href="#">Code of Business Conduct and Ethics</a> , <a href="#">Corporate Governance Guidelines</a> , and <a href="#">Proxy Statement</a>
102-27	Collective Knowledge of Highest Governance Body	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-28	Evaluating the Highest Governance Body's Performance	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-29	Identifying and Managing Economic, Environmental and Social Impacts	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-30	Effectiveness of Risk Management Process	Please refer to our Proxy Statement and Form 10-K.	<a href="#">Proxy Statement</a> and <a href="#">Form 10-K</a>
102-31	Review of Economic, Environmental and Social Topics	The Nominating and Corporate Governance Committee is engaged on environmental and social matters on at least a quarterly basis.	<a href="#">Nominating and Corporate Governance Committee Charter</a> , and <a href="#">Proxy Statement</a>

## Reporting

# GRI Content Index (continued)

GRI Standard	Disclosure Title	Description	Source
102-32	Highest Governance Body's Role in Sustainability Reporting	The Nominating and Corporate Governance Committee.	<a href="#">ESG Report and Proxy Statement</a>
102-33	Communicating Critical Concerns	Please refer to our Code of Business Conduct and Ethics as well as our Company Website.	<a href="#">Code of Business Conduct and Ethics and Company Website</a>
102-34	Nature and Total Number of Critical Concerns	Please refer to our Form 10-K.	<a href="#">Form 10-K</a>
102-35	Remuneration Policies	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-36	Process for Determining Remuneration	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-37	Stakeholder's Involvement in Remuneration	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-38	Annual Total Compensation Ratio for Highest Paid Individual Versus Median	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-39	Percentage Increase in Annual Total Compensation Ratio for Highest Paid Individual Versus Median	Please refer to our Proxy Statement.	<a href="#">Proxy Statement</a>
102-40	List of Stakeholder Groups	See Stakeholder Engagement Section in our ESG Report, as well as our Proxy Statement.	<a href="#">ESG Report</a>
102-41	Collective Bargaining Agreements	WPC complies with International Labor Organization standards and the National Labor Relations Act, which makes discrimination, harassment, unlawful termination and/or retaliation of collective bargaining illegal. As of December 31, 2021, we had 188 full-time employees, none of whom were subject to a collective bargaining agreement.	N/A
102-42	Identifying and Selecting Stakeholders	See Stakeholder Engagement section in our ESG Report.	<a href="#">ESG Report</a>
102-43	Approach to Stakeholder Engagement	See Stakeholder Engagement section in our ESG Report.	<a href="#">ESG Report</a>
102-44	Key Topics and Concerns Raised	N/A	N/A



## Reporting

# GRI Content Index (continued)

GRI Standard	Disclosure Title	Description	Source
102-45	Entities Included in the Consolidated Financial Statements	Refer to our Form 10-K for detailed information regarding the scale of the organization.	<a href="#">Form 10-K</a>
102-46	Defining Report Content and Topic Boundaries	N/A	N/A
102-47	List of Material Topics	N/A	N/A
102-48	Restatements of Information	N/A	N/A
102-49	Changes in Reporting	N/A	N/A
102-50	Reporting Period	January 1 — December 31, 2021	N/A
102-51	Date of Most Recent Report	N/A	N/A
102-52	Reporting Cycle	Annual	N/A
102-53	Contact Point for Questions Regarding the Report	IIR@wpcarey.com	N/A
102-54	Claims of Reporting in Accordance with the GRI Standards	This material references Disclosures 102-1 through 102-56 from GRI 102: General Disclosures 2016 of the GRI Standards.	N/A
102-55	GRI Content Index	This GRI Content Index can be found within our ESG Report.	<a href="#">ESG Report</a>
102-56	External Assurance	W. P. Carey did not obtain external assurances for this ESG Report.	N/A

# Non-GAAP Financial Measures, Reconciliations and Descriptions

Reconciliations of certain non-GAAP financial measures referenced in this ESG Report to their most directly comparable GAAP measures are provided within this appendix. In addition, descriptions of these non-GAAP financial measures are provided below.

**W. P. CAREY INC.**  
**Reconciliation of Net Income to Adjusted Funds from Operations (AFFO) (Unaudited)**  
(in thousands, except share and per share amounts)

	Year Ended December 31, 2021
Net income attributable to W. P. Carey	\$ 409,988
Adjustments:	
Depreciation and amortization of real property	470,554
Gain on sale of real estate, net	(40,425)
Impairment charges	24,246
Proportionate share of adjustments to earnings from equity method investments	32,213
Proportionate share of adjustments for noncontrolling interests	(16)
Total adjustments	486,572
FFO (as defined by NAREIT) Attributable to W. P. Carey <sup>(a)</sup>	896,560
Adjustments:	
Straight-line and other leasing and financing adjustments	(83,267)
Above- and below-market rent intangible lease amortization, net	53,585
Stock-based compensation	24,881
Amortization of deferred financing costs	13,523
Other (gains) and losses	12,885
Tax benefit—deferred and other	(5,967)
Merger and other expenses	(4,546)
Other amortization and non-cash items	1,709
Proportionate share of adjustments to earnings from equity method investments	12,152
Proportionate share of adjustments for noncontrolling interests	(24)
Total adjustments	24,931
AFFO Attributable to W. P. Carey <sup>(a)</sup>	\$ 921,491
Summary	
FFO (as defined by NAREIT) attributable to W. P. Carey <sup>(a)</sup>	\$ 896,560
FFO (as defined by NAREIT) attributable to W. P. Carey per diluted share <sup>(a)</sup>	\$ 4.90
AFFO attributable to W. P. Carey <sup>(a)</sup>	\$ 921,491
AFFO attributable to W. P. Carey per diluted share <sup>(a)</sup>	\$ 5.03
Diluted weighted-average shares outstanding	183,127,098

(a) FFO and AFFO are non-GAAP measures. See below for a description of FFO and AFFO.

## Non-GAAP Financial Measures, Reconciliations and Descriptions (cont'd)

**W. P. CAREY INC.**  
**Reconciliation of Net Income from Real Estate to Adjusted Funds from Operations**  
**(AFFO) from Real Estate (RE AFFO) (Unaudited)**  
(in thousands, except share and per share amounts)

	Year Ended December 31, 2021
Net income from Real Estate attributable to W. P. Carey	\$ 384,766
Adjustments:	
Depreciation and amortization of real property	470,554
Gain on sale of real estate, net	(40,425)
Impairment charges	24,246
Proportionate share of adjustments to earnings from equity method investments	32,213
Proportionate share of adjustments for noncontrolling interests	(16)
Total adjustments	486,572
FFO (as defined by NAREIT) Attributable to W. P. Carey—Real Estate <sup>(a)</sup>	871,338
Adjustments:	
Straight-line and other leasing and financing adjustments	(83,267)
Above- and below-market rent intangible lease amortization, net	53,585
Stock-based compensation	24,881
Other (gains) and losses	13,676
Amortization of deferred financing costs	13,523
Tax benefit—deferred and other	(4,938)
Merger and other expenses	(4,597)
Other amortization and non-cash items	1,709
Proportionate share of adjustments to earnings from equity method investments	10,253
Proportionate share of adjustments for noncontrolling interests	(24)
Total adjustments	24,801
AFFO Attributable to W. P. Carey—Real Estate <sup>(a)</sup>	\$ 896,139
Summary	
FFO (as defined by NAREIT) attributable to W. P. Carey—Real Estate <sup>(a)</sup>	\$ 871,338
FFO (as defined by NAREIT) attributable to W. P. Carey per diluted share—Real Estate <sup>(a)</sup>	\$ 4.76
AFFO attributable to W. P. Carey—Real Estate <sup>(a)</sup>	\$ 896,139
AFFO attributable to W. P. Carey per diluted share—Real Estate <sup>(a)</sup>	\$ 4.89
Diluted weighted-average shares outstanding	183,127,098

(a) FFO and AFFO are non-GAAP measures. See below for a description of FFO and AFFO.

## Non-GAAP Financial Measures, Reconciliations and Descriptions (cont'd)

### FFO and AFFO

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, has promulgated a non-GAAP measure known as FFO, which we believe to be an appropriate supplemental measure, when used in addition to and in conjunction with results presented in accordance with GAAP, to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental non-GAAP measure. FFO is not equivalent to, nor a substitute for, net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as restated in December 2018. The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property, impairment charges on real estate, gains or losses on changes in control of interests in real estate and depreciation and amortization from real estate assets; and after adjustments for unconsolidated partnerships and jointly owned investments. Adjustments for unconsolidated partnerships and jointly owned investments are calculated to reflect FFO.

We also modify the NAREIT computation of FFO to adjust GAAP net income for certain non-cash charges, such as amortization of real estate-related intangibles, deferred income tax benefits and expenses, straight-line rent and related reserves, other non-cash rent adjustments, non-cash allowance for credit losses on loans receivable and direct financing leases, stock-based compensation, non-cash environmental accretion expense, amortization of discounts and premiums on debt and amortization of deferred financing costs. Our assessment of our operations is focused on long-term sustainability and not on such non-cash items, which may cause short-term fluctuations in net income but have no impact on cash flows. Additionally, we exclude non-core income and expenses, such as gains or losses from extinguishment of debt and merger and acquisition expenses. We also exclude realized and unrealized gains/losses on foreign currency exchange transactions (other than those realized on the settlement of foreign currency derivatives), which are not considered fundamental attributes of our business plan and do not affect our overall long-term operating performance. We refer to our modified definition of FFO as AFFO. We exclude these items from GAAP net income to arrive at AFFO as they are not the primary drivers in our decision-making process and excluding these items provides investors a view of our portfolio performance over time and makes it more comparable to other REITs that are currently not engaged in acquisitions, mergers and restructuring, which are not part of our normal business operations. AFFO also reflects adjustments for unconsolidated partnerships and jointly owned investments. We use AFFO as one measure of our operating performance when we formulate corporate goals, evaluate the effectiveness of our strategies and determine executive compensation.

We believe that AFFO is a useful supplemental measure for investors to consider as we believe it will help them to better assess the sustainability of our operating performance without the potentially distorting impact of these short-term fluctuations. However, there are limits on the usefulness of AFFO to investors. For example, impairment charges and unrealized foreign currency losses that we exclude may become actual realized losses upon the ultimate disposition of the properties in the form of lower cash proceeds or other considerations. We use our FFO and AFFO measures as supplemental financial measures of operating performance. We do not use our FFO and AFFO measures as, nor should they be considered to be, alternatives to net income computed under GAAP, or as alternatives to net cash provided by operating activities computed under GAAP, or as indicators of our ability to fund our cash needs.



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