Terreno Realty Corporation

2024 Sustainability Report

June 27, 2025

TERRENO

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. When used, the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “project”, “result”, “should”, “will”, “seek”, “target”, “see”, “likely”, “position”, “opportunity”, “outlook”, “potential”, “future” and similar expressions which do not relate solely to historical matters are intended to identify forward-looking statements. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including risks related to our ability to meet our estimated forecasts related to stabilized capitalization rates and market capitalization rates. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

We caution investors that forward-looking statements are based on management’s beliefs and on assumptions made by, and information currently available to, management. Some of the risks and uncertainties that may cause our actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following: (i) our ability to identify and acquire industrial properties on terms favorable to us; (ii) general volatility of the capital markets and the market price of our common stock; (iii) adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we own properties; (iv) a decline in economic activity caused by ongoing changes and negotiations of trade polices, tariffs and related government actions (v) our dependence on key personnel and our reliance on third-party property managers; (vi) our inability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vii) our ability to manage our growth effectively; (viii) tenant bankruptcies and defaults on, or non-renewal of, leases by tenants; (ix) decreased rental rates or increased vacancy rates; (x) elevated interest rates and operating costs; (xi) declining real estate valuations and impairment charges; (xii) our expected leverage, our failure to obtain necessary outside financing, and existing and future debt service obligations; (xiii) our ability to make distributions to our stockholders; (xiv) our failure to successfully hedge against interest rate increases; (xv) our failure to successfully operate acquired properties; (xvi) risk relating to our real estate development, redevelopment, renovation and expansion strategies and activities (including elevated inflation, supply chain disruptions and construction delays); (xvii) the impact of any future pandemic, epidemic or outbreak of any highly infectious disease on the U.S., regional and global economies and on our business, financial condition and results of operations and that of our tenants; (xviii) risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology networks and related systems; (xix) our failure to qualify or maintain our status as a real estate investment trust (“REIT”), and possible adverse changes to tax laws; (xx) uninsured or underinsured losses and costs relating to our properties or that otherwise result from future litigation; (xxi) environmental uncertainties and risks related to natural disasters; (xxii) financial market fluctuations; and (xxiii) changes in real estate and zoning laws and increases in real property tax rates. Other factors that could materially affect results can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, including those set forth under the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the Company’s preliminary prospectus supplement relating to the offering under the section titled “Risk Factors”, and in our other public filings.

We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

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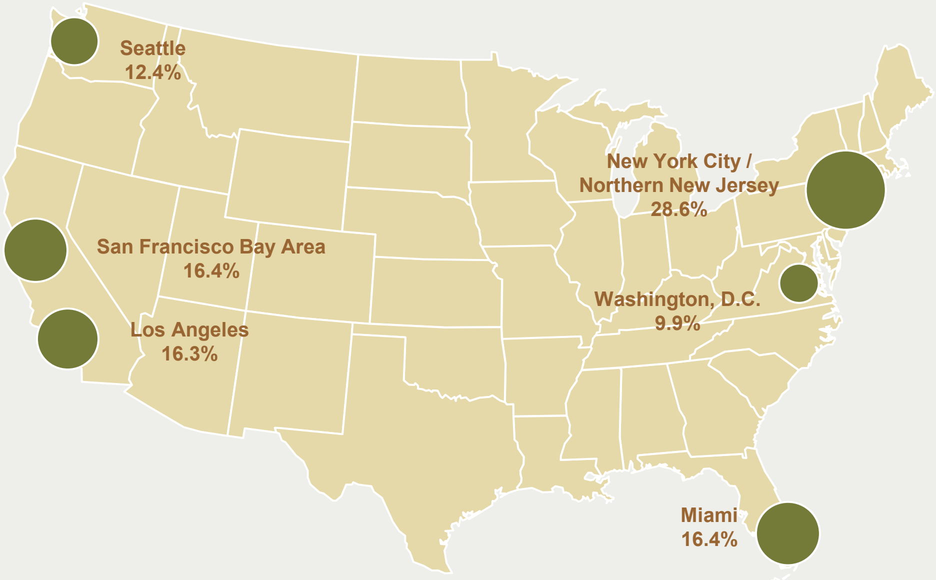
Company Profile

Six Major Coastal U.S. Markets (2) (3)



Portfolio Characteristics (1)

Square Feet (2)	19.3 million	**Average Acquisition Size**	$20.8 million
Number of Buildings (2)	298	**Weighted Average Occupancy at Acquisition**	86.0%
47 Improved Land Parcels (2)	150.6 acres	**Square Feet Under Development or Redevelopment**	0.8 million

(1) *Portfolio as of March 31, 2025.*

(2) *Excludes five properties under development or redevelopment as of March 31, 2025, that, upon completion, will consist of eight buildings aggregating approximately 0.8 million square feet, and approximately 22.4 acres of land for future development.*

(3) *Based on annualized base rent ("ABR") by market including approximately 19.3 million square feet and 47 improved land parcels consisting of approximately 150.6 acres as of March 31, 2025.*

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Introduction: A Commitment to Sustainability

Real-World Impact

Terreno Realty Corporation (NYSE: TRNO) is committed to excellence in Environmental, Social and Governance ("ESG") performance. We measure ourselves based on the real-world impact of our culture and actions rather than simply a points-based approach that is commonplace in measuring ESG performance.

Terreno Strategy and Sustainability

Terreno acquires, owns and operates existing buildings and previously developed land close to customers. Our buildings are the closest to end consumers based on surrounding population density versus our public industrial REIT peers. We believe sustainability is maximized by limiting new development in greenfield locations and using (and reusing) those facilities and locations that help limit the use of carbon emitting new building materials, reduce vehicle miles traveled, and limit the destruction of greenfield land.

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The Greenest Building is the One Not Built

A Real-World Example

Consider two industrial buildings: One, a new "sustainably-developed" LEED-certified warehouse 25 miles from the urban core of a major metropolitan area on greenfield land (that is, land upon which commercial development has not previously occurred). The other, a 50-year-old warehouse adaptively reused close to the urban core, maybe even adjacent to public transportation. In most cases the newly-developed warehouse would score better in ESG benchmarking. This is because points-based ESG benchmarking tends to focus on Operational Carbon. Missing from much analysis is Embodied Carbon; the carbon created during the manufacturing and transport of building materials and construction practices used. By some estimates embodied carbon accounts for half of total carbon emissions of global new construction. On closer examination common sense tells us that the greenfield new warehouse uses more newly created concrete (which by some estimates creates 6% of global carbon emissions[(1)]), steel (another 8% of emissions[(2)]) and asphalt (a significant emitter of carbon-based chemicals which in warmer climates may increase PM2.5 air pollution via the secondary aerosol effect).

Further, the new greenfield building typically turns natural open space or agricultural land into a largely impermeable surface contributing harmfully to heat islands and runoff of water potentially carrying pollutants and biological contaminants that can spoil local watersheds. Lastly, the location of the new warehouse farther from the end consumer adds to vehicle miles traveled and concomitant emissions.

The greenest, most sustainable, building is often the one not built.

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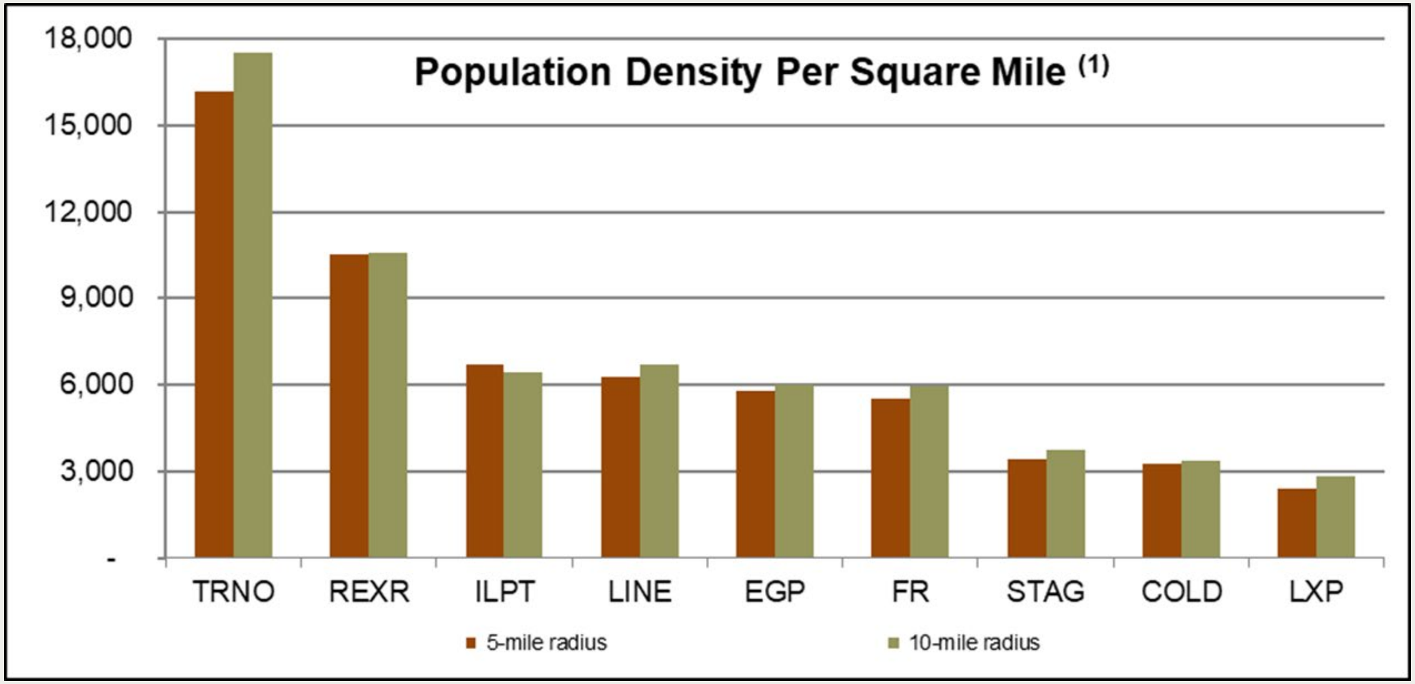
(1) https://www.weforum.org/publications/net-zero-industry-tracker-2023/in-full/cement-industry-net-zero-tracker/
(2) https://www.weforum.org/publications/net-zero-industry-tracker-2023/in-full/steel-industry-net-zero-tracker/

Environmental

Infill Focus Limits Use of Carbon

We own and operating facilities in infill locations close to population centers thereby minimizing vehicle miles traveled, and the concomitant use of fuel and production of airborne particulate matter pollution. We do not develop buildings in greenfield locations. Sustainability for us means operating, redeveloping and repurposing existing facilities in infill locations.



(1) Represents average population density weighted by square feet and ranked by 5-mile radius, as of May 2025. Prologis (NYSE: PLD) excluded due to lack of disclosed data. Source: S&P Global Market Intelligence, Terreno Realty Corporation.

Adjacent to High-Density Population Centers

Infill Focus Limits Use of Carbon

- 62% of our properties have a transit score (accessible via public transit) - often not the case for warehouses located further from the urban core
- 32% of our properties have a walk score of 50 or better.
- Approximately 17% of our portfolio is located within economic opportunity zones.

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Conservation

Conservation in Redevelopment

During the redevelopment of our facilities, we recycle, where possible, the building materials from existing buildings seeking to reduce construction waste. We focus on modern design solutions to reduce the impact on the environment. For example, when re-leasing and redeveloping, we reduce our carbon footprint by upgrading existing facilities with energy efficient lighting and heating, water saving solutions, and when possible, replacing existing roofs with white or reflective roofing materials.

Terreno 147th Street, Hawthorne, CA

- Acquired property in August 2022
- Redevelopment included demolition of existing structure and construction of a 31,000 SF industrial building and parking for 35 cars, including four electric car charging positions
- Redevelopment and stabilization completed in November 2024. The property is 100% leased to an atomic energy company
- Approximately 45% of material of prior structure on site recycled in construction of new building
- The redeveloped property is LEED certified

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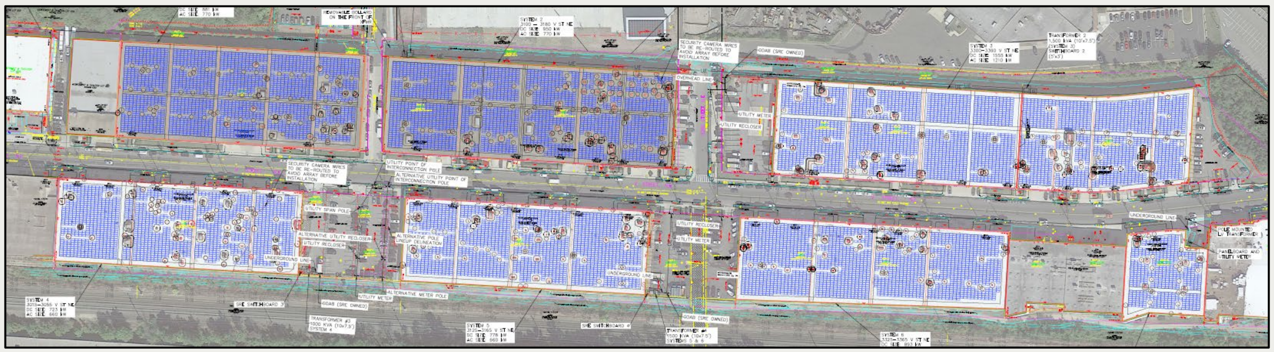
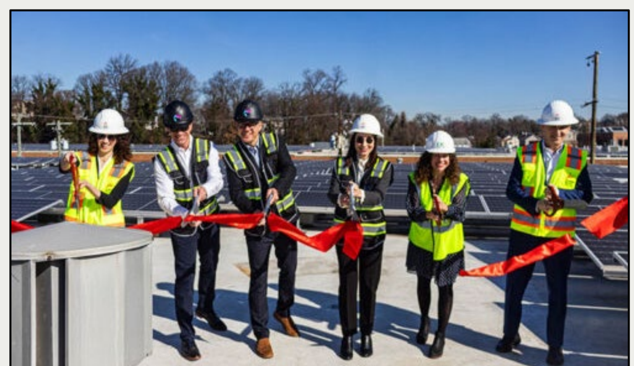
Solar and Green Power Initiatives

Clean Power Initiatives

We have entered into agreements to host rooftop solar projects in our Washington, D.C., Los Angeles, and Northern New Jersey/New York markets. The projects began delivering in late 2024, meeting our goal of hosting rooftop solar arrays on at least 5% of the total rooftop area of our portfolio by year-end 2024 (6.4% at year end 2024). Our portfolio currently hosts approximately 8.7 MW of solar, the equivalent of powering over 800 homes.

V-Street Solar: Largest Rooftop Community Solar Facility in Washington, D.C.





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Remediation Efforts

Environmental Cleanup: A Case Study

Many of our properties are in historical manufacturing sites and we remove hazardous materials and clean up or contain existing environmental contaminants. This improves the health conditions for on-site workers and provides a positive impact on the surrounding community.

5380 Tuxedo Road, Hyattsville, MD

- Acquired property in late 2021
- Due diligence revealed open cases with the Maryland Department of Environmental (“MDE”) for soil and groundwater contaminants from leaky underground storage tanks (“USTs”)
- Following acquisition, successfully removed two 8,000-gallon USTs, 300 tons of petroleum-impacted soils, and 16,000-gallons of petroleum-contact groundwater
- Subsequent samples were non-detect or below regulatory standards for contaminants; MDE issued Site Status and Case Closure letter

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Improving Performance Metrics

Tracking and Reducing Utility Usage

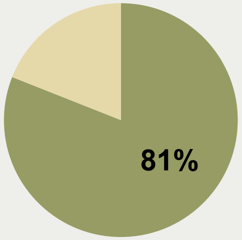
We have increased our energy efficient lighting program with more than 81% of our portfolio containing energy efficient lighting as of December 31, 2024, representing an increase of 3% from the prior year. We are committed to upgrading the lighting across the remainder of the portfolio as we gain access to units during vacancy periods.

We have increased the number of white or reflective surface roofs from approximately 80% to approximately 82% of the total rooftop area of our portfolio during 2024.

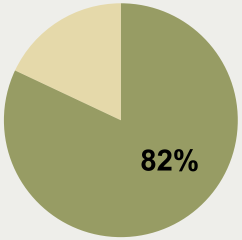
Through our continued partnership with Measurabl we track carbon emissions and utility usage across our portfolio. From 2021 to 2024 we increased greenhouse gas (“GHG”) emission and energy tracking coverage from 35% to 63% of our total portfolio square footage, and increased water tracking coverage from 19% to 45%. We obtain third-party assurance over our industrial property portfolio energy usage, GHG emissions and water usage under Assurance Standard AA1000AS (moderate assurance).

Measures taken to promote environmental awareness among tenants include the use of green lease clauses in our standard form of lease to promote utility data sharing and metering in tenant spaces, and the distribution of a tenant ESG pamphlet. We encourage the use of sustainably sourced materials when available.

Energy Efficient Lighting



White or Reflective Roofs



2024 GHG Emissions

5 MTCO2e Scope 1 [(1)]

27 MTCO2e Scope 2 [(1)]

1) *Our reported 2024 scope 1 and 2 emissions represent the fuel and purchased electricity within Terreno’s direct operational control at our San Francisco and New York corporate offices. Data for our Bellevue office is unavailable at the time of publishing. Terreno’s share of utility consumption is estimated using whole-building data and adjusted for Terreno’s pro-rated office square footage. The utility consumption data is uploaded into Measurabl, which calculates our scope emissions in accordance with the Operational Control method of the GHG Protocol using location-based emissions factors. Emissions are reported in metric tons of CO2 equivalent ("MTCO2e") using the most recent EPA eGRID emissions factors and the 100-year Global Warming Potential values from the IPCC Fifth Assessment Report. Due to the industrial, triple-net nature of our portfolio, emissions at our industrial properties are considered scope 3 emissions. Landlord-paid utilities (mostly exterior lighting) make up a small percentage of energy usage at our industrial properties and, in future, may be reclassified as scope 1 and 2 emissions to better align with the GHG Protocol.*

Green Building Certifications

New Developments Must Obtain Green Building Certification

- To date, we have achieved LEED certification on approximately 1.6 million square feet (approximately 8% of our current portfolio by square footage) of newly-developed buildings built on former landfill and industrial land sites
- We have commenced LEED certification on an additional 1.8 million square feet of newly-developed buildings built on former landfill and industrial land sites, as part of our sustainability goal to achieve an additional 1 million square feet of LEED certified buildings by year-end 2025.
- In total we have obtained or commenced LEED certification on approximately 17% of our total portfolio square footage

U.S. GREEN BUILDING COUNCIL USGBC®

1.6M
LEED certified square feet

1.8M
LEED certification commenced square feet

We seek certification on all ground-up redevelopments or developments

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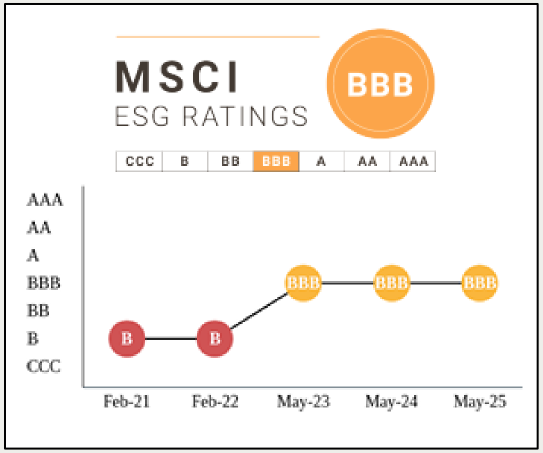
ESG Profile

Improved Sustainability Profile with ESG Rating Entities

We recognize the importance of transparency and the need to provide our stakeholders with insight into our ESG efforts. For the past four years we have voluntarily participated in the annual Real Estate Assessment with GRESB, the leading global real estate ESG benchmarking framework.

Our commitment to sustainability initiatives has given rise to consistent score increases across a variety of ESG rating agencies:

- Increased our GRESB Real Estate Assessment score from 35 in 2021 to 63 in 2024
- Increased our GRESB Public Disclosure Assessment score from “D” in 2021 to “A” in 2024
- Increased our MSCI ESG rating from “B” in 2021 to “BBB” in 2024



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Sustainability-Focused Tenants

Tenant Roster Incorporates Businesses Focused on Sustainability, Wellness, and Non-Profit Ventures

- EV charging stations (Zeem Solutions) and EV vehicle showrooms and maintenance facilities
- Green energy equipment distribution
- Recycling and sortation operations, environmental and regulated waste management services
- Transit oriented tenants whose operations offset individual vehicle miles such as bus, bike, and e-scooter (Lyft/Lime/Motivate/Citi Bike)
- Life and wellness including distribution of outdoor recreation equipment (REI)
- Vocational training for adults with disabilities

zeem

citi bike®

CITY OF SAN JOSE CAPITAL OF SILICON VALLEY

CleanEarth

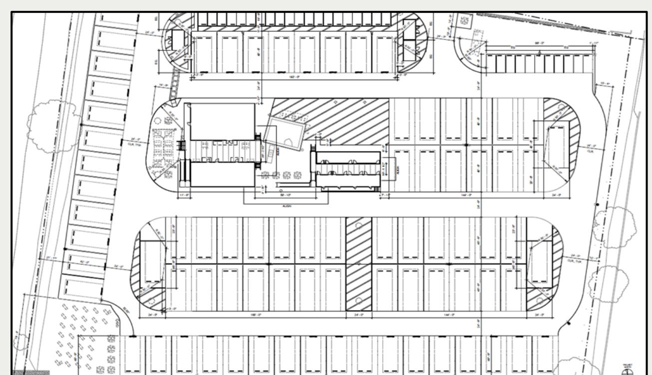
QSAC QUALITY SERVICES FOR THE AUTISM COMMUNITY

REI co-op

HOMEFIRST Where Homelessness Ends.

Fairfax County PUBLIC SCHOOLS ENGAGE • INSPIRE • THRIVE

Partnered with City of San Jose to Provide Supportive Interim Tiny-Home Housing



Source: HomeFirst

TERRENO

Social Responsibility

We Recognize that our Success is Linked to the Talent and Expertise of our People

We invest in our employees and are committed to growing individual skills and leadership qualities across our business. We value diversity within our board and employees in terms of gender, ethnicity, race, background, and experience. As an equal opportunity employer, we reward our employees based on merit and their contributions.

- We perform an annual employee satisfaction survey to engage with staff and better understand critical issues within the business
- Enhanced employee training to include topics in response to employee survey results. Additional training sessions have been developed to align to the training needs of individual job roles within the Company, including leadership training and development projects for individuals in senior management roles
- Sustainability training for third-party property managers
- Provided minimum 7 training hours of training per annum for all employees in 2024, including third-party instruction training courses

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Employee Wellness

Providing Wellness Opportunities Both at and Outside Work

Through the ESG committee and its initiatives, our employees are encouraged to make healthy lifestyle decisions that can ultimately benefit the Company by reducing insurance claims and boosting productivity. Employees are eligible for a monthly wellness reimbursement allowance to further a healthy work-life balance, and we encourage regular engagement in volunteer work through paid time off to participate in charitable activities.

- Company-wide flexible work schedules: one day per week designated for working away from the office, and five weeks per year designated for working away from the office at employee’s choice of location.
- Provision of an employee wellness reimbursement benefit to 100% of full-time employees, a highly a competitive vacation policy including paid holidays and personal time off, and regular engagement in volunteer work through paid time off to participate in charitable activities.
- The Company pays for comprehensive medical, dental, vision, life and short-term disability insurance for all employees.
- Employer safe harbor 401(k) contributions are made on behalf of all employees, regardless of employee contribution level.
- 100% of full-time employees received restricted stock in each of the past three years.

Philanthropy

Fostering a Culture of Philanthropy

We support our employees' efforts to give back to their communities and match a portion of employee and non-employee director donations to qualifying nonprofit organizations.

- Hosted three employee volunteer days and donated approximately $55,000 to food banks in the markets where we own property and approximately $25,000 to Red Cross towards wildfire emergency efforts in Los Angeles
- Became a Founding Patron of the Pension Real Estate Association ("PREA") Foundation. The PREA Foundation works to advance diversity and inclusion in the institutional real estate industry. We are sponsoring internships associated with the PREA Foundation in 2025
- Committed $150,000 over three years to support All Within My Hands' Work Force Education program through the Metallica Scholars Initiative. Metallica Scholars is a major workforce education initiative that provides direct support to community colleges to enhance their career and technical education programs
- We partner with Worklink and AtWork! to provide work and meaningful community inclusion for people with disabilities

AWMH

DIVERSITY BUILDS BETTER FUTURES
FOUNDING
PREAfoundation
PATRON

TERRENO

Governance

Market Leading Corporate Structure

We are committed to strong corporate governance and transparency for our stockholders. Our independent directors stand for election every year, and we have opted out of anti-takeover provisions and stockholder rights plans, and we will not opt back in to those provisions without stockholder approval. Our directors and employees comply with a comprehensive code of business conduct and ethics that encourages honesty, accountability and mutual respect and offers communication channels for handling ethical issues.

Our long-term incentive compensation is fully aligned with the interests of our stockholders. Performance shares are tied to three-year total stockholder return exceeding the MSCI U.S. REIT Index and FTSE Nareit Equity Industrial Index. We do not have an annual cash bonus plan for our chief executive officer or president and their long-term incentive compensation is paid solely in stock. For 2024, approximately 85% of our chief executive officer and president's direct compensation was at-risk variable incentive equity.

We believe that our executives and directors should own a meaningful equity interest in the Company to more closely align the interests of our executive officers and our stockholders. We require minimum stock ownership by our chief executive officer, president, executive officers and non-employee directors and in fact, our employees and directors own well in excess of $100 million of our common stock. Each of our chief executive officer, president, other executive officers and non-employee directors are in compliance with their respective minimum stock ownership requirement. Further, our code of business conduct and ethics prohibits new investment and other trading in the member companies of the FTSE Nareit Equity Industrial Index.

Tied for #4 among all REITs for Corporate Governance by Green Street Advisors
May 29, 2025

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ESG Governance and Oversight

Committee Structure

Our board of directors plays an important role in the Company's commitment to ESG excellence and oversees our sustainability program, including climate-related risks and opportunities.

We have a dedicated ESG committee to provide direct oversight to our ESG strategy with a focus on environmental stewardship and employee engagement. Our ESG committee is led by our chief operating officer and chief financial officer and comprises employees from all levels and functions of the Company encompassing finance, accounting, risk, operations and human resources.

Our ESG committee meets on a quarterly basis and provides an update to the board of directors at least annually on ESG matters, which includes our progress towards achieving sustainability objectives.

Management is Aligned with ESG Initiatives

- A portion of variable compensation for all employees is tied to ESG objectives
- ESG goals are incorporated within our annual and long- term business plans, and the achievement of ESG initiatives impacts annual bonuses
- Our chief operating officer and chief financial officer receive an annual cash incentive bonus primarily based upon the achievement of individual performance objectives, which for 2024 included ESG and sustainability initiatives

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Policies and Procedures

Management and Employees Commit to a Code of Business and Ethics Conduct

Our robust policies and procedures ensure that the highest corporate governance standards are upheld Company-wide:

- Employees are required to provide annual written confirmation that they have read and understood the Employee Handbook, including the Company's Code of Business Conduct and Ethics.
- We engage with third parties to host required training for all employees on ethics and cyber security.
- In accordance with our Human Rights and Labor Rights Policy, we adhere to the principles defined in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, and comply with all applicable human rights and labor rights laws. We expect our vendors and suppliers to adhere to these laws and encourage them to adopt similar policies within their own businesses.
- Our Supplier/Vendor Code of Conduct details environmental standards, requiring no forced, bonded, or compulsory labor, and requiring a safe, secure, and healthy working environment free of discrimination, harassment, and retaliation.
- Our Whistleblower Policy is detailed on the Company website. The confidential whistleblower email, phone and website portal are managed by a third-party to maintain the anonymity of the submitter if so requested. The Company expressly forbids any retaliation against any officer, employee or consultant who, acting in good faith on the basis of a reasonable belief, reports suspected misconduct, and will ensure protection of whistleblowers' employment status.
- Our Bribery and Anti-Corruption policy is detailed in the Code of Business Conduct and Ethics on the Company website. No director, officer, employee or consultant may offer, give, ask for or accept (directly or indirectly) any gift, favor, kickback or other improper payment or consideration of any value to or from any customer, supplier, government official, including, without limitation, any foreign government official, or any other person for assistance, influence, or in consideration for assistance or influence concerning any transaction affecting the Company, such as to secure an improper advantage (e.g., a regulatory approval), obtain or retain business, or direct business to any other person or entity. These prohibitions apply to all payments or offers to pay or give anything of value, whether or not they involve the use of corporate resources (e.g., personal expenditure or entertainment).

A comprehensive list of policies can be found on our website at Governance Documents and Sustainability.

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Appendix

Additional Disclosures

Environmental

- We acknowledge our responsibility to combat climate change and are committed to contribute to the reduction of GHG emissions. We have partnered with Measurabl to track GHG emissions and utility usage across our portfolio.
- We engage with tenants to implement green upgrades, including but not limited to, EV charging stations and high efficiency equipment. We have partnered with Ravti to track and manage the HVAC equipment across our portfolio.
- Water Efficiency: we track water usage at our properties, our property managers work to encourage and educate tenants to reduce their water usage, and we aim to install high efficiency fixtures and fittings and utilize drought tolerant landscaping where feasible.
- Aggregated 2024 portfolio energy consumption: 73,000 MWh [1]
- Aggregated 2024 portfolio water consumption: 346,000 m^3 [2]
- Biodiversity and responsible land use: our strategy is to invest in infill locations; we do not undertake greenfield development resulting in minimized destruction of native habitats.
- Our portfolio is located in close proximity to major ports and population centers, reducing vehicle miles travelled and allowing easier tenant access to public transport. We monitor the transit and walkability scores of all properties in our portfolio.
- We attempt to minimize waste generated in renovations and redevelopments by using recycled material while also upgrading building systems to efficient standards. In addition, redevelopment projects incorporate environmental and, when applicable, community impact, with local communities in many markets empowered to provide design feedback through public comment periods.

1) *Energy consumption includes fuel and electricity, and represents the energy consumption for 63% of our total industrial portfolio square footage with available energy data.*
2) *Represents the total water withdrawn for 52% of our total industrial portfolio square footage with available data.*

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Additional Disclosures

Social

- 100% of employees are permanent at-will employees.
- No layoffs or mergers since our IPO in 2010
- All employees participated in annual performance reviews and received feedback from managers.
- No employee work-related injuries, accidents, or fatalities since our IPO in 2010. No lost time due to employee injuries since 2010.
- All contractors are hired locally and all employees and contractors must comply with local laws and regulations including OSHA standards. No reported fatalities by contractors since our IPO in 2010.
- Our properties are often located in traditionally under-served urban infill locations, and we transform these locations into highly functional industrial properties that facilitate job creation in the surrounding communities. Approximately 17% of our portfolio is located within economic opportunity zones.
- Consideration of socio-demographic development and future demand in building design: our solution is to focus our investments on existing buildings and previously developed land close to customers. Our portfolio proximity to consumers results in the highest five-mile population density versus our public industrial REIT peers. When we renovate or redevelop properties, we consider accessibility, adaptability (such as options to remove or add demising walls between tenant spaces) and, when applicable, community impact through public comment periods, in our building design.
- Construction impacts on neighborhoods: our strategy to focus our investments on existing buildings limits the impact from noise and pollution on neighboring communities. Where renovation and redevelopment take place, contractors must comply with local laws and regulations including OSHA standards.
- The health and safety of our tenants and communities where our properties are located are of primary concern. Prior to acquiring each property, a physical and Phase I environmental assessment is undertaken by independent consultants to identify any physical, chemical, biological, or other safety concerns. When possible, we remove hazardous materials and clean up or contain existing environmental contaminants. This improves the health conditions for on-site workers and provides a positive impact on the surrounding community.

Task Force on Climate-Related Financial Disclosures (“TCFD”) Index

TCFD Index

Terreno's Resilience Program is in alignment with the TCFD framework and provides a structured process to identify, assess, measure, and monitor climate-related risks that could have material impacts at both the asset and portfolio levels. The program is reviewed and updated no less than annually.

Governance	
1a. Board's oversight of climate-related risks and opportunities	The board of directors provides oversight to the ESG committee via annual reports, and evaluates performance in tandem with Terreno's annual and 5-year business plans that establish strategic sustainability targets and objectives. Achievement of Terreno's ESG goals factors into employee remuneration at the senior leadership level.
1b. Management's role in assessing and managing climate-related risks and opportunities	In 2022, Terreno formed the ESG committee to provide a coordinated approach to sustainability and climate risk initiatives. The ESG committee meets quarterly to discuss climate-related issues affecting Company assets, and reports no less than annually to the board of directors on progress and metrics pertaining to climate-related risks and opportunities.
Strategy	
2a. Identified short-, medium-, and long-term climate-related risks and opportunities	Terreno defines the short-term time horizon as encompassing the next one to three years, the medium-term covering the next three to nine years, and the long-term horizon spanning the next ten years and beyond. Terreno identifies and monitors risks as follows: *Physical Risks:* defined as the intersection between specific hazards (e.g., wildfires, floods, extreme heat), asset exposure or proximity to hazard, vulnerability or susceptibility to the hazard, and resilience or ability to withstand the hazard. *Transition Risks:* defined as potential negative financial impacts arising due to the transition to a low-carbon economy (e.g., premature or unexpected asset devaluation due to external factors, energy efficiency regulations, changing tenant preferences, carbon pricing, rising insurance and operating costs, and general stakeholder perception). Terreno monitors and reacts to climate-related opportunities, including improving building controls to reduce energy consumption, installing high-efficiency equipment at replacement, exploring opportunities for building electrification, installing rooftop solar where feasible, transitioning to energy efficient lighting, and incorporating white or reflective surface roofs on our properties. LED lighting and equipment upgrades represent near- and medium-term opportunities, on-site solar and building fuel-switching represent longer-term opportunities for our Company.

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TCFD Index

Strategy (cont.)	
2b. Impact of climate-related risks and opportunities on Terreno's business, strategy, and financial planning	Natural disasters and extreme weather events have the potential to affect the operations of our portfolio. As these events increase in frequency and intensity, they can further impact equipment repair and replacement, supply chains, labor constraints, and pose potential financial impact via increased insurance and utility costs, and reduced occupancy. As such, Terreno has expanded its operational purview to include the evaluation and mitigation of climate-related risks, when possible and cost effective. *Evaluation:* Terreno identifies relevant climate-related risks to existing assets and evaluates environmental and social risks using climate risk software tools. Terreno utilizes data providers and partners with third-party consultants to monitor financial impacts associated with transition risks and opportunities, including the availability of emerging climate technologies, energy supply, and increasing regulations around benchmarking, audit, and performance target ordinances. *Mitigation Strategies:* Terreno has added language in its leases encouraging cost-sharing of building efficiency improvements and requiring the sharing of tenant utility data to comply with local utility reporting requirements where necessary, and distributed disaster preparedness materials to tenants in hurricane-prone markets to both foment tenant health and minimize business interruption following extreme weather events. The due diligence process for new acquisitions considers flood and storm surge zones and sea-level rise scenarios, and in higher risk submarkets a surveyor is engaged to confirm final floor elevations. Terreno has also modified its insurance program to transfer a portion of business interruption risk associated with extreme weather events. Maintaining transparency and understanding when it comes to climate change and resilience strategies helps improve financial underwriting and capital allocation decisions while supporting informed investments over time.
2c. Resilience of Terreno's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario	Terreno uses climate risk software tools to review exposure of our portfolio of real estate assets to chronic and acute hazards based on the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathways ("RCP") 2.6, 4.5, and 8.5 (1). Terreno staff leverage model outputs from these tools to evaluate 100% of our assets for exposure to physical risk on an annual basis.

(1) RCP refers to the concentration of carbon that delivers global warming at an average number of watts per square meter across the planet. RCP 8.5, RCP 4.5, and RCP 2.6 deliver an average increase of 8.5, 4.5, and 2.6 watts per square meter across the planet, respectively. Terreno focuses on these scenarios over the short-, medium-, and long-term time horizons, where business is as usual, and no efforts are made to reduce emissions. By defining and applying these scenarios, Terreno evaluates the range of physical climate risks that the assets may be subject to and accordingly establishes viable plans of action.

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Risk Management

3a. Terreno's processes for identifying and assessing climate-related and other physical risks	*Physical Risks:* Terreno leverages climate risk software tools, based on the RCP 2.6, 4.5, and 8.5, to measure the degree of physical risk associated with our assets and their surrounding communities. On an annual basis, the following risk perils are reviewed and quantified: extreme heat, wildfire, wind, coastal flooding (sea-level rise), and earthquake. *Transition Risks:* Our ESG committee monitors current and emerging regulatory requirements, including environmental data reporting requirements and Building Performance Standards ("BPS") at both the local and state levels, shifts in energy supply and utility costs, and emerging technologies. In considering these transition risks, Terreno reviews energy use intensity and GHG intensity at each of its assets where data is available at least annually.
3b & 3c. Terreno's process for managing climate-related and other physical risks, and integration into overall risk management	During the due diligence process, Terreno receives a Property Condition Assessment ("PCA") from a third-party consultant; the PCA identifies mechanical equipment maintenance, repair, and replacement timelines and costs, which helps inform underwriting costs and provides a starting place to increase energy efficiency and mitigate transition risk at the asset level. Flood and storm surge zones and sea-level rise scenarios are considered at the time of acquisition, and in higher risk submarkets such as Miami a surveyor is engaged to confirm final floor elevations. Terreno also includes green leasing in standard lease language to promote utility data sharing and offers alteration clauses to assist tenants in pursuing energy efficiency projects Further, Terreno's infill investment strategy reduces vehicle miles traveled relative to properties located further from consumers. Additionally, an annual standing portfolio risk assessment is prepared which summarizes risk by peril score and provides ongoing monitoring of regulatory requirements and BPS. Mitigation strategies are identified and developed using the peril scoring. Terreno requires all properties in benchmarking and audit ordinance jurisdictions to benchmark data and share it annually with the city or state as required. Terreno contracts with third-party vendors to survey HVAC equipment and building roofs; replacing HVAC equipment at the end of its service life with highly efficient equipment, and upgrading to cool roofs where recommended.

Metrics and Targets

4a. Metrics used to assess climate-related risks and opportunities	The metrics Terreno uses to assess climate-related risks and opportunities are covered throughout this report: GRESB and MSCI ratings on page 14, performance metrics on page 12, solar power metrics on page 10, green building metrics on page 13, and metrics related to population density and proximity to the end consumer on pages 7 and 8.
4b. Greenhouse gas emissions	Refer to page 12 of this report.
4c. Targets to manage climate related risks and opportunities	Refer to our targets related to solar initiatives on page 10 of this report, green building certifications on page 13 of this report, and energy efficient lighting on page 12 of this report.

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