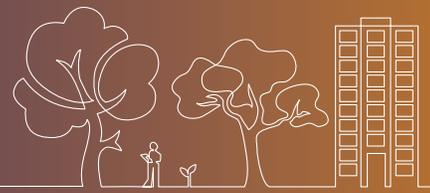




2022 ESG Report



Letter to Shareholders

At FRP Holdings, corporate responsibility is viewed as a best practice. We strive to be a good corporate citizen and a steward of capital as a course of business. We recognize that in today's constantly evolving environment, there is a lot to do. In order to align our organization more deeply with Environmental, Social and Governance (ESG) practices, this spring our Board of Directors created a Governance and ESG Committee that is poised to guide us on our path to sustainability.

We value the power of diversity. It is widely known that diversity of opinion and background builds a more robust consensus. Diverse leadership make better decisions, especially in a company inclusive of a spectrum of industries over time. Consistent with that belief, over the past several years we have sought to make our Board more reflective of society at large. To demonstrate our commitment, this year we disclosed our first ever Board Diversity Matrix. We are committed to expanding on these efforts as we embark on our ESG journey.

We consider ESG categories to be more than mere window dressing. These non-financial factors are fundamental to building a good business. Moreover, they are a matter of common sense. In our industry, a solid foundation is critical to supporting many of our business objectives. For example, beautifying a former mining site unlocks its development potential. LEED-certified buildings simply run more efficiently. Forest management provides relief in property taxes and enhances resale value. Opportunity zone investments have provided us with the ability to favorably invest in some of the greatest emerging markets in the world. They just happen to be in the U.S. and have the added benefit of minimizing our tax burden. We understand how ESG adds value.

We are a small and nimble company, mainly because we have always needed to be. We depend on our talented workforce to maximize efficiency, which allows us to discover opportunities that others may have missed because they deviate from the norm. This flexibility is a part of our culture and allows us to embrace the changing tide.

I am very proud to launch our inaugural ESG Report. We understand that unlocking value is always a process, and this report is merely a first step on our path to a sustainable future. We are excited for you to join us on this journey.

Respectfully yours,

John D. Baker II
C.E.O. and Executive Chairman

Sustainability Governance

Board of Directors and Leadership

The FRP Board has ultimate responsibility for ESG matters that impact our business. The Governance and ESG Committee exercises primary Board oversight of ESG risk management, strategy and policies, in accordance with its charter.

Governance & ESG Committee

The Governance and ESG Committee adopts policies and oversees compliance with policies relating to environmental health and safety, corporate social responsibility, sustainability, philanthropy, diversity and inclusion, community issues, political contributions, lobbying and public policy matters.

Management Team

Our management team focuses on sustainability by assessing environmental and climate change risks, environmental remediation and sustainable building practices.

Our ESG Commitment

We believe that environmental stewardship, social responsibility and solid governance are foundational to long-term value creation for our shareholders, employees, customers, communities and other stakeholders. We have long incorporated these concepts into our day-to-day operations. We strive to build on a philosophy of sustainability that creates value and minimizes environmental impact. This commitment is critical to our long-term business strategy and business objectives.



SOCIAL

Improving quality of life for communities through investment and development that makes a difference.



HUMAN CAPITAL

Diversity, inclusion, and high ethical standards are core to who we are. Our people matter, and the average tenure of our staff is over 11 years.



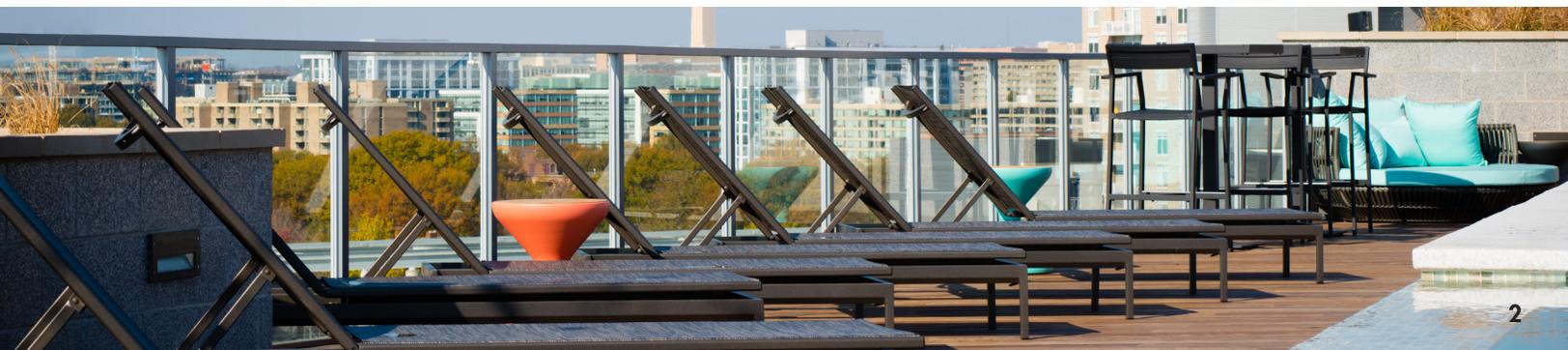
ENVIRONMENT

New properties are designed to incorporate sustainable practices and promote resilience, advance energy efficiency and foster environmental protection.



BUSINESS MODEL & INNOVATION

Direct oversight at the Board level provides guidance on risk appetite, assessment, and mitigation, allowing for capitalization of opportunities.



Performance Highlights Under Our Four Primary Pillars



SOCIAL

Responsible neighbor approach to mix-use developments offered **Access and Affordability** to income-restricted tenants as affordable housing unit options.

Significant investments were made to **Opportunity Zone Target Areas** in Washington, D.C. and Greenville, South Carolina where we delivered 68 affordable housing units in target area communities.

Incorporating survey feedback to advance **Tenant Welfare** and making continuous improvements in living spaces allows us to enhance quality of life and build community in mix-use developments and transit-oriented community centers.

Due Diligence is undertaken prior to entering mining royalty contracts to confirm compliance with applicable regional and international human rights and labor standards, including those of Indigenous peoples. None of our current streaming sites are located in or near areas of conflict.

Expanded **Philanthropy & Volunteerism** by supporting access to quality education in our local schools, including the Step Up for Students program and local YMCA initiatives. Recently implemented a program for paid days off at organized volunteer activities.



HUMAN CAPITAL

All employees are required to complete **Diversity and Sexual Harassment Training** and to acknowledge Equal Employment Opportunity and Harassment Policies.

Training and Professional Development is offered to enhance our employees' technological skills, including tuition reimbursement and sponsorship of industry conference attendance.

Employees are supported with continuing education and memberships in professional organizations and designations such as CCIM, NAIOP, ULI, and LEED AP.

We are committed to fair practices within and outside of our organization and have adopted a **Code of Business Conduct and Ethics** outlining these commitments.

Employee Benefits include paid time off, robust company funded health, dental and vision coverage, employee assistance, supplemental health and welfare coverage, pre-tax deductions for medical and childcare expenses, company paid group life insurance, 401K with matching contributions, team lunches, and field trips to visit development projects.



ENVIRONMENT

We are committed to operating in an environmentally responsible manner, complying with legal requirements, minimizing any potential adverse impacts on our neighbors, and continuously improving performance. All recent construction and new building deliveries have been and will be built to **Green Building Standards**: USGBC LEED, Baltimore City Green Buildings, and National Green Building Standard (NGBCS).

Recently completed projects have achieved USGBC LEED and NGBCS designations:
Washington, D.C.:
 Maren – USGBC Gold
 Dock 79 – USGBC Silver
 Chase @ Bryant – USGBC Silver
 Coda @ Bryant – USGBC Silver
Greenville, South Carolina:
 Riverside – NGBS Bronze

We conduct extensive **Environmental Due Diligence** during our initial property evaluations. This includes impacts to the community, historic uses and potential risks and impacts to groundwater and environmental systems. Post-development, we regularly evaluate potential impacts of climate change, sea level rise and coastal flooding to our properties. We conduct ongoing energy audits and continuously seek energy and cost-savings strategies.

We strive to embrace **Green Development Practices** in our properties to enhance communities and use sustainable practices that promote resilience, energy efficiency and environmental protection. This includes remediating existing environmental contamination, minimizing environmental impacts to the community and designing buildings to meet LEED standards.



GOVERNANCE

Code of Business Conduct and Ethics: Our commitment to ethics and compliance applies to all directors, officers and employees. We prohibit all forms of facilitation payments, bribes, and anti-competitive practices. Our employees acknowledge this in our annual code of business conduct, ethics and compliance training. Third party vendors and subcontractors sign an annual agreement obligating adherence to our **Business Ethics** policy.

Our Board has oversight of ESG matters through the Governance and ESG Committee which exercises primary responsibility of ESG Risk management, in addition to the formation of a management team to incorporate ESG into our organization.

Diversity is critical to our success. We are proud that two Board directors are female, two are military veterans and one is from an underrepresented minority group. We strive to continually increase our diversity.

Committed to the U.N. Sustainable Development Goals

In accordance with guidance from the United Nations, we have integrated the Sustainable Development Goals (SDGs) into our business strategy and are focused on the following nine SDGs and targets that are most relevant to our core business objectives:

- **Commitment to Diversity** (5, 8, 10)
- **Investing in and Developing Communities** (6, 7, 11, 12, 13, 15)
- **Pathways to Progress** (8, 11)
- **Incentives Aligned with Value Creation** (8)
- **Inclusive Finance** (11, 13)
- **Women’s Economic Empowerment** (5)
- **Open Innovation** (11)



Our Approach to Key SASB Topics

<p>Description of how building energy management considerations are integrated into property investment analysis and operational strategy (SASB: IF-RE-130a.5)</p>	<p>Our management team focuses on sustainability by assessing environmental and climate change risks, environmental remediation and sustainable building practices. We require environmental due diligence as part of site assessments and incorporate environmental considerations for our real estate properties during property acquisition, ongoing risk assessments, and in our development practices. We employ one LEED-certified professional. See our 2022 Proxy Statement.</p>
<p>Description of water management risks and discussion of strategies and practices to mitigate those risks (SASB: IF-RE-140a.4)</p>	<p>We incorporate environmental considerations, including water management, in our ongoing risk assessments, and in our regular development practices. When possible, we incorporate prevention barriers and native plants into stormwater management solutions.</p>
<p>Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants (SASB: IF-RE-410a.3)</p>	<p>We strive to develop our properties to enhance communities using sustainable practices that promote resilience, energy efficiency and environmental protection. This includes remediating existing environmental contamination, minimizing environmental impacts to the community and designing buildings to meet LEED standards, including the use of LED lights and timers.</p>
<p>Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks (SASB: IF-RE-450a.2)</p>	<p>We evaluate the potential impacts of climate change, sea level rise and coastal flooding to our properties on a regular basis.</p>
<p>Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict (SASB: EM-MM-210a.3)</p>	<p>We have a robust due diligence process at the acquisition stages, where we engage a third party to determine if any significant factors are present.</p>
<p>Description of whistleblower policies and procedures (SASB: FN-AC-510a.2)</p>	<p>We maintain a whistleblower hotline allowing employees to report complaints anonymously.</p>

Methodology

To help inform our decision making regarding the content to include in our first sustainability report, we performed a benchmarking analysis to help us understand what other firms in our sector were reporting. We relied upon the Sustainability Accounting Standards Board (SASB) to help us understand the areas that may be most relevant to our U.S. investors. Lastly, we compared our activities to the United Nations Sustainable Development Goals (SDGs) to assess how we may be contributing to these important goals. We drew upon the subject matter expertise of our colleagues to collect and organize the content relative to the areas we identified in our benchmarking.