



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) POLICY

PURPOSE: This policy formalizes Starwood Capital Group’s commitment to Environmental, Social and Governance (“ESG”) practices across our corporate operations, our real estate assets, and our affiliate and subsidiary entities.

Our commitment to responsible investing practices and ethical corporate citizenship is guided by the principles discussed in this policy. These principles have been reviewed and approved by Starwood Capital Group’s ESG Steering Committee and Starwood Capital Group’s senior executive management team.

These principles have also been informed through our partnerships with the various ESG oversight organizations to which we are signatories, including the Principles for Responsible Investment (“PRI”), and the Institutional Limited Partners Association (“ILPA”) Private Equity Principles.

STARWOOD CAPITAL GROUP’S ESG PRINCIPLES: Starwood Capital Group’s integration of sustainability and corporate citizenship is guided by the following commitments:

- 1. Maintain integrated sustainability practices across our corporate operations, our investment due-diligence process, and our asset management and property management practice:** by aligning each of our firm’s operating verticals under a cohesive set of environmental sustainability guidelines, we strengthen the endurance of our operations, increase efficiencies in our asset management, property management and risk management practice, and advance our firm’s progression towards a low-carbon economy.
- 2. Operate with clear multi-stakeholder-conscious governance and business ethics:** we are committed to operating with integrity and transparency, governed by a strong code of business ethics that protects the interests of all our stakeholders, including our employees, investors, business partners, tenants, customers and the communities in which we operate.
- 3. Provide an inclusive, rewarding and fulfilling work environment for our employees:** we realize that our firm’s success—our ability to deliver persistently positive returns to our investors and generate value to other stakeholders—is predicated on our firm’s ability to attract and retain the best talent in our industry.

We are committed to creating a diverse and inclusive work environment in which all of our employees feel welcomed and valued. We promise our employees a challenging yet rewarding professional experience that encourages innovative capital allocation ideas, and embraces creative operating practices.

- 4. Committed to long-term value creation for all stakeholders:** while we take pride in our entrepreneurial and results-driven culture, our day-to-day operating decisions are grounded on the lasting success of our business, and the careful consideration of the long-term impact our business practices may have on our key stakeholders.

Most importantly, we are committed to maintaining a culture in which our employees actively pursue the more challenging yet rewarding route to creating value through their capital allocation, asset management and property management decisions.

- 5. Maintain data-driven operations:** data-driven investment and operating practices reinforce our risk-management processes, broaden our investment and capital allocation paradigms, deepen our expertise, and enhance the accountability measures we seek to implement across our organization. As such, we are committed to continuously investing in our firm’s technology and information management infrastructure, conscious of its value at the core of our business.

STARWOOD CAPITAL GROUP'S ESG OVERSIGHT AND IMPLEMENTATION:

Integration of ESG initiatives across Starwood Capital Group's corporate operations, our real estate portfolio, and our affiliate entities is overseen by our global ESG Steering Committee.

Starwood Capital Group's ESG Steering Committee includes senior leaders from across our global acquisitions, capital markets, asset management & portfolio operations, legal & compliance, human resources, fundraising & investor relations, and Starwood affiliate & portfolio company teams.

Through our ESG Steering Committee, we ensure timely review of ESG risks and opportunities identified in our investment and asset management practices, and we reinforce senior leadership alignment on ESG strategy across each of our business units.

Our ESG Steering Committee reports directly to Starwood Capital Group's Executive Committee.



*ESG Steering Committee members include Starwood Capital Group's dedicated ESG team which oversees ESG strategy ideation, ESG process implementation, and maintains the firm's partnerships with third-party ESG reporting organizations.

ENVIRONMENTAL STEWARDSHIP:

Commitment: Starwood Capital Group is committed to protecting our environment by maintaining carbon neutral corporate operations, understanding the environmental impact of our investing and operating decisions, and integrating clear, actionable, and measurable sustainability practices across each of our business units.

Starwood Capital Group is committed to the realization of a global low-carbon economy.

Our Approach:

- **Corporate:** continuously reduce our operating carbon footprint via energy efficiency, water conservation, and recycling & waste management initiatives implemented across our corporate offices. Moreover, we commit to maintaining carbon neutral corporate operations by supporting high quality carbon offset programs targeting forest and river conservation, renewable energy generation, and sustainable agroforestry.
- **Real Estate Assets:**
 - Maintain clear, actionable, and measurable building sustainability and resilience property management guidelines across all asset classes. Ensure sustainability guidelines are compliant with local regulations.
 - Provide recurring sustainability training to property management teams and ensure the scope of work with third party property managers aligns with Starwood Capital Group's ESG policy.
 - Prioritize property-level data collection processes, creating and maintaining Energy Star accounts for each building and regularly conducting building efficiency benchmarking reviews.
 - Evaluate and pursue green building certifications for properties, where economically viable.
 - Identify building efficiency and sustainability enhancement opportunities for each asset as part of regularly scheduled asset management budget planning.
 - Partner with Starwood Capital Group's Proptech and procurement teams to identify and implement technology platforms that advance Starwood Capital Group's environmental preservation initiatives.
 - Implement and continuously enhance a global Environmental Management System (EMS) in accordance with the requirements of ISO 14001:2015.
 - Evaluate renewable energy procurement opportunities, including onsite renewable energy generation assets.
 - Incorporate extreme-climate risk assessments as part of the annual asset risk management and portfolio risk assessment review processes.
 - Continuously enhance existing tenant engagement opportunities on sustainability initiatives, including the use of green lease language in new lease agreements and lease-renewals.
 - Align reporting and carbon emission estimation processes with recognized scientific methods for measuring carbon emissions and deploying measurable decarbonization initiatives supported by science-based research.
- **Other Assets (Debt & other):** establish and regularly enhance our environmental impact due diligence questionnaires, ensuring debt origination opportunities comply with Starwood Capital Group's ESG Policy.

SOCIAL RESPONSIBILITY:

Commitment: Starwood Capital Group is committed to enriching the communities in which we live, work and serve—and we are committed to protecting the interests of all our stakeholders—including our investors, our partners, our vendors, our employees, tenants and customers, the community and the environment.

Our Approach:

- **Corporate:**
 - Create and maintain a positive, inclusive and rewarding work environment for our employees.
 - Continuously assess and honor our commitment to diversity and inclusion across our business units.
 - Maintain a culture of meritocracy, creating clear avenues for career growth and development for each of our employees.
 - Uphold our commitment to the health and wellbeing of our employees via enriching health and wellness programs.

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- o Ensure the safety, health and wellness standards of our vendors and operating partners align with our own.
 - o Helping others—support employee philanthropic and community service initiatives, contributing to non-profit organizations that support environmental and social causes.

- **Real Estate Assets:**

- o Operate healthy buildings for our tenants, our employees, our business partners, and the community at large.
- o Obtain healthy building certifications (WELLS, FitWell and other), where economically viable.
- o Deepen our relationships with the community by actively engaging local authorities, supporting the advancement of environmental and social initiatives.
- o Develop partnerships with community service organizations that promote environmental preservation, human welfare, and education initiatives.

- **Other Assets (Debt & other):** maintain strong due diligence review processes to determine the social impact of debt origination, capital allocation and asset management decisions, ensuring compliance with ESG policy.

ETHICS AND BUSINESS GOVERNANCE:

Commitment: maintain strong oversight, risk management and compliance business practices that ensure the long-term value preservation for key stakeholders across each of our business practices.

Our Approach:

- **Corporate:**

- o Conduct business fairly and with transparency guided by our code of business ethics.
- o Uphold our commitment to the Principles of Responsible Investment and the ILPA Private Equity Principles.
- o Align our interests with those of our partners.
- o Work with responsible partners and counterparties.
- o Maintain compliance with all legal and regulatory requirements applicable to the assets managed on behalf of investors, including but not limited to, the Foreign Corrupt Practices Act, U.K. Bribery Act, Pay to Play laws and other regulatory laws and statutes domestically and abroad.
- o Work with the Boards of our affiliated public companies to identify which ESG issues are most pertinent to the company's business and key stakeholders and oversee implementation of appropriate policies and processes for assessing, monitoring and managing material ESG risks and opportunities.
- o Provide robust disclosure of and compliance with regulatory requirements for conflicts of interest.

- **Real Estate Assets:**

- o Invest in developing our firm-wide technology infrastructure and building-level data collection and data analysis processes to advance our firm-wide ESG strategy.
- o Continuously reinforce internal ESG training materials, property management guidelines and property-level ESG compliance processes.
- o Continuously enhance the building-level ESG reporting processes and ESG frameworks with which Starwood Capital Group has an affiliation, including the PRI and others.

- **Other Assets (Debt & other):**

- o Continuously review our internal policies and processes, develop due diligence questionnaires, and ensure compliance with Starwood Capital Group's ESG Policies.

Starwood Capital Group's longstanding relationships with its investors, business partners and lenders are a testament to our success in meeting the highest standard of fairness, cooperation, transparency and commitment to the communities in which we operate.