

INTRODUCTION

At Starwood Capital Group (or “Starwood,” “we” or “our”), we believe that responsible investment practices—including the integration of Environmental, Social, and Governance (ESG) considerations into our corporate operating strategy and throughout the lifecycle of our investments—enhance our ability to deliver strong risk adjusted returns. We believe these initiatives also support our firm’s resilient growth and allow us to meaningfully contribute towards a more sustainable and inclusive future for our stakeholders and the communities in which we operate.

This policy sets forth the general framework for our firm’s ESG integration approach consistent with and subject to any applicable fiduciary or contractual duties.¹ The initiatives referenced in this policy have been informed through the periodic assessment of the materiality of various ESG risks and opportunities relevant to our business operations, our industry, and our stakeholders. Our assessment of the materiality of ESG issues is further informed through our affiliations and partnerships with various industry organizations, which are described in more detail below.

OUR CORPORATE RESPONSIBILITY

Starwood aims to integrate ESG initiatives that support our growth, enhance our resilience, reduce the environmental impact of our corporate operations, and positively contribute to the social and economic well-being of our employees and the communities in which we operate. In pursuit of these goals, we aim to implement the following initiatives in our corporate operations:²

Environmental:

- Measure the carbon footprint of our corporate operations annually.
- Seek to reduce the environmental impact of our operations through the implementation of energy use efficiency, water conservation, and waste management initiatives across certain corporate offices.

Social:

- Pursue initiatives that enhance the diversity, equity, and inclusion of our organization, conscious of the immense value that diverse teams and experiences bring to our firm and our industry.
- Maintain a positive, inclusive, and rewarding work environment for our employees.
- Foster a culture of meritocracy, with clear avenues for employee growth and development.
- Prioritize the health and well-being of our employees through health and wellness programs and maintaining safe and healthy work environments.
- Support philanthropic and community service initiatives through partnerships with organizations that support environmental and social causes that matter to our employees and our communities.

Business Ethics & Governance:

- Operate with fairness and transparency, guided by our business ethics and compliance framework.
- Train applicable employees on Starwood’s business ethics and compliance standards, covering key areas such as our Code of Ethics, regulatory compliance, cybersecurity, and managing conflicts of interest.

¹ See important information in Scope and Limitations section.

² Unless otherwise noted, the ESG initiatives included herein do not necessarily apply to Starwood Capital Group’s investment funds or portfolio companies.

- Maintain compliance with all relevant legal and regulatory requirements for our corporate operations.
- Observe fair labor practices and uphold internationally recognized human rights principles across our business activities, including with respect to modern day slavery.
- Seek to engage ethical and responsible business partners across our supply chain.

ESG IN THE INVESTMENT PROCESS

Starwood integrates financially material ESG factors into our investment process to better manage risk, identify value-creation opportunities, and strengthen the long-term resilience of our investment portfolio. We believe that by considering ESG factors, we enhance our ability to fulfill our fiduciary duty and deliver strong risk-adjusted returns for our investors.

While not all ESG factors are relevant to a particular investment type, strategy, asset class, ownership and/or control structure, the table below provides a sample of common ESG factors relevant to the real estate industry:³

ENVIRONMENTAL FACTORS	SOCIAL FACTORS	GOVERNANCE FACTORS
<ul style="list-style-type: none"> ■ Biodiversity and habitat ■ Climate change resilience ■ Land contamination ■ Energy management ■ Water management ■ Waste and hazardous materials management ■ GHG emissions ■ Location and infrastructure ■ Materials ■ Pollution ■ Supply chain environmental impact 	<ul style="list-style-type: none"> ■ Community development ■ Diversity, equity & inclusion ■ Health and safety of tenants, operators, contractors, and the local community ■ Indoor environmental quality ■ Access and affordability ■ Human rights ■ Labor standards ■ Social enterprise partnering ■ Stakeholder engagement ■ Supply chain responsibility 	<ul style="list-style-type: none"> ■ Anti-bribery and money laundering ■ Cybersecurity ■ Board diversity ■ Independence of board members ■ Remuneration policy ■ Data protection and privacy ■ Legal and regulatory fines ■ ESG clauses in contracts ■ Asset data collection framework and/or management systems ■ Procurement standards and requirements ■ Tenant engagement frameworks

Investment Due Diligence

The integration of ESG factors begins with the investment due diligence process that is carried out by our investment teams with support provided by our in-house ESG experts. For new investments, we aim to incorporate material ESG factors into our investment due diligence process, and where we determine appropriate, seek external support from specialized consultants on specific matters. For example, we may engage a third-party consultant to assess the potential physical and financial impacts of extreme weather events on an investment. Additionally, we aim to assess the long-term impact that the global energy transition may have on certain investments, particularly those located in jurisdictions with carbon emission-related regulatory requirements.

³ The applicability of ESG factors outlined on this page may vary across investment vehicles managed by Starwood Capital Group and affiliates. Not all factors may be applicable to all investments, and the applicability of each factor will vary based on asset class, investment strategy, fund, and level of control over investment.

For equity real estate investments, our due diligence process also seeks to identify value creation opportunities that may be underwritten in the investment’s value-creation plan. For credit investments, we are focused on considering ESG factors that are the most relevant for identifying and assessing potential downside risks.

When seeking investment committee approval, the investment team will generally include an overview of material ESG risks and opportunities identified during the diligence process in the final investment committee memoranda, when relevant.

Asset Management and Portfolio Company Engagement

Post-investment, Starwood seeks to incorporate ESG factors into its asset and portfolio management approach, which generally includes working closely with our property management partners and portfolio company management teams to address existing and emerging risks and enhance the long-term value of our assets.

For investments in which Starwood has majority ownership and control, our asset management professionals generally work closely with our in-house ESG-experts and external advisors to prioritize and implement initiatives aimed at improving the long-term value of our properties and portfolio companies. For example, we generally seek to engage with our portfolio company management teams on ESG issues by providing resources, implementation support, and subject matter expertise on ESG matters. We also maintain a bespoke property-level ESG program for certain properties in our real estate equity investment strategies, which includes initiatives such as:⁴

- Providing ESG training and resources to our property management partners.
- Implementing property-level ESG performance data reporting and management processes.
- Identifying and implementing initiatives to enhance the operating and resource-use efficiency of buildings.
- Exploring opportunities to procure renewable energy and clean transportation infrastructure, including deployment of onsite renewable energy generation equipment, energy storage solutions, and electric vehicle charging stations.
- Seeking to assess exposure to climate-related risks and developing risk mitigation strategies for certain properties.
- Developing tenant engagement opportunities on sustainability initiatives, including by seeking to include green lease language in new lease agreements and lease-renewals.
- Evaluating and pursuing green and healthy building certifications for properties, where economically viable.
- Maintaining healthy buildings for our tenants, our business partners, and the community at large.

For investments where Starwood has limited influence or control—including public equity investments, credit investments, and equity real estate investments where Starwood has minority or joint ownership—we will seek to encourage our partners, sponsors, and portfolio companies to implement best practices related to ESG where possible and in accordance with our fiduciary duties.

⁴ Properties in scope of Starwood’s property-level ESG program generally include real estate assets majority owned and controlled by Starwood Capital Group. The example initiatives shown here are generally applicable to those investments in scope of Starwood’s property-level ESG program. Starwood may determine at its sole discretion to exclude certain investments from its property-level ESG program, including investments majority owned and controlled by Starwood Capital Group.

ONGOING MONITORING

Starwood seeks to employ several methods to monitor ESG factors across its investment portfolio. Supported by our data warehouse and business operations systems, our in-house ESG team and external consultants monitor sustainability KPIs across certain portfolios in our real estate equity and credit investment strategies. Our monitoring process includes the following:

- **Sustainability Metrics Reporting:** We generate sustainability metrics reports to monitor property-level sustainability KPIs such as energy and water use intensity, carbon emission intensity, waste diversion rates, energy ratings, and sustainability certifications. These reports highlight material deviations or sudden increases in resource use, helping us identify investments that might require special attention.
- **Annual ESG Surveys:** We conduct ESG surveys across certain portfolios to track progress on various ESG initiatives being implemented at the property-level, including energy efficiency retrofits, water efficiency upgrades, tenant satisfaction, tenant and community engagement, and tenant and worker health & well-being. These surveys also help us monitor property resiliency features to enhance existing risk management protocols.
- **Annual Greenhouse Gas (GHG) Inventory:** Our GHG inventory process helps us measure and monitor the annual emissions of our investments across select funds, benchmark our portfolio's carbon footprint, and ensure compliance with evolving regulatory requirements.

REPORTING

We seek to ensure openness and transparency by providing regular updates to our investors and stakeholders on our ESG initiatives. Our Responsible Investment Report, available on our website, provides updates on Starwood's approach to ESG and details initiatives implemented across the firm and our investment portfolio.

We also report as a signatory to the UN Principles for Responsible Investment (PRI) and participate in the GRESB Real Estate Assessment benchmark through select funds. Further, Starwood may report to its investors on certain ESG initiatives through various channels, such as our quarterly investor updates, ad hoc investment reports, or during our annual investor meeting. Additional information can be found on the Corporate Responsibility section of Starwood's website.

STEWARDSHIP

We are committed to being responsible stewards of our investors' capital by actively managing our investment portfolio and collaborating with stakeholders and industry organizations to promote transparent and responsible business practices. We believe that this approach can help address the systemic issues facing our industry, such as climate change, human rights, and diversity, equity, and inclusion (DEI), which we believe is essential to protecting the long-term value of our portfolio.

Industry Engagement

As part of our dedication to responsible investment practices, Starwood upholds a series of industry commitments. We are a signatory to the UN Principles for Responsible Investment (PRI), a GRESB participant, a supporter of the Taskforce on Climate-Related Financial Disclosures (TCFD), and a partner to the EPA's ENERGY STAR Commercial Buildings program. We are also a signatory to the Institutional Limited Partners Association (ILPA) Diversity in Action

Initiative and collaborate with several DEI-focused organizations that specialize in diverse recruitment, employee retention, and professional development. We believe these partnerships not only strengthen our organization but also reinforce our commitment to DEI within our firm and across our industry.

Stakeholder Engagement

We recognize the vital role that engagement with our stakeholders plays in our stewardship efforts. Starwood is committed to fostering open and meaningful dialogue on our stewardship priorities with our investors, employees, portfolio companies, property managers, tenants, regulators and policymakers, and other key stakeholders.

Proxy Voting

While Starwood primarily focuses on private investments and has limited exposure to public securities, we are committed to following our Proxy Voting Policy which is designed to align our voting decisions with the best interests of our investors.

ESG OVERSIGHT AND IMPLEMENTATION

Under the leadership of our Chairman and CEO, Starwood's Executive Committee provides strategic direction and maintains ultimate oversight of our firm's ESG efforts. Starwood's global ESG Steering Committee, which includes senior leaders from the firm's primary business segments and affiliate entities, also meets periodically and plays a crucial role in providing oversight and strategic guidance on ESG risks and opportunities identified across our business.

Further, Starwood has a dedicated ESG team responsible for supporting the development and implementation of the firm's ESG strategy and policy. This team also provides resources, support, and training to Starwood's investment professionals, supports ESG priorities across the investment portfolio, and leads ESG reporting initiatives for the firm.

RELATED POLICIES AND PROCEDURES

Starwood maintains various policies and procedures within the firm's compliance manual and employee handbook which cover various topics, including but not limited to anti-corruption, ethics, anti-harassment, and DEI. This ESG Policy is intended to be complementary to these other policies and procedures. Starwood also maintains bespoke ESG policies and procedures that are applicable to specific funds, investment strategies, or affiliate entities. If any fund, investment strategy, or affiliate has additional or different ESG policies or procedures than the ones in this ESG Policy, we will first seek to follow such policies or procedures and thereafter, to the extent applicable, this ESG Policy.

TRAINING

Starwood employees receive periodic training on the firm's policies and procedures and are expected to understand and comply with the firm's guidelines, including this ESG Policy. Additionally, Starwood provides ongoing ESG training to certain employees, in addition to more focused sessions on specific ESG topics, such as renewable energy and ESG regulations. We continue to look for ways to improve and expand on our ESG training initiatives.

SCOPE AND LIMITATIONS

This ESG Policy outlines Starwood’s general framework for integrating ESG factors throughout the lifecycle of its investments and applies to the funds and entities managed by Starwood Capital Group, including its private investment funds and affiliated REITs. While Starwood seeks to incorporate material ESG issues into the investment process for all investments as applicable, Starwood may determine in its sole discretion that it has limited ability to conduct diligence, access data, or to influence and control the consideration of ESG issues in connection with an investment, whether at the investment or at the fund-level. In such cases, Starwood will apply those elements of this ESG Policy that it deems practical and applicable. Examples of such instances include scenarios where Starwood jointly manages a fund or investment, is a public equity shareholder with limited or no influence or control, is a minority investor, lender, or debt holder, possesses limited governance rights, or lacks direct control.

For the purposes of this policy, “material” ESG risks and opportunities are those that Starwood, in its sole discretion, determines to have, or have the potential to have, a significant impact on its ability to create or preserve economic value. Importantly, Starwood does not anticipate compromising any fund’s or investor’s investment returns or increasing investment risks as a result of considering ESG factors, in alignment with this ESG Policy.

This ESG Policy was last updated in October 2024 and has been reviewed and approved by Starwood’s ESG Steering Committee and Starwood’s senior executive management team. Starwood reviews this ESG Policy annually.