

CROW HOLDINGS

CAPITAL

SUSTAINABILITY POLICY

MAY 18, 2023

OVERVIEW

Crow Holdings Capital (CHC) is a prominent, North American-focused investment manager of private equity real estate. Registered with the U.S. Securities and Exchange Commission since 2011, CHC is headquartered in Dallas, Texas.

CHC's primary investment objective is to maximize returns to its investors on a risk-adjusted basis. Within this context, CHC's goal is to consider a variety of sustainability issues related to CHC's business, fund assets, and the communities in which CHC works and invests, as applicable.

In 2018, CHC hired an external advisor to aid in the development of ESG efforts. The advisor is expected to help CHC with its long-term goal of improving its alignment with sustainability reporting frameworks, such as GRESB. In the near-term, CHC is moving to implement the following measures for its most recent fund products:

- Properties will be evaluated for sustainability at acquisition through a Sustainability Acquisition Assessment completed by the external advisor and, if applicable, an internal development checklist
- Upon acquisition of existing and new developments, where available the utilities of properties will be benchmarked and monitored by the external advisor through Energy Star accounts
- Provide transparent sustainability reporting beginning in 2019
- Implement a Sustainability Taskforce to discuss the direction and management of the Sustainability Program

The following is a sample list of sustainability activities considered as it relates to CHC, certain fund assets, and communities in which CHC works and invests. This list is not comprehensive and such representative activities vary based on the underlying product type and assets involved.

ENVIRONMENTAL

ENERGY EFFICIENCY

- Implement low-cost energy savings methods, management, and controls including installing time, occupancy or motion sensors for lights, reducing HVAC (heating, ventilation, and air conditioning) operating hours and enhancing window and door seams
- Lighting retrofits, including changing bulbs to lower wattage, or changing incandescent bulbs to more efficient LEDs
- Evaluate the installation of a cool roof at replacement
- Use high reflectivity roof materials on flat roofs, including TPO (thermoplastic polyolefin) for warehouses
- Complete Phase I Environmental Site Assessments and, as needed, Phase II

WATER CONSERVATION

- Installation of high-efficiency fixtures for toilets, urinals, faucets, and shower heads

- Incorporate and maintain storm water capture, recycling or detention systems
- Improve landscape irrigation practices, such as drip irrigation and sprinklers with smart controllers
- Convert seasonal color beds to perennial, native and adapted plant materials that conserve water, use less fertilizer and do not require seasonal changes

INDOOR AIR QUALITY MANAGEMENT

- Seek to maintain high air quality
- Avoid assets that have on-site dry cleaners that currently use PERC (Perchloroethylene) or work to remediate and remove PERC before closing or as soon as practical
- Conduct radon testing and implement mitigations systems

TRANSPORTATION & LOCATION

- Add electric car charging stations and bicycle storage to encourage usage
- Acquire properties located in close proximity to public transit or high walking score areas; pursue developments with structured parking, which minimizes concrete use when compared to surface parking

WASTE REDUCTION AND DIVERSION

- Implement waste management practices, made possible primarily through coordinated recycling programs
- Encourage recycling by educating tenants on what is recyclable and posting signage with images showing what is recyclable
- Use electronic leasing systems to reduce paper usage
- Work with janitorial service partners to maintain waste areas and optimize diversion by ensuring recyclables are being recycled

GREEN BUILDING CERTIFICATIONS & ENERGY RATINGS

- Evaluate ENERGY STAR certification for eligible buildings, where appropriate
- Evaluate the feasibility of third-party Green Building Certifications, where appropriate

SOCIAL

STAKEHOLDER ENGAGEMENT

- Address the information needs of our key stakeholders, and communicate information to them when appropriate, including on environmental, social, and corporate governance issues.
- Empower our third-party property managers by providing resources and training on sustainability topics including sustainability, health and well-being, and resilience
- Foster community engagement at CHC and our properties through the development of charitable programs and by hosting events

HEALTH, WELLBEING & SAFETY

- Work to facilitate tenant well-being through convenient fitness facilities, improved indoor air quality, and handicap accessibility
- Encourage service providers to adhere to standards of non-discrimination as well as applicable work safety, labor laws, and strive for workplace diversity
- Comply with regulations concerning occupational health and workplace safety
- Implement program to be compliant with the Americans with Disabilities Act of 1990 (“ADA”)
- Limit certain categories of tenants, which, at the time the investment is made, are primarily engaged in activities related to tobacco, gambling, and pornography

GOVERNANCE

OVERSIGHT

- Regularly convene with Sustainability Taskforce to discuss the direction and management of Sustainability Program
- Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
- Develop and implement fund structures that align with market standards
- Engage high quality third-party auditors and accountants

COMPLIANCE & REGULATORY

- Actively monitor and adhere to all laws related to political donation disclosure, bribery, foreign corrupt practices, and other improper payments
- Seek U.S. and local counsel guidance to comply with each respective country’s laws pertaining to international fundraising
- Compliance with applicable national, state, and local laws in the countries in which CHC invests

CUSTOMIZED REPORTING & TRANSPARENCY

- Provide sustainability reporting for active funds, beginning with Crow Holdings Realty Partners VIII, L.P., and customized reporting as requested
- Conduct regular meetings with investors
- When appropriate, provide information to its limited partners on the matters addressed herein, and work to foster transparency about CHC’s activities
- Goal of aligning our program with sustainability reporting frameworks such as GRESB to improve our overall sustainability performance

RESILIENCE

OBJECTIVES

- During the due diligence process, evaluate new acquisitions for climate related physical risks.
- Seek to identify potential climate-related physical risks and opportunities to reduce climate related risks from market, policies, and changes in technology.
- Evaluate and align portfolio approach on climate risk analysis with recognized industry standards such as TCFD reporting framework where appropriate.