



# OUR APPROACH TO RESPONSIBLE INVESTMENT

**SEPTEMBER 2024**



# TABLE OF CONTENTS

- 03 From Our Founder
- 04 Firm Overview
- 06 About This Report
- 35 Looking Ahead



## GOVERNANCE

- 09 Strong Corporate Governance
- 10 Data Governance
- 11 ESG Governance and Oversight
- 12 Stakeholder Engagement



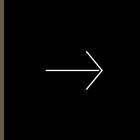
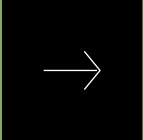
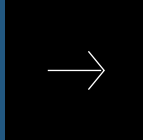
## ENVIRONMENT

- 16 Managing Our Corporate Footprint
- 18 Managing Climate Risk in Our Portfolio
- 19 Resource Use Efficiency
- 20 Renewable Energy Procurement
- 22 Portfolio Monitoring
- 23 Certifying Our Work
- 26 1 Hotels: Leading in Sustainable Luxury



## PEOPLE & CULTURE

- 30 A Focus on Employee Growth & Well-Being
- 31 Community Impact & Engagement
- 32 Diversity, Equity, and Inclusion
- 33 Prioritizing People Across Our Portfolio
- 33 Active Investor in Affordable Housing



# FROM OUR FOUNDER

Dear Stakeholders,

The real estate industry has always been deeply intertwined with global economies and environments, coexisting with natural landscapes and shaping the spaces where people live, work, and play. Today, real estate stands at a crucial intersection of challenge and change. Recognizing our pivotal role in these transformative times, Starwood is committed to leading commercial real estate towards a model of greater sustainability, demonstrating that environmental stewardship and economic success can, and indeed should, go hand in hand.

Grounded in the principles of integrity, transparency, and accountability, we incorporate environmental, social, and governance (ESG) issues to help generate maximum, lasting value for our stakeholders. Starwood is a community of innovators and forward-thinkers, where we believe every team member plays a crucial role in bringing this mission to life by seeking to embed our values into our corporate strategies and daily actions at every level of the organization.

In 2023, we reached several important milestones in our sustainability journey. Acknowledging our sector's significant contribution to global carbon emissions, we took steps to reduce our carbon footprint, enhance energy efficiency, and increase our procurement of renewable energy. These efforts reflect our commitment

to excellence in environmental stewardship in a manner that we believe will enhance the performance and value of our properties. We also established robust governance frameworks under the direct oversight of our executive leadership team, integrating these initiatives deeply into our overall business strategy.

Our commitment to diversity, equity, and inclusion (DEI) is integral to our vision of building a better future for commercial real estate. We believe that a diverse and inclusive workforce drives innovation and enables us to make better, more informed decisions. In 2023, we continued to actively recruit from over 100 universities, including top Historically Black Colleges and Universities (HBCUs), ensuring our teams consistently draw from diverse talent pools. We also launched Starwood Impact Investors (SII), an initiative designed to empower emerging diverse real estate managers through strategic financial support and ongoing mentorship. In January, SII secured its first strategic partnership, and we anticipate establishing several more in the months ahead.

Looking ahead, we aim to both deepen our engagement with climate risk management and further integrate material ESG considerations into our investment process. In the coming years, we also aim to set ambitious goals for emissions reductions, further expand initiatives for green

energy procurement, enhance community engagement, and strengthen our dedication to the well-being of our tenants and team members. These efforts will aim to establish new benchmarks in responsible real estate investment, serving as a model for our industry and inspiring our peers to follow suit.

Though our goals are ambitious and our work is never done, we approach the future with optimism and a commitment to transparency as both a principle and a practice. I am proud to invite you to read our inaugural responsible investment report, which details our initiatives, achievements, and the path forward in our sustainability journey. Your continued trust and partnership fuel our efforts to build a legacy of sustainability and success that extends beyond our investments into our wider communities, driving us towards a more sustainable and equitable future.



**Barry Sternlicht**  
Founder and CEO



# FIRM OVERVIEW

## Our Mission

At Starwood, we aim to set the standard for excellence in real estate investment by relentlessly pursuing value and delivering exceptional risk-adjusted returns. As industry pioneers, we support this mission with innovative investment strategies aimed at creating a more sustainable future for our sector. Our approach is informed by our expertise in creative entrepreneurship, astute judgment, and unwavering focus, ensuring Starwood's legacy is measured in the value we create for our investors as well as the sustainable impact we make on the real estate landscape.



**Henry David Thoreau once said, 'What is the use of a house if you haven't got a tolerable planet to put it on?' At Starwood, we take this to heart. Our responsibility goes beyond creating value for our investors—it extends to ensuring we leave a sustainable world for future generations.**

**Barry Sternlicht**  
Chairman & CEO, Starwood Capital Group

Starwood Capital Group  
is a 32-year-old private  
investment firm with:<sup>1</sup>

**16**  
Corporate Offices Worldwide

**5,000+**  
Employees (including affiliates)

**~\$115B**  
Assets Under Management

**15,000+**  
Real Estate Assets Globally

<sup>1</sup> As of December 31, 2023



*J. Coopers Row  
Washington, D.C.*

# FIRM OVERVIEW

**Starwood's values are the foundation of our culture, guiding our actions and setting the standard for our interactions within an environment that champions collaboration and respect. More than just the ideals we strive for, our values are the embodiment of who we are and what we aspire to achieve:**



## Client Focus

We prioritize the needs and interests of our investors above all, seeking to ensure openness, transparency, and a commitment to value creation, always striving to exceed expectations with superior results.



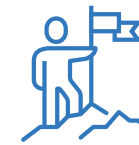
## Elevate Performance

We continually set higher standards, challenging ourselves to achieve new heights of success through relentless improvement and a dedication to excellence.



## Magnet for Talent

We are committed to attracting, developing, and retaining exceptional talent, fostering their growth and supporting them in reaching their full potential.



## Entrepreneurial Spirit

We foster an entrepreneurial mindset, encouraging initiative, embracing challenges, and seizing opportunities for growth.



## Creative Thinking

Our approach is fueled by intellectual curiosity, a commitment to exploring innovative ideas, and embracing diverse viewpoints to develop transformative solutions.



## Embrace Agility

We proactively adapt to changing market conditions and evolving needs of customers and investors, seeking to ensure our strategies and solutions remain at the forefront of the industry.



## One Starwood

We emphasize collaboration and communication across all functions, teams, and geographies, uniting our efforts to achieve common goals.

# ABOUT THIS REPORT

This document provides an update on our firm's responsible investment strategy, highlighting our efforts to create balanced real estate ecosystems and detailing the ESG initiatives we use to strengthen our firm, our portfolio companies, and our real estate assets. As a fiduciary, we have crafted an integrative ESG strategy around our responsibility to create and protect value for our investors. Throughout this report, we detail certain ESG initiatives implemented across our corporate operations and investment portfolio:

**Corporate Operations:** We prioritize initiatives that we believe will support our firm's resilient growth, make us better investors, and contribute to a more sustainable and inclusive future for our stakeholders.

**Investment Portfolio:** We pursue initiatives across our investment portfolio that we believe will enhance our ability to create and protect value and deliver exceptional results for our investors.

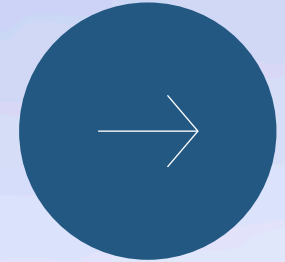
This report outlines Starwood's approach to ESG topics, goals, and initiatives. Unless otherwise specified, the data and activities discussed in this report cover activities through December 31, 2023. We are committed to providing periodic updates on our progress and performance in ESG matters. For more information, please visit the [responsibility page](#) of our website.

We value the perspectives of our stakeholders and continuously seek their input to refine and enhance our strategies. Our commitment to ESG principles is dynamic, and we regularly update our priorities and approaches in response to evolving needs and insights. For any feedback or inquiries, please contact us at [sustainability@starwood.com](mailto:sustainability@starwood.com).



*1 Hotel Brooklyn Bridge  
Brooklyn, NY*

# GOVERNANCE



IN THIS SECTION

[Strong Corporate Governance](#) →

[Data Governance](#) →

[ESG Governance and Oversight](#) →

[Stakeholder Engagement](#) →



Starwood Capital Group HQ  
Miami Beach, FL



**Starwood works to implement and uphold robust governance practices and responsible corporate behavior as a cornerstone of our firm's operations and key to our long-term success.**



# STRONG CORPORATE GOVERNANCE

**Our governance frameworks span our entire organization, encompassing rigorous ethical standards and compliance structures.**

Prioritizing strong governance measures bolsters our risk management approach and supports the sustainable growth of our firm, companies, and real estate portfolio.

## Ethics & Compliance

Starwood's Code of Ethics establishes our commitment to the highest standards of business conduct in our relationships with all our stakeholders, including our employees, investors, regulators, and the companies with which we do business. This commitment includes mitigating conflicts of interest to ensure fair and transparent decision-making processes. Guided by our Employee Handbook and Compliance Manual, our team members are expected to act with honesty and integrity, ensuring that their actions promote a culture of compliance and ethical practices across our operations.

## Training

Our ethics and compliance training program educates employees on Starwood's policies, covering key areas such as ethical decision-making, regulatory compliance, and risk awareness. We promote a culture of integrity and accountability through targeted training sessions and ongoing learning opportunities, and firm leadership is expected to play an active role in modeling and reinforcing these standards at all levels of our firm.



**We are keenly aware that a robust compliance program is an essential tool required to navigate the challenges of a leading private investment firm with a global reach. As an institution, we remain committed to a culture that fosters adherence to the regulatory framework by which we are governed.**



**Matt Guttin**  
Chief Compliance Officer



1 Hotel Toronto  
Toronto, Canada

# DATA GOVERNANCE

## Effective data management remained a pivotal focus of our data governance strategy in 2023.

To guide our data-centric approach, we continued to invest in SCG360, Starwood's enterprise-wide data initiative. This integrated technology ecosystem collects, analyzes, and surfaces data, breaking down information silos and arming employees across Starwood with accurate datasets that empower them to drive progress on firm-wide goals more quickly and make more informed decisions.

### Cybersecurity

Protecting the information entrusted to us by Starwood's partners, people, and investors is a top priority and a group effort—every one of our employees contributes to safeguarding our operations. Our approach to cybersecurity is detailed in our Cybersecurity Policy and Incident Response Plan. We regularly engage third-party experts to review our systems and to help ensure that our measures and programs remain aligned with industry standards and governing frameworks.

### SCG360



**Centralized data repository for Starwood and third-party data sources**



**Streamlined data collection, consolidation, and validation**



**Powerful analytical and visualization tools that enable data-driven decision-making**



**Data governance is the backbone of our organization, striving to ensure data integrity, security, and compliance for informed decision-making and sustained growth.**



**Dan Jackson**  
Chief Technology Officer



*Loudoun County Data Center Development  
Ashburn, VA*

# ESG GOVERNANCE AND OVERSIGHT

**Effective governance and oversight are pillars of Starwood’s ESG strategy, making our initiatives both transparent and impactful.**

Under the leadership of our Chairman and CEO, the Starwood Executive Committee provides strategic direction and maintains ultimate oversight of our firm’s ESG efforts. This oversight is supported by clear, structured policies, dedicated teams, and specialized governance bodies that propel the development and execution of our ESG priorities.

### ESG Steering Committee

Starwood’s global ESG Steering Committee includes senior leaders from the firm’s primary business segments and affiliate entities. This committee meets regularly and plays a crucial role in providing oversight and strategic guidance on ESG risks and opportunities identified across our business.

### ESG Policy

Starwood’s ESG Policy outlines our firm’s approach to responsible investment across our corporate operations and throughout our investment process. The policy is reviewed and updated annually and can be found on the responsibility landing page of our [website](#).

### ESG Team

Our dedicated ESG team is 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 and leads ESG reporting initiatives for the firm.

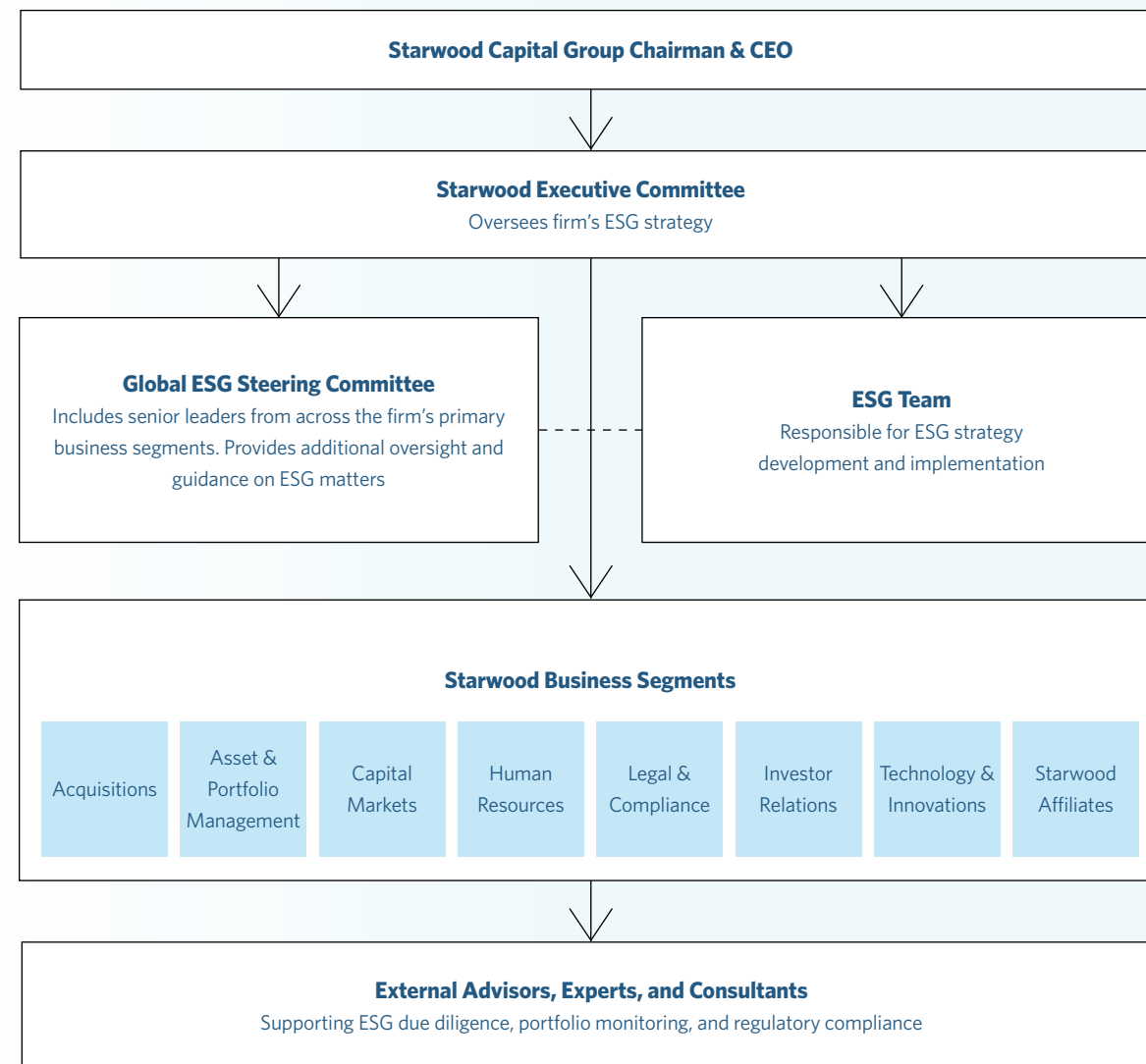


**By integrating environmental stewardship, social responsibility, and strong governance into our investment approach, we believe that we are not only protecting and enhancing our assets, but also fostering sustainable growth and positive impact for future generations.**



**Mauricio Serna**  
Head of ESG

### ESG Governance Structure



# STAKEHOLDER ENGAGEMENT

**Starwood prioritizes continuous, transparent engagement with a diverse array of stakeholders, including our portfolio companies, property managers, tenants, employees, investors, and various industry organizations.**

Fostering this collaboration enables us to better align our strategies, activities, and reporting with the evolving needs and concerns of parties impacted by our business.

## Portfolio Engagement

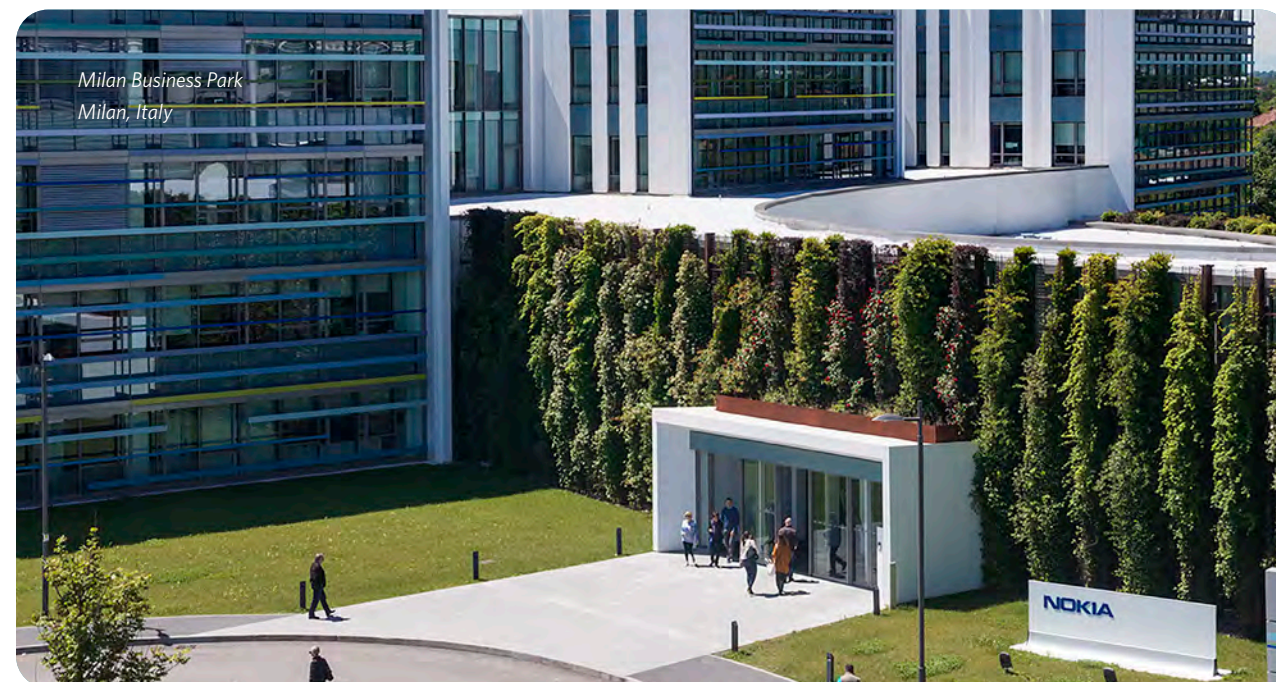
We engage with our portfolio companies, property managers, tenants, and the communities where we invest, aiming to bolster our risk management strategy and enhance long-term resilience. Our support includes providing ESG training and resources to certain property managers, including sustainability checklists and guides tailored to specific asset classes. We also collaborate with tenants on sustainability initiatives, sharing utility consumption data and offering sustainability guidelines. Additionally, we aim to equip our portfolio company management teams with resources and expertise to address material ESG matters.

## Employee Engagement

Our people are our greatest asset. For this reason, Starwood seeks to cultivate a culture that attracts and retains top talent, fostering a work environment where our employees can set down roots and grow long-term careers. More details on how we engage with current and prospective team members can be found in the People & Culture section of this report.

## Investor and Industry Engagement

Starwood is committed to responsible investment practices, and we engage with our investors through transparent ESG reporting and adherence to industry standards. 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 signatory to the [ILPA Diversity in Action Initiative](#).



# STAKEHOLDER ENGAGEMENT

## Green Lease Initiative

Green leases can provide substantial benefits to commercial real estate owners and managers by helping to align the interests of landlords and tenants toward sustainability goals. These agreements often include provisions that promote energy efficiency, waste reduction, and other eco-friendly practices, which can support reduced operating costs and increased property values. For property owners, green leases can contribute to lower utility expenses, eligibility for green building certifications, and enhanced attractiveness to environmentally conscious tenants. Green lease provisions can not only commit parties to making efforts to reduce or minimize the environmental impact of a property, they may also enhance its financial performance and market competitiveness, which is why we view steps toward incorporating more green lease language as a savvy business choice for owners and managers committed to long-term value creation.

We are increasingly working with our tenants to incorporate green lease provisions into new leases and renewals when feasible and appropriate, and we continually consult with industry experts on market trends and practices related to green leases.

## European Lending ESG Framework

The Starwood European Real Estate Debt Finance (SEREDF) II fund, which originates commercial real estate loans across Europe, has implemented an ESG framework which integrates quantitative and qualitative ESG assessments into its due diligence and loan origination processes. The ESG framework has been prepared taking into account the requirements of, and in a manner suitable for disclosure under, Article 8 of the Sustainable Finance Disclosure Regulation (SFDR), a European Union regulation that requires financial market participants to disclose how they plan to achieve their environmental and social commitments and to report periodically on their performance in achieving those commitments.<sup>2</sup> The SEREDF II approach evaluates investments for their environmental stewardship, social responsibility, and robust governance, ensuring projects align with sustainability goals and demonstrate financial viability. Since June 2023, SEREDF II has closed over 10 deals under this framework across Europe.<sup>3</sup>

<sup>2</sup> SEREDF II is not currently within scope of SFDR and, therefore, while the ESG framework has been prepared in a manner that allows for disclosure under Article 8 SFDR, the fund does not presently do so.

<sup>3</sup> As of July 1, 2024

Wood Wharf Phase 3 (rendering)  
London, UK



Photo Courtesy of Canary Wharf Group

# ENVIRONMENT



IN THIS SECTION

[Managing Our Corporate Footprint](#) →

[Managing Climate Risk in Our Portfolio](#) →

[Resource Use Efficiency](#) →

[Renewable Energy Procurement](#) →

[Portfolio Monitoring](#) →

[Certifying Our Work](#) →

[1 Hotels: Leading in Sustainable Luxury](#) →

Marshfield Industrial Portfolio  
Baltimore, MD



*Starwood Capital Group HQ  
Miami Beach, FL*

Connie Zhou

## **Starwood's environmental strategy is integral to our commitment to sustainable growth and value creation.**

We believe that our ongoing commitment to environmental stewardship not only mitigates risks but also enables us to capitalize on opportunities within a shifting, decarbonizing global landscape. From comprehensive greenhouse gas accounting and energy-efficient designs to renewable energy procurement and sustainable building certifications, our initiatives demonstrate the potential to create value, minimize environmental impact, and meet evolving stakeholder expectations. We continue to adapt and expand our efforts to drive meaningful improvement across our portfolio and help lead the movement toward a more sustainable and resilient economy.

# MANAGING OUR CORPORATE FOOTPRINT

**Starwood embraces sustainability across our corporate locations, prioritizing sustainable design, resource efficiency, and comprehensive waste management programs to reduce our footprint.**

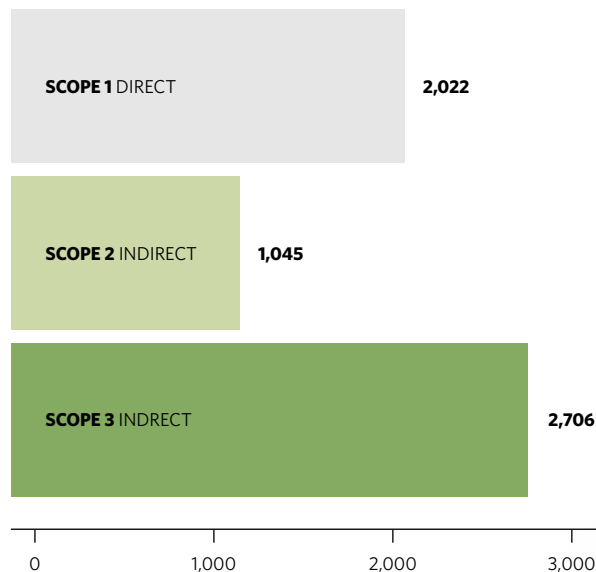
In 2023, we advanced our sustainability efforts at our London office at One Berkeley Street by introducing a range of efficiency and recycling initiatives. A building-wide waste tracking system was implemented to monitor and improve recycling performance, while within our own space, we replaced single-use plastic water bottles with refillable glass bottles and installed motion sensors to automatically turn off lights when not in use, reducing both waste and emissions.

### Greenhouse Gas (GHG) Accounting

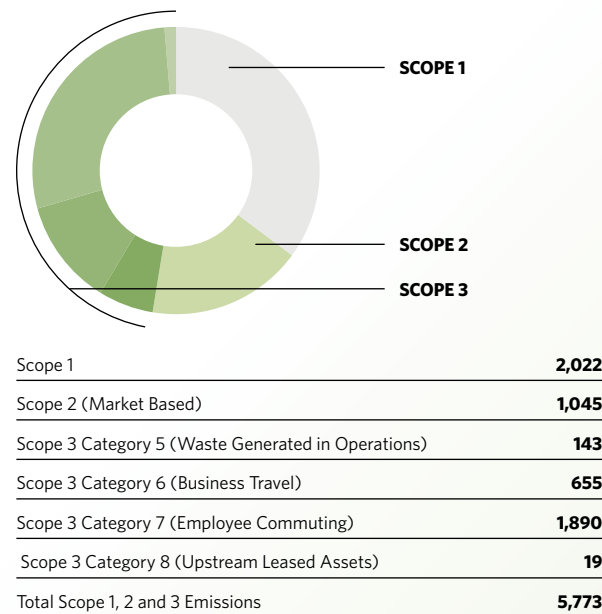
We are committed to managing our corporate greenhouse gas emissions responsibly. Starwood conducts an annual GHG inventory to measure our firm's material corporate scope 1, 2, and 3 emissions to deepen our understanding of our environmental impact and identify opportunities to reduce emissions. We have also initiated a formal GHG inventory process for our investment funds. Launched in 2023, this initiative is designed to enhance our ability to manage climate-related risks, prepare for compliance with evolving regulations, and establish GHG baselines for certain investment funds, enhancing our ability to track progress towards decarbonization across our global portfolio. We look forward to reporting further updates on this process as they become available.

### Corporate GHG Inventory<sup>4</sup>

Our firm's corporate GHG emissions for the 2022 calendar year (MTCO<sub>2</sub>e):



### Emissions Breakdown by Category (MTCO<sub>2</sub>e)

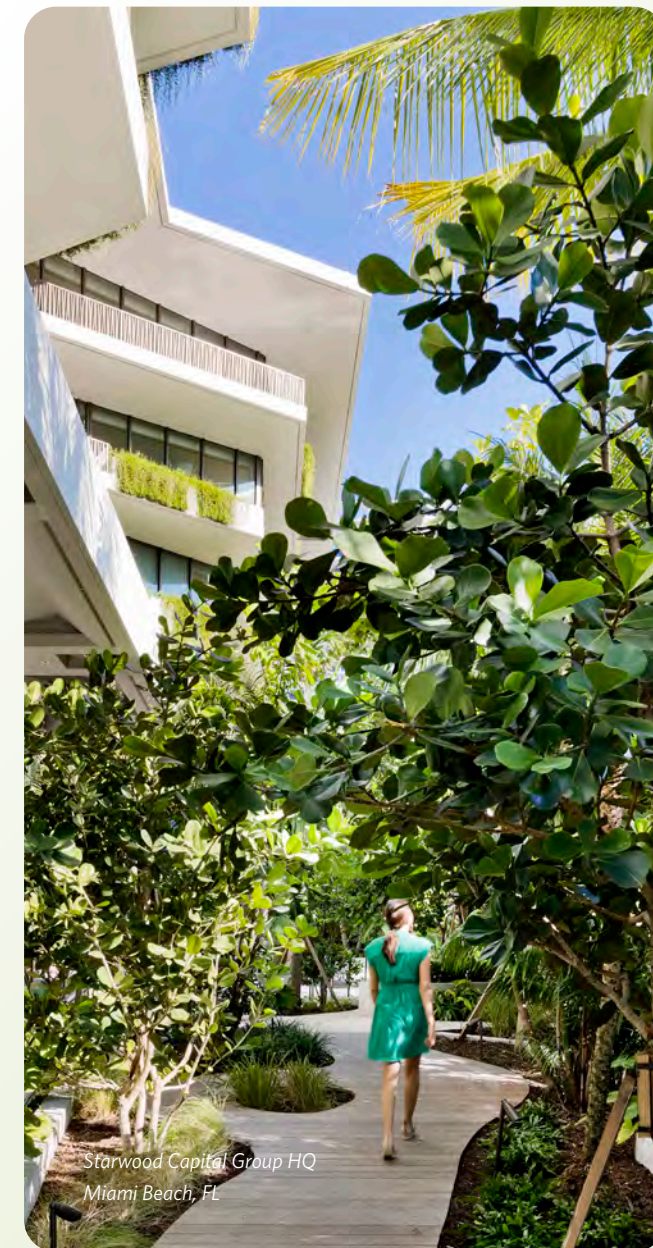


<sup>4</sup> Starwood engaged RE Tech Advisors, a third-party consultant, to develop Starwood's GHG emissions statement for the calendar year ending December 31, 2022, in accordance with the GHG Protocol. Starwood has not obtained third-party assurance for its 2022 GHG emission statement, and the figures presented therein include estimates and are subject to change. Starwood makes no guarantees as to the accuracy and completeness of the information presented in this emission statement. For the entities in scope of Starwood's consolidated corporate GHG inventory, principal activities quantified for the purposes of this GHG Emissions Report include:

Scope 1: Direct GHG Emissions. Emissions from sources that are owned and controlled by Starwood are assigned to "Scope 1". Examples of this include fuel consumed onsite for heating purposes, gas combusted in company-owned vehicles, and emissions from refrigerant leakages.

Scope 2: Indirect Emissions from Electricity. Emissions that occur due to the consumption of electricity and steam are assigned to Scope 2, separately from other sources of indirect emissions, which are assigned to Scope 3.

Scope 3: Other Indirect Emissions. The remaining indirect emissions related to the company's activities are tracked in Scope 3. Of the 15 different categories of Scope 3 emissions, Starwood's corporate inventory focuses on Scope 3 Category 5 (Waste Generated in Operations), Scope 3 Category 6 (Business Travel), Scope 3 Category 7 (Employee Commuting), and Scope 3 Category 8 (Upstream Leased Assets).



Starwood Capital Group HQ  
Miami Beach, FL



## SPOTLIGHT OUR NEW GLOBAL HEADQUARTERS

### **In 2022, Starwood proudly completed construction on our new global headquarters in Miami Beach.**

This milestone also marked the first major Class A office development in Miami Beach in nearly a decade, demonstrating our leadership in sustainability and innovation. The building achieved a LEED Core & Shell certification at the Gold Level and received the 2022 Best Architecture and Design award from the South Florida Business Journal.

Our dedication to environmental stewardship is evident in the design and materials of our headquarters. The building features landscaped green spaces and outdoor areas designed with native plant species, which enhance the urban aesthetic, support local biodiversity, and contribute to the restoration of natural habitats in the region. Meanwhile, the roofing makes use of highly reflective materials and clear hardscapes, reducing the building's heat island effect. The property's landscape design and irrigation system were engineered to conserve potable water to maximize resource efficiency. To further support our commitment to sustainable practices, Starwood prioritizes recycling and the use of reusable materials within our offices.

*Starwood Capital Group HQ  
Miami Beach, FL*



# MANAGING CLIMATE RISK IN OUR PORTFOLIO

## As the world transitions to a low-carbon economy, investors are facing evolving risks and opportunities.

Extreme weather events and regulatory shifts can impact property values and potentially strand assets. To help address these challenges, Starwood is implementing a climate risk management program designed to identify risks and prioritize value-accretive initiatives that are expected to enhance energy efficiency, seek to eliminate resource-use waste, and increase renewable energy procurement practices. We believe these measures contribute to raising the long-term value and resilience of our investments in a global landscape that is increasingly marked by the intensifying effects of climate change, decarbonization, and changing regulations.

### Physical Risk

Our approach to risk management prioritizes the assessment of physical climate-related risks that could significantly impact our investments over short, medium, and long-term horizons. For certain new and existing investments, we evaluate potential risks posed by extreme weather events, such as flooding, and aim to establish physical climate risk resilience measures that improve the health and safety of our properties for our tenants and the community and help mitigate potential financial losses resulting from direct asset damage. By identifying and implementing these tailored risk mitigation measures in highly vulnerable areas, we aim to enhance asset resilience and insurability while mitigating potential liquidity risks.

### Transition Risk

The global transition to a low-carbon economy introduces new risks and opportunities for investors. Our assessment of transition risk involves evaluating potential financial and operational challenges, such as regulatory changes and shifting market preferences that can lead to asset stranding or obsolescence. In order to address these risks, we have implemented a program to monitor regulatory compliance and assess the exposure to asset stranding risks in specific jurisdictions.

Additionally, a crucial component of our transition risk management strategy is the implementation of value-accretive decarbonization initiatives. These include projects focused on enhancing energy efficiency and expanding the use of renewable energy, which can generate cost savings and add value to our investments.

1 Hotel Hanalei Bay (rendering)  
Kaua'i, HI



# RESOURCE USE EFFICIENCY

## Reducing and optimizing energy and water usage across our properties is central to the decarbonization of our portfolio.

Our targeted initiatives include lighting upgrades, building retrofits, and equipment monitoring, all aimed at enhancing resource use efficiency. We also integrate sustainability improvements into our capital expenditure plans for select properties, prioritizing enhancing resiliency by reducing our environmental footprint. Furthermore, we seek to capitalize on available grants and incentive programs that promote the use of highly efficient and sustainable materials and equipment.

### Harnessing PropTech for Optimal Energy Efficiency

At select properties, Starwood leverages powerful technology platforms and proptech tools to monitor the performance of major mechanical equipment, track utility-consumption at the asset level and identify opportunities to drive operational efficiency, helping to reduce energy consumption and operating expenses. Since 2020, we have employed Enertiv, a sophisticated real estate technology platform, within our U.S. office portfolio to monitor building heating and cooling systems. Smart sensors deployed by Enertiv facilitate real-time energy management by alerting property teams to inefficiencies, enabling prompt adjustments that help optimize energy usage.

**9.2M** square feet of our U.S. portfolio is equipped with Enertiv's building optimization solutions<sup>5</sup>

## CASE STUDY

### ENERGY USE OPTIMIZATION AT OUR UTAH OFFICE PORTFOLIO

#### Starwood installed Enertiv smart meters at our Utah office portfolio in Lehi, to enhance our ability to monitor heating and cooling systems.

This strategic deployment aimed to pinpoint opportunities for improving energy efficiency. The resulting analysis revealed that HVAC systems were consuming excessive power during overtime hours and that cooling units and heat pumps were operating unnecessarily during unoccupied periods. The issue was compounded by energy spikes at startup caused by a lack of equipment staggering. By addressing these scheduling and operational inefficiencies, we achieved significant savings as well as a reduction in energy use, resulting in approximately \$178,000 in annual savings and a decrease of about 510 metric tons of CO<sub>2</sub> equivalent.

#### Case Study Highlights<sup>6</sup>

**\$178K**

Projected approximate annual reduction in operating expenditure

**510**

MTCO<sub>2</sub>e reduction annually following solution implementation



Thanksgiving Station  
Lehi, Utah

<sup>5</sup> As of July 1, 2024

<sup>6</sup> Projected savings and carbon emissions reduction figures shown here are estimates provided by Enertiv and actual savings and emissions reduction may vary.

# RENEWABLE ENERGY PROCUREMENT

**We focus on procuring on-site renewable energy systems across our global real estate portfolio where we believe there is opportunity to enhance the value and resilience of our investments.**

Many of our existing assets are already equipped with on-site solar PV systems, and we continue to integrate solar feasibility assessments into our acquisition and asset management processes. Embracing renewable energy in commercial real estate provides numerous benefits, which often include reducing our carbon footprint, enhancing resilience, achieving cost savings through decreased reliance on traditional energy sources, and generating potential revenue through rooftop lease arrangements or increased rent.

## A Focus on Clean Transportation

Clean transportation is essential for advancing towards a low-carbon economy. We are working to deploy electric vehicle (EV) charging stations at many of our properties to enhance tenant experience, add value, and support the transition to more sustainable forms of mobility.

## 100 MW

Solar capacity target across our global real estate portfolio by 2030<sup>7</sup>

## 40+ MW

Total current solar capacity across our global real estate portfolio<sup>8</sup>

## 10+ MW

Total solar capacity deployed across our global portfolio in 2023

## 500+ EV CHARGING PORTS

Deployed or in the deployment pipeline across our U.S. office and multifamily portfolios<sup>9</sup>



Paloma Ridge Austin Office  
Austin, TX

<sup>7</sup> The targets described here are aspirational and there is no guarantee that any particular Starwood fund will contribute towards the achievement of such targets. While Starwood considers that increasing deployment and/or procurement of renewable energy enhances the resilience of, and is broadly value accretive to, its assets, these targets are not binding and Starwood is under no obligation to achieve these targets by the date outlined above or by any date.

<sup>8</sup> As of July 31, 2024

<sup>9</sup> As of August 31, 2024

## CASE STUDY MARSHFIELD INDUSTRIAL PORTFOLIO<sup>10</sup>

**In 2022, Starwood partnered with Radial Power, a renewable energy solutions provider, to develop a 11.8 megawatt (MW) solar system at Marshfield Business Park near Baltimore, Maryland.**

As part of an investment by Starwood Real Estate Income Trust (SREIT) and following an initial feasibility analysis, we identified an opportunity to start providing solar energy to Maryland's community solar program, which enables residents and small businesses to access discounted renewable energy without needing individual rooftop installations. With a total projected energy production of over 335 million KWh over 25 years, the project offers long-term benefits, such as reduced greenhouse gas emissions and energy cost savings. We also generate additional rental income through a rooftop site lease arrangement with our solar development partner, which is expected to enhance our investment returns while providing tangible benefits to the local community.

### 1,100

The project will supply enough clean energy to power the equivalent of over 1,100 homes annually, benefiting local residents and small businesses<sup>11</sup>

### 335M

The solar system is expected to generate 335 million kWh of clean energy over 25 years—the equivalent of taking over 1,334 cars off the road each year<sup>11</sup>

### \$9.4M

The project is expected to generate \$9.4M whole-dollar profit for SREIT



Marshfield Industrial Portfolio  
Baltimore, MD

<sup>10</sup> Any estimates, expectations, or projections are provided for informational purposes only and are not necessarily indicative, or a guarantee of, future results. Figures on this page include solar systems still under development which are subject to change.

<sup>11</sup> Equivalency data sourced from EPA.gov.

# PORTFOLIO MONITORING

## To enhance the long-term success and resilience of our investments, we diligently monitor sustainability factors in our portfolio.

Supported by our data warehouse and business operations systems, our in-house ESG team and external consultants closely track sustainability KPIs, enabling us to identify potential risks, make informed decisions, and measure our progress against our sustainability priorities to help us meet our strategic goals.

### Sustainability Metrics Reporting

We generate sustainability reports to monitor key property-level metrics for select properties, including energy and water use intensity, carbon emission intensity, waste diversion rates, energy ratings, and sustainability certifications. These reports allow us to identify properties that require special attention due to issues such as material deviations or sudden increases in resource use.

### Annual ESG Survey

We conduct annual ESG surveys to track the progress of various property-level ESG initiatives, such as energy efficiency retrofits, water efficiency upgrades, community engagement, and tenant health and well-being. These surveys also monitor property resiliency features, informing our risk management protocols.

### Annual GHG Inventory

Our GHG inventory process enhances our ability to manage climate-related risks, comply with regulations, and monitor progress on our decarbonization efforts across our global portfolio.

### ENERGY STAR Benchmarking

Through ENERGY STAR Portfolio Manager, we actively track utility data and benchmark energy performance across:<sup>15</sup>

---

**1,000+ PROPERTIES GLOBALLY**

---

**184M SQUARE FEET OF REAL ESTATE**

---



Denver/Boulder Industrial Portfolio  
Louisville, CO

<sup>15</sup> As of July 1, 2024

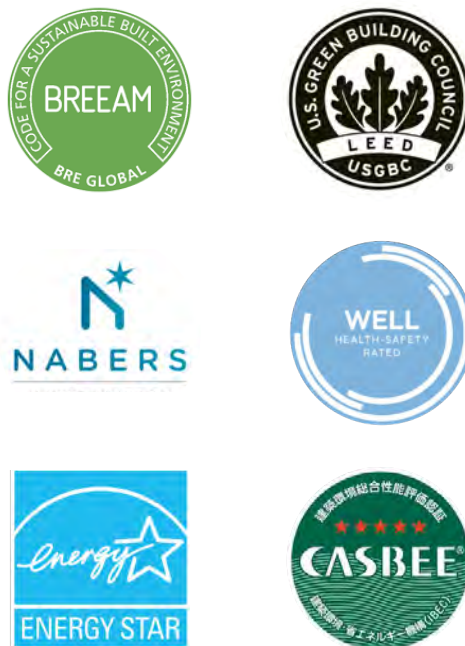
# CERTIFYING OUR WORK

## Green building certifications provide a common framework for implementing sustainable best practices and offer external verification of our efforts.

These certifications help us increase operational efficiency, reduce environmental impact, and create healthy, safe spaces for building occupants. By pursuing green building certification for select properties, we strive to continuously implement our holistic sustainability strategies, enhance the resilience of the built environment, and boost the value and attractiveness of our real estate assets.

In addition to green building certifications, we use energy ratings like ENERGY STAR, EPC, and NABERS to track energy performance, drive continuous improvement, and to verify that our properties are meeting industry and regulatory standards. In 2023, 32 properties in our U.S. real estate portfolio achieved ENERGY STAR Certification, recognizing them as leaders in energy efficiency, and performing in the top 25% of similar buildings nationwide.

In 2023, our green building certifications covered:<sup>16</sup>



**160+ PROPERTIES**

**34M SQUARE FEET OF REAL ESTATE**

**\$11B+ OF ASSET VALUE**



### CASE STUDY

#### Achieving BREEAM Excellent at our Spanish Industrial Portfolio

In 2023, we initiated a project to achieve BREEAM Excellent certification for three industrial assets near Madrid. These assets, originally developed in the 2000s, underwent extensive improvements to achieve this recognized sustainability certification.

#### 1Q23

- ✓ Starwood launches the BREEAM certification project.
- ✓ Starwood appoints consultant to complete BREEAM Pre-Assessment.

#### 2Q23

- ✓ Pre-assessment completed and capex identified for building improvements.
- ✓ Starwood initiates tender process for capex works.

#### 3Q23

- ✓ Capex works commence, focusing on improvements to common areas, accessibility, water monitoring and contamination reduction.
- ✓ Works completed by September 2023.
- ✓ Starwood and consultant compile evidence for BREEAM submission.

#### 4Q23

- ✓ SCG achieves BREEAM Excellent for 3 assets covering 60,765 sqm in mid-October 2023.

<sup>16</sup> As of January 1, 2024

# SPOTLIGHT SUSTAINABLE BUILDING CERTIFICATIONS<sup>17</sup>

<sup>17</sup> As of July 1, 2024. These examples represent a subset of all certifications

## ENERGY PERFORMANCE



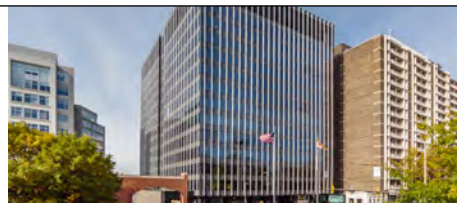
Gavin Lowitt

### The Zenith

Location: Sydney, Australia

Sector: Office

Certification: 5.5 Star NABERS Energy, 4.5 Stars NABERS Water

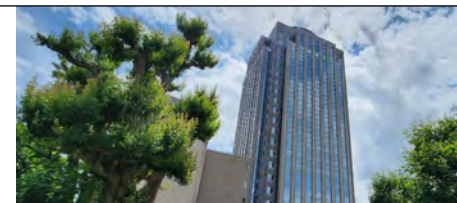


### The Barlow Building

Location: Chevy Chase, Maryland

Sector: Medical Office

Certification: ENERGY STAR Certified (100/100)



### Ebisu Prime Square

Location: Tokyo, Japan

Sector: Office

Certification: CASBEE Level A-Existing Buildings



Chad Baumer Photography

### 222 Second Avenue

Location: Nashville, Tennessee

Sector: Office

Certification: ENERGY STAR Certified (93/100), LEED Gold (New Construction)

## NEW CONSTRUCTION



### Yotel Amsterdam

Location: Amsterdam, Netherlands

Sector: Hotel

Certification: BREEAM Excellent (New Construction)



### St. Vincent Plaza

Location: Glasgow, United Kingdom

Sector: Office

Certification: BREEAM Excellent (New Construction and In-Use)



### 25 Blue Sky Drive

Location: Boston, Massachusetts

Sector: Office

Certification: Fitwel Design Certified (In Process)



### Seseña

Location: Toledo, Spain

Sector: Industrial

Certification: BREEAM Very Good (New Construction)

## OPERATIONAL



### Las Mercedes Innovation Campus

Location: Madrid, Spain

Sector: Office

Certification: LEED Platinum (Building Operations & Maintenance)



### Alovera

Location: Guadalajara, Spain

Sector: Industrial

Certification: BREEAM Excellent (In-Use)

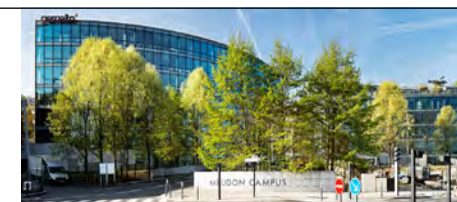


### 1 Hotel West Hollywood

Location: Los Angeles, California

Sector: Hotel

Certification: LEED Silver (Building Operations & Maintenance)



### M Campus

Location: Muedon, France

Sector: Office

Certification: BREEAM Excellent (In-Use)



## CASE STUDY SPANISH OFFICE PORTFOLIO: ESG IN ACTION

**Since acquiring the Spanish Office Portfolio—comprising eight assets across Madrid and Barcelona—Starwood has rolled out extensive capital expenditures to upgrade ESG credentials and implement value-add initiatives:**

- ✓ **ESG Training:** Provided on-site property teams with ESG training and resources.
- ✓ **Green Lease Provisions:** Incorporated into new leases and renewals since 2021.
- ✓ **Energy Ratings:** Improved EPC ratings, notably upgrading San Fernando Innovation Campus from D to B and Samonta from C to A.
- ✓ **Renewable Energy:** Procured renewable energy for 100% of common area electricity use.
- ✓ **EV Charging Stations:** Installed 60+ electric vehicle charging stations.
- ✓ **Energy Efficiency:** Upgraded boilers and HVAC systems at Las Mercedes and San Fernando innovation campuses, reducing energy costs and GHG emissions.
- ✓ **Green Building Certifications:** Achieved LEED Platinum at Las Mercedes Innovation Campus and BREEAM Very Good at multiple locations.
- ✓ **Healthy Building Certifications:** Maintained WELL Health-Safety Rating across the entire portfolio since 2021.
- ✓ **Tenant and Community Engagement:** Organized ESG-focused events, charity campaigns, and received a Red Cross award for community support.



# 1 HOTELS: LEADING IN SUSTAINABLE LUXURY

## 1 HOTELS Under the umbrella of Starwood's SH Hotels & Resorts, 1 Hotels redefines luxury with a profound commitment to sustainability.

Each property embodies the essence of nature, transforming our vision of conscious design and sustainable architecture into breathtaking experiences that merge extraordinary comfort with a sincere commitment to the planet. We believe that the world around us is beautiful and worth preserving, and this belief guides every aspect of 1 Hotels' operations.

Across iconic locations—from the urban sanctuary nestled at the base of the Hollywood Hills in West Hollywood to the vibrant bayfront retreat at San Francisco's Embarcadero, and the lush oasis at Central Park's edge in Manhattan—1 Hotels integrate the local environment's beauty into their architecture and operations. Our properties are living embodiments of biophilic design principles, using natural materials like reclaimed wood, earthen plaster, and stone, and featuring abundant greenery that reflects the native landscape. This deep-rooted respect for nature extends beyond our walls: it drives community engagement initiatives, efforts to conserve energy and water, and reduces waste.

Sustainability highlights across 1 Hotels properties in 2023 include:

- ✓ **Carbon Emissions:** Our Mayfair location in London retained over 80% of the existing structure during refurbishment, saving roughly 4,200 tonnes of carbon compared to demolition.
- ✓ **Meaningful Materials:** At 1 Hotel Central Park, 36,000 ivy plants blanket the building, each living in 100% recycled pots, enhancing both beauty and environmental benefits. In San Francisco, reclaimed barn wood flooring diverts landfill waste and reduces carbon emissions.
- ✓ **Energy:** 1 Hotel West Hollywood achieved an ENERGY STAR score of 95, placing it among the highest-performing hotels nationwide.
- ✓ **Water Management:** Our properties use in-room cups and carafes made from recycled wine bottles to encourage avoiding single-use plastics. Low-flow plumbing fixtures have reduced water usage significantly, saving millions of gallons annually across various locations.
- ✓ **Reducing Waste:** Partnering with the [Foodprint Group](#), we have developed and implemented a True Zero Waste program aiming for a 90% waste diversion from landfills and incinerators.
- ✓ **Nature as Art:** Driftwood sculptures and plant walls, like those at 1 Hotel San Francisco and South Beach, blend art with nature, creating serene environments that purify air and infuse spaces with the healing powers of nature.
- ✓ **Partnerships:** Collaborations with organizations like [Best Bees](#) in San Francisco support local ecosystems, while partnerships with social enterprises in Central Park help address homelessness and health crises.



**At 1 Hotels, we fuse sustainable luxury with the restorative power of nature, creating spaces that celebrate living in harmony with our surroundings.**

**Barry Sternlicht**  
Chairman of SH Hotels & Resorts



## CASE STUDY 1 HOTEL HANAIEI BAY

### 1 Hotel Hanalei Bay stands as a testament to sustainable luxury, seamlessly blending with the ethereal beauty of Kaua'i's North Shore.

#### Highlights:

- ✓ Our island oasis is LEED certified, with green systems such as LED lighting, enhanced insulation, and energy-recovering HVAC systems designed to save roughly 20% in annual energy costs.
- ✓ Instead of a complete rebuild, we collaborated with [Re-Use Hawaii](#) to salvage over 144.6 tons of materials during the renovation.
- ✓ Our landscaping features 70% native plant species, including endemic, indigenous, and Polynesian-introduced varieties.
- ✓ We commissioned local artists to create thought-provoking pieces that reflect our community and natural surroundings, seamlessly blending nature with art.
- ✓ Our 7,400-gallon rainwater harvesting system reduces water consumption by 97%, saving 3.5 million gallons annually, while low-flow plumbing fixtures conserve 4.3 million gallons of water each year.

To discover more about our extensive sustainability initiatives and ongoing efforts at 1 Hotel Hanalei Bay, visit the hotel's sustainability page [here](#).



# PEOPLE & CULTURE



## IN THIS SECTION

[A Focus on Employee Growth & Well-Being](#) →

[Community Impact & Engagement](#) →

[Diversity, Equity, and Inclusion](#) →

[Prioritizing People Across our Portfolio](#) →

[Active Investor in Affordable Housing](#) →



**Our people are the cornerstone of our success, and we are dedicated to promoting an inclusive, supportive, and growth-oriented environment where everyone can thrive.**

Our comprehensive strategy encompasses competitive benefits, continuous learning opportunities, and a deep-seated commitment to DEI. We believe investing in our team members' well-being and professional development magnifies their potential, drives our success, and fosters stronger communities.

# A FOCUS ON EMPLOYEE GROWTH & WELL-BEING

## Starwood strives to attract, develop, and retain outstanding talent by fostering their growth and supporting them in reaching their full potential.

We want team members who join our ranks to set down roots and grow with us. To achieve this, our robust talent management approach includes comprehensive benefit packages, employee engagement initiatives, and continuous training and career development opportunities.

### Employee Benefits, Health & Wellness

Our global benefits program includes competitive compensation, medical, dental, and vision plans, retirement plans, as well as life and disability insurance. We also offer a number of health and wellness benefits, such as a summer wellness pack, gym subsidy, ongoing personal development opportunities, and our Employee Assistance Program, which includes counseling services for employees and their families during challenging personal times.

### Employee Engagement

We are dedicated to having our team members feel supported and empowered through clear career development plans. Our comprehensive year-end performance review process includes self-evaluation, manager assessment, and 360-degree feedback to help employees outline goals and training plans. Employee engagement surveys gauge perspectives on career development, work environment, management, leadership, and inclusivity, alongside health and wellness assessments to monitor employee well-being.

### Training & Career Development

As part of our commitment to foster career growth in a demanding and collaborative environment, we encourage our team members to pursue personal development by providing financial assistance through our Tuition Reimbursement Program. We also provide our employees with ongoing training opportunities, including through LinkedIn Learning, that cover diverse topics like leadership, cybersecurity, public speaking, and various other technical skills.



**We're committed to fostering a positive, inclusive, and fulfilling workplace. By investing in employee career development, engagement, and health and wellness initiatives, we aim to cultivate a culture where every employee can thrive.**



**Lindy Smiley**  
Chief Human Resources Officer



*Starwood Volunteering Day  
London, UK*

# COMMUNITY IMPACT & ENGAGEMENT

## We believe in giving back as a reflection of our commitment to building stronger communities, fostering positive social change, and empowering individuals to thrive.

Through philanthropic donations, volunteerism, and community engagement, we strive to enhance the well-being of the communities where we work, live, and operate. We believe this dedication to giving back to our communities has always been a defining feature of Starwood's culture and a priority for our Chairman and CEO, Barry Sternlicht. Under his leadership, Starwood has made significant corporate donations to a wide range of foundations and charities, including [Breaking Ground Housing Development Fund Corporation](#), [The PREA Foundation](#), [The Breast Cancer Research Foundation](#), and [Habitat For Humanity](#).

Barry's commitment to giving back embodies our holistic approach to philanthropy, positively impacting both social and environmental causes. His social contributions have earned him many awards, including the JDRF Chairman's Award, JDRF's Man of the Year Award, and JDRF's Living and Giving Award. Through the Barry S. Sternlicht Foundation, Starwood has also lent its support to organizations like [The Robin Hood Foundation](#), which has provided over \$3 billion to individuals in need across New York City since 1998, as well as environmental

groups like [The Natural Resources Defense Council](#), [The Environmental Defense Fund](#), [The Nature Conservancy](#), and [The Everglades Foundation](#). Barry is also a member of the [Chief Executives for Corporate Purpose](#), a coalition of over 225 industry leaders from the world's largest companies working to address the most pressing challenges of our times and be a force for good in society.

We believe that giving back is essential to fulfilling our social responsibility and creating a more sustainable and inclusive society. We believe contributing our resources and efforts to the betterment of the causes we champion enables us to make a lasting, meaningful difference.

We support various organizations, including:<sup>18</sup>



<sup>18</sup> There is no guarantee that Starwood will remain a contributor, supporter, partner, or donor of any organization or charitable endeavor.

### Employee Volunteering<sup>19</sup>

Throughout the year, we organize community service events and encourage our employees across our global offices to participate in volunteering opportunities. Team members have participated in volunteering events with several organizations:

- ✓ [Habitat for Humanity](#)
- ✓ [StreetWise Partners](#)
- ✓ [SEO London](#)
- ✓ [America Needs You \(ANY\)](#)
- ✓ [Breakthrough Miami](#)
- ✓ [Neighbor to Neighbor](#)
- ✓ [#GiveHealthy](#)
- ✓ [One Warm Coat](#)

**27** Volunteer or community events held since 2022

**12+** Global non-profit partners

**2,397** Hours volunteered since 2022

### SPOTLIGHT

#### Starwood Scores for Charity

In 2024, Starwood's London team participated in the Eastdil Charity Football Day. The tournament brought together eight firms from the real estate industry for friendly competition and fundraising at Leyton Orient football club. Although our team only won one out of three matches, the event was a success, raising over £60k for the Leyton Trust. Thanks to Churchill for organizing our participation and to all who supported the event.



<sup>19</sup> Statistics presented on this page are as of July 1, 2024. Further, there is no guarantee that Starwood will remain a contributor, supporter, or donor to any organization or charitable endeavor.

# DIVERSITY, EQUITY, AND INCLUSION

## Starwood is dedicated to cultivating and upholding a culture deeply rooted in DEI.

We believe that the collective sum of our team members' individual life experiences, knowledge, inventiveness, and distinct talents enriches our culture and perspective, enhancing our business decisions, achievements, and reputation. We seek to strengthen our firm by promoting diversity across all levels of leadership, with a keen focus on our investment teams. This commitment is driven by a multifaceted DEI strategy that includes diverse recruitment practices and initiatives that foster the professional growth of our team members. Our efforts are also bolstered by strategic partnerships with leading organizations advancing DEI, helping us attract, nurture, and retain top-tier talent from diverse backgrounds.

Starwood actively recruits from over 100 universities, including top HBCUs. In 2023, 60% of our U.S. Summer Intern Class comprised diverse talent, including women and self-identified members of historically underrepresented backgrounds. For 2024, 55% of our incoming Analyst Class and U.S. Summer Intern Class is made up of diverse talent, reflecting our ongoing aim of cultivating diversity.

### Affiliated & Partner Organizations



**We will work to address the systemic barriers in our industry by providing investment capital and expanding the talent pool.**



**Bakari Adams**  
Head of Starwood Impact Investors

### Celebrating International Women's Month

In honor of International Women's Month, in 2024 the women of Starwood in the U.S. and U.K. engaged in leadership and networking opportunities to celebrate achievements and reinforce their commitment to mutual support. The Starwood London office also hosted [Bohill Partners](#), a talent search firm, to discuss the business case for diversity, address unconscious biases, and provide practical tips on becoming allies and champions for a more inclusive and diverse company culture.

### Starwood Future Leader Symposium

In February 2024, Starwood Capital Group and Starwood Property Trust hosted 27 exceptional students from universities all over the U.S., including Howard University and Morehouse College, both HBCUs, at the first annual Starwood Future Leaders Symposium at Starwood's Miami Headquarters. This two-day event provided a distinct opportunity for students to engage with investment professionals across Starwood's platform and gain valuable insights into various career paths within the real estate industry. The symposium enhanced our on-campus recruitment initiatives by facilitating meaningful interactions between students and members of Starwood's business units, providing students with the chance to network with senior Starwood leadership and build career-shaping relationships.

### Starwood Impact Investors

In 2023, we launched Starwood Impact Investors (SII), an initiative aimed at collaborating with diverse real estate owners and operators across the US, increasing our network of operating partners through joint ventures with strong businesses, and making direct investments in startups led by top diverse managers. Through SII, we also seek to forge alliances with institutions of higher learning and organizations that foster talent, creating an environment that attracts a diverse talent pool to commercial real estate.

In January, we finalized our strategic partnership with Obsidian Capital Partners, an emerging multifamily real estate firm based in Atlanta and Dallas. This significant milestone reinforces Starwood's commitment to SII's platform and mission of providing diverse and women-owned businesses in this sector with growth capital. Through this collaboration, Starwood will invest programmatic capital and provide strategic advice to Obsidian's leadership through board participation and infrastructure support.

SII also kicked off an 8-week program in spring 2023 with Project Destined, a national social impact vehicle that trains students from underrepresented groups to be owners and stakeholders in their communities. The program enabled Starwood to provide career training and mentorship to ten college interns at our Washington, D.C. office.



## PRIORITIZING PEOPLE ACROSS OUR PORTFOLIO

### Tenant Health and Wellbeing

We prioritize tenant health and wellness initiatives, achieving healthy building certifications for select properties, such as the WELL Health-Safety Rating, and sponsoring events for certain portfolios.

### Affordable Housing Portfolio

We invest in affordable housing to generate value for our investors while also providing below-market rate rents to residents across the U.S., fostering community support and economic stability.

### Portfolio Company Employee Development

Various training and career development opportunities are available across our portfolio companies, supporting our team members' growth and advancement to empower a skilled and motivated workforce.



Reserve at Ivy Creek  
Buford, GA

## ACTIVE INVESTOR IN AFFORDABLE HOUSING

### An active investor in affordable housing strategies, Starwood was ranked as a top-five owner of affordable housing in the United States in 2023.<sup>20</sup>

We view investing in affordable housing as an opportunity to generate value for our investors while offering tenants below-market rate rent and improving housing affordability where possible.

In 2023, we created 5,721 newly affordable housing units by converting 21 of our market-rate multi-family assets in North Carolina and Texas into affordable housing properties, bringing our total number of affordable units to 53,060. To achieve this, we partnered with a housing-focused non-profit organization to self-restrict units, ensuring they are only rented to low-income tenants at affordable rates. The properties' units are reserved for tenants earning 80% or less of each property's Area Median Income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD).

## +53K

Affordable housing units owned, making Starwood a top-five owner of affordable housing in the U.S. in 2023

## \$10.3B

Of affordable housing AUM across our U.S. portfolio<sup>21</sup>

## 5,721

Units across 21 Starwood-owned assets converted from market-rate to affordable housing in 2023 across North Carolina and Texas

<sup>20</sup> Top 50 Affordable Housing Owners of 2023. (May 24, 2024). Affordable Housing Finance.

<sup>21</sup> As of December 31, 2023

# CASE STUDY STARWOOD PROPERTY TRUST'S WOODSTAR PORTFOLIO

**Starwood Property Trust (STWD)—  
a leading diversified finance company  
externally managed by Starwood Capital  
Group—focuses on commercial lending,  
property investing, infrastructure lending,  
and special servicing.**

In 2015, STWD began investing in affordable housing multifamily communities and, in 2021, established its first affordable housing fund. This fund, valued at \$3.1 billion as of December 2023, has invested in 15,057 rent-restricted multi-family units and provides rent-restricted housing to over 40,000 residents across the U.S.

STWD also offers support services to residents, such as the Soldiers to Scholars program, which provides free rent, utilities, and maintenance to military veterans pursuing a college degree, and free transportation to medical and retail destinations in seniors-only communities. We continue to focus on sustainability initiatives at these properties through energy and water efficiency measures. Monitoring our portfolio-wide water and electricity usage has enabled us to implement water conservation solutions that have reduced water usage by 42%. As of December 2023, these measures have resulted in total water savings of approximately \$20 million.<sup>22</sup>

<sup>22</sup> Since November 2019

<sup>23</sup> As of December 31, 2023

## Portfolio Highlights<sup>23</sup>

---

### \$3.1B PORTFOLIO VALUE

---

### 15,057 UNITS

---

### 40,000 RESIDENTS

---

### \$20M APPROXIMATE SAVINGS FROM WATER CONSERVATION MEASURES

---

### 98% EARNING LESS THAN 60% OF MEDIAN HOUSEHOLD INCOME

---



*Providence on the Park  
Dallas, TX*



*Waterford Pointe  
Orlando, FL*



## LOOKING AHEAD

**We continue to focus on the evolving landscape of responsible investment, climate risk management, and ESG disclosure. Our priority areas include:**

- ✓ **Deepening** our understanding of climate risk within our portfolio and enhancing our incorporation of material ESG factors into our investment process across investment strategies
- ✓ **Strengthening** tenant engagement efforts and expanding utility data collection to increase whole-buildings utility-consumption data coverage in our real estate portfolio
- ✓ **Improving** our firm-wide data management systems and technology infrastructure to facilitate robust monitoring and reporting of sustainability performance
- ✓ **Creating** resources, training materials, and frameworks to cohesively integrate ESG considerations across our organization, with a focus on regulatory compliance and risk mitigation
- ✓ **Fostering** a supportive workplace culture that values employee health, well-being, and inclusivity, creating a rewarding environment for all our employees

1 Hotel Mayfair  
London, UK

# IMPORTANT INFORMATION

All content included in this Responsible Investment Report (this “Report”), such as graphics, logos, articles, and other materials, is the property of Starwood Capital Group (together with its affiliates, “Starwood” or “our”) or others noted herein and is protected by copyright and other laws. All trademarks and logos displayed in this Report are the property of their respective owners, who may or may not be affiliated with our organization.

The information provided herein is for informational purposes only and is not and may not be relied on in any manner as advice or as an offer to sell or a solicitation of an offer to buy interests in any fund or other product or property sponsored or managed by Starwood. Further, nothing contained herein constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision; readers should consult their own attorney, accounting, business or tax advisors. The information in this report is only as current as the date indicated and may be superseded by subsequent market events or for other reasons, and Starwood and its affiliates assume no obligation to update the information herein and make no representation, express or implied, regarding the accuracy of the information contained herein.

This Report contains statements that are not purely historical in nature, but instead are considered “forward-looking statements” that may be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Actual events are difficult to predict and are beyond Starwood’s control. Actual events may differ materially from those assumed. In addition, certain information contained herein is illustrative in nature and cannot be independently verified as it is based on Starwood’s opinion. Therefore, undue reliance should not be placed on such forward-looking statements or statements of opinion.

References to Starwood’s portfolio, funds or properties, including within any case studies, are intended to illustrate the application of Starwood’s investment or ESG process only and should not be viewed as a recommendation of any particular security or property. The information provided about certain portfolios, funds or properties is intended to be illustrative, and is not intended to be used as an indication of the current or future performance of Starwood’s portfolio, funds or properties. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. It should not be assumed that any investments described herein were or will ultimately be profitable. Past performance is not necessarily indicative of future results. There can be no assurances that Starwood’s investment objectives will be achieved or that our investment programs will be successful. Descriptions of any ESG achievements or improved practices or outcomes are not necessarily intended to indicate that Starwood has substantially contributed to such achievements, practices, or outcomes. For instance, Starwood’s ESG efforts may have been one of many factors—including such other factors as engagement by property management, advisors, and other third parties—contributing to the success described in each of the selected case studies. Further, the receipt of any certifications, awards or other third-party recognition by Starwood, its personnel or the properties described herein are the opinion of the respective parties conferring the certification, award or designation and not of Starwood. Further, such recognition is no assurance that Starwood’s investment objective has been achieved or successful and is not, and should not be deemed to be, a recommendation or evaluation of Starwood’s investment management business. There can be no assurance that any of Starwood’s properties will continue to maintain any certifications, awards or designations, or that other providers or surveys would reach the same conclusions.

Goals, targets, priorities and commitments, including Starwood’s ESG goals and related timelines, are aspirational, subject to change, and not guarantees or promises that any or all goals, targets, priorities and commitments will be met. Such goals, targets, priorities and commitments are not binding on investment decisions and/or Starwood’s management of properties or investments and any reference herein to ESG considerations is not intended to qualify our intent to produce strong risk-adjusted returns. Relatedly, any figures or data on waste or water reduction, energy efficiency, emission reduction targets and/or progress, as well as any associated cost savings or other impacts, have not been independently verified by auditors or third-party assurance providers. The analysis involved in determining whether and how certain initiatives may contribute to such goals is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree as to whether certain projects, properties or investments contribute to a particular goal, target, priority or commitment. Starwood makes no commitment or guarantee that it is investing in properties that have a formal commitment or plan or take specific actions to support or contribute to any goal, target, priority or commitment.

Similarly, there can be no assurance that Starwood’s ESG policies and procedures as described in this report will be successfully implemented or continue; and could change, even materially, or may not be applied to a particular investment or property. Starwood is permitted to determine in its sole discretion that it is not feasible or practical to implement or complete certain of its ESG goals, initiatives, policies, and procedures based on cost, timing, or other considerations. No assurance can be given that Starwood will remain a signatory, supporter, participant or member of any ESG-related initiative or other similar industry frameworks. Statements about ESG initiatives or practices related to properties do not apply in every instance and depend on factors

including, but not limited to, the relevance or implementation status of an ESG initiative to the property; the nature and/or extent of investment in, ownership of or, control or influence exercised by Starwood with respect to the property; and other factors as determined by Starwood’s investment and ESG teams, property management teams operating partners, portfolio company management teams, and/or other professionals across Starwood and its affiliate entities on a case-by-case basis.

Statistics and metrics relating to ESG matters are estimates and may be based on assumptions or estimates (which may provide to be inaccurate) or developing standards (including Starwood’s internal standards and policies). Emissions calculations methodologies and data collection practices as a whole are evolving and there are different frameworks, methodologies, and tracking tools being implemented by other companies. Such methodologies and data collection practices may not align with the approach used by other companies or preferred by current or prospective investors or with current or future market trends. Certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof. While these third-party sources are believed to be reliable, Starwood makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor.

