





OVERVIEW

COMPANY DESCRIPTION

Founded in 1993 by loan workout and property turnaround specialists, CrossHarbor Capital Partners® is a long-standing, privately-owned investment and asset management firm focused exclusively on commercial real estate located within the United States. The firm manages multiple fund strategies that invest across the risk/return spectrum on behalf of a diversified and highly regarded group of endowments, foundations, public and corporate pension plans, financial institutions, family offices and sovereign entities.

30

Years in Business

\$25.0B

Investment Track Record

340+

Transactions

\$6.1B¹

Assets Under Management

70+

Employees

100+

Institutional Investors

¹Gross AUM as of 12/31/21



ESG MISSION STATEMENT

CrossHarbor is dedicated to integrating Environmental, Social, and Governance (“ESG”) practices at both the firm and investment levels of the organization. While investing intelligently to meet the financial objectives of our institutional investors, we also seek to be a responsible community citizen that promotes resource efficiency, enhanced sustainability, ethical values, equal opportunity, and high standards for transparency and integrity.



OUR ESG REPORT

CrossHarbor Capital Partners has operated for three decades with a commitment to deliver the highest standard of fiduciary care. With the adoption of an ESG Policy in 2020, the firm commenced a formal process to integrate its corporate values and business practices with industry-leading ESG frameworks to create an ESG program tailored to CrossHarbor’s business.

This inaugural 2021 ESG Report summarizes the work completed to-date to define objectives, implement procedures, and report on progress towards the firm’s ESG goals. CrossHarbor is working towards aligning its ESG reporting with industry guidelines. The data and information provided in this report is as of December 31, 2021.



GOVERNANCE

ESG TASKFORCE

CrossHarbor's ESG Taskforce, formed in 2020, includes cross-functional representation with members from the C-Suite, Originations, Asset Management, Investor Relations, and Human Resources. The ESG Taskforce meets quarterly and is responsible for implementing the ESG program across the firm while also communicating CrossHarbor's ESG strategy, performance, and successes to both internal and external stakeholders.



Jay Hart

Managing Partner
Co-Chair, ESG Taskforce



Caroline Janson

Vice President, Investor Relations
Co-Chair ESG Taskforce



Courtney Williams

Chief Compliance Officer



Justin Bain

Director, Originations and
Asset Management



Brian Davis

Director, Originations and
Asset Management



Greg McQuade

Vice President,
Asset Management



Donna Linsalata

Director,
Human Resources



The Taskforce helps ensure that CrossHarbor's ESG program is inclusive of and satisfies a broad range of governance activities at the firm, including its commitment to:

- **Seek to use governance structures** that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest,
- **Hold annual investor meetings** for all active funds (including Advisory Board meetings) to ensure transparent communication,
- **Distribute quarterly and annual reports** to Limited Partners and include ESG updates,
- **Continue to participate in industry organizations and associations** designed to facilitate communication, transparency, and the sharing of knowledge, consistent with ILPA reporting guidelines,
- **Continue to exceed or comply** with all national, state, and local labor laws and regulation standards.

INVESTMENT COMMITTEE ESG ADOPTION

In 2021, to integrate ESG considerations into the firm’s Investment Committee process, CrossHarbor engaged ESG Consultant, Lord Green Services, a sustainability consulting firm specializing in commercial real estate, to perform ESG and resilience (“ESG+R”) property assessments for the most recent fund launch of the CrossHarbor Institutional Partners (“CIP”) series, CIP 2021. For each CIP 2021 investment opportunity, Lord Green ascertains ESG+R-related impacts, risks, and efficiencies.

The findings of each assessment, such as sustainable features, cost saving methods, and value-creating strategies, are summarized and incorporated into the Investment Committee Memorandum for Investment Committee review and informed decision making. While this is the first fund where ESG considerations have been formally incorporated into our investment process, we are informally adopting many of the same considerations in our underwriting for other strategies.





ENVIRONMENTAL

CORPORATE

CrossHarbor has established firm-level initiatives to reduce the environmental impact from our office operations including:

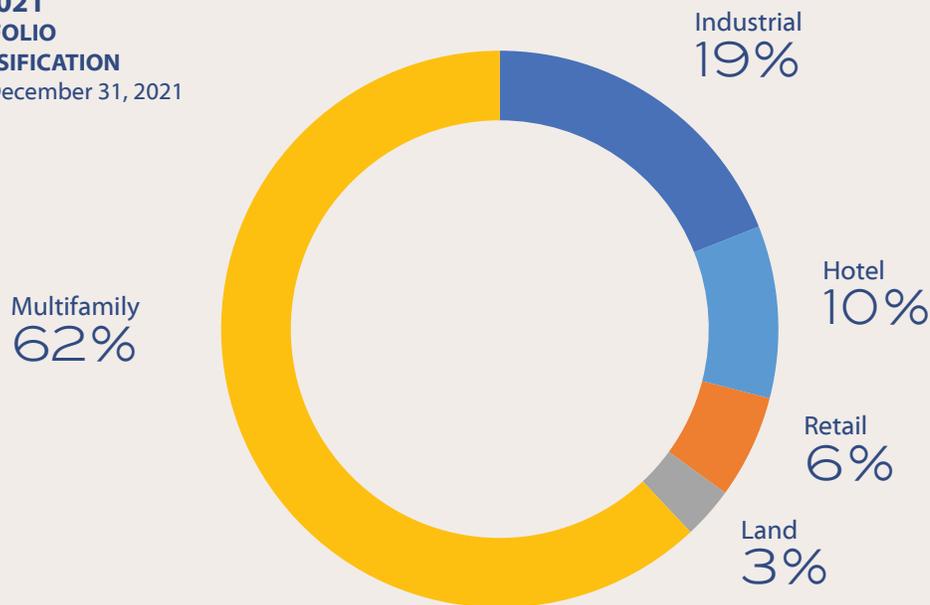
CATEGORY	GOAL	ACTIONS
 CLIMATE	Decrease our Scope 3 GHG emissions by increasing employee use of alternative transportation	<ul style="list-style-type: none"> • Provide employees a monthly subsidy on commuting passes for public transportation • Publicize links of local transit opportunities
 WASTE	Reduce or eliminate waste production	<ul style="list-style-type: none"> • Install water dispensers limiting single serve plastic or paper cups • Provide all employees with reusable water bottles, removing plastic bottles from the office
 RECYCLE	Reduce or eliminate the use of paper products	<ul style="list-style-type: none"> • Promote recycling • Focus on electronic reports and presentations to minimize printing • When printing, print double-sided reports and presentations

PORTFOLIO

In the due diligence process for CIP 2021 investments, CrossHarbor is identifying ESG tactics that can be implemented at the property level to achieve sustainability and energy-efficiency objectives and lead to lower operating costs, higher NOI, and enhanced performance. With its short-to-medium term investment duration, CrossHarbor balances the return on investment of efficient and sustainable building elements with the opportunity for positive longer-term impacts and risk mitigation. As part of its assessment, CrossHarbor evaluates the feasibility and suitability of pursuing industry certifications, such as LEED, BREEAM, EnergyStar, Fitwel and Well.

In 2021, across the CIP fund strategies, approximately 73% of 2021 capital allocation was to the multifamily (60%) and industrial (13%) sectors. For CIP 2021, a similar overweight to multifamily and industrial is anticipated. With this emphasis, sustainable tactics deployed to-date are concentrated in industrial and residential assets.

**CIP 2021
PORTFOLIO
DIVERSIFICATION**
As of December 31, 2021



INDUSTRIAL

CrossHarbor is focused on developing best-in-market Class A warehouse buildings for our investors. Given our significant allocation to the industrial sector, CrossHarbor seeks to include environmentally-friendly components and incorporate the latest technologies, materials, and techniques to mitigate environmental impacts, lower energy use, and reduce costs for tenants.

Our development plans include:

- **Water Conservation Methods**
Proper site planning with stormwater retention systems that leads to reduced use of freshwater
- **Energy-efficient Lighting Systems**
Building-wide efficient LED lighting technology that reduces energy consumption
- **High-reflectance Roof Membranes**
Cool white roofs that reduce the demand on the power grid and often provide a more comfortable work environment for tenants



MULTIFAMILY

GREEN BUILDING BEST PRACTICES:

CrossHarbor seeks to develop residential communities that integrate intentional design elements and thoughtful planning to provide value to its residents, partners, and investors. Well before construction begins, CrossHarbor works closely with its partners to coordinate reviews of environmental aspects, construction documents, construction process, plans and specs, and unit and residential amenity finishes.

All CrossHarbor developments utilize a third-party construction consultant to ensure a thorough incorporation of safety, quality, and environmental planning. We recognize there is inherent value to all stakeholders in incorporating energy-efficient, sustainable features into every project. Therefore, we actively work with our partners to include the following energy-saving features across our portfolio:

95%

Have LED lighting installed throughout interior and exterior spaces with lighting controls in common areas to save energy



100%

Utilization of ENERGY STAR-certified appliances in all units and communal spaces

>85%

Utilize low-flow plumbing fixtures

82%

Feature smart thermostats

100%

Have dedicated on-site recycling

ALTERNATIVE TRANSPORTATION AND ACTIVE DESIGN: A fundamental tenet in CrossHarbor’s underwriting for residential developments includes a deep understanding of the submarket and local community. We prioritize developing in communities where people want to reside; proximate to key employment centers, transportation, and area amenities.

We incorporate active design features into every project, and we prioritize alternative transportation methods into our development strategy and processes, so that:



100%

of our apartment buildings provide stairway access to encourage resident wellness



>60%

of our projects including electric vehicle charging



90%

of our communities have bicycle storage infrastructure





RESIDENT WELLNESS: CrossHarbor communities put residents' physical and mental wellbeing first. All residential developments have been designed with wellness in mind and as a result, thoughtfully incorporate outdoor spaces that aim to connect residents with the outdoors.

By prioritizing our residents' health, all projects feature state-of-the-art fitness centers, many with dedicated cycling studios, yoga and stretching rooms, and on-site fitness instruction to cater to all fitness levels. CrossHarbor considers the needs of all members of a resident's family, including pets.



100%



of our residential properties are designed with gyms



of our communities have non-smoking policies to promote the health of residents, visitors, and employees



of apartments are pet-friendly, many with dedicated dog parks and full-service pet spas

CASE STUDY

Project

Aster

Delivered

October 2021

Property Type

High-rise
Apartment
Community

Location

Dallas, Texas

Size

270 units



aster.

OVERVIEW

Through a participating preferred equity investment, CrossHarbor funded the development, lease-up and stabilization of Aster, a 22-story apartment community in the Turtle Creek neighborhood of Dallas, Texas. With a balance of social spaces and wellness-minded respites, Aster was designed to offer residents revitalization and wellness in a communal atmosphere while also offering close proximity to the vibrant culture and excitement of Dallas.

With 3% affordable units and a mix of 1, 2, and 3-bedroom units, Aster is positioned to appeal to a diverse mix of tenants. By being the first in Texas to team with vendors like Xeal, a technology-first electric vehicle (“EV”) charging company, the project includes unique and innovative features that address resident wellness, community engagement and sustainability.

SUSTAINABLE FEATURES

- 14 on-site EV charging stations
- Smart thermostats
- Energy Star appliances
- Low-flow plumbing fixtures
- LED lighting and common-area lighting controls





RESIDENT WELLNESS OFFERINGS

9,700+ square feet of amenity space, including:

- State-of-the-art fitness center featuring WellBeats virtual fitness platform
- Indoor and outdoor gathering spaces
- Pet-friendly building with dedicated pet spa

Access to 65+ acres of community parks, featuring a trail system, tennis and volleyball courts, sports fields, and playgrounds



ENGAGEMENT ACTIVITIES

Weekly resident events
Neighborhood partnerships to support local businesses and encourage community engagement by providing discounts to residents





SOCIAL

CORPORATE

INTERNAL STAKEHOLDERS

CrossHarbor recognizes the most valuable asset the firm has is its people. The firm has historically experienced extremely **low turnover — less than 4% in 2021** — which CrossHarbor believes is due to its corporate culture and ensuring a positive, supportive, and inclusive work environment for all employees.

EMPLOYEE BENEFITS AND WELLNESS

CrossHarbor is committed to enhancing the wellbeing of its employees. To ensure our employees' further their financial goals, CrossHarbor offers employees robust benefits with competitive compensation packages consisting of salary, discretionary bonus and carried interest based on fund performance. To help employees plan for retirement, we offer 401(k) Retirement Plan benefits with an employer matching contribution. We also offer generous medical, dental and vision insurance coverages and generous paid holidays, personal days, vacation and sick leave.

To promote collaboration, we have a team-focused office layout with communal gathering spaces. Our office snack program promotes wellness with healthy food options. Through continually improving the benefit offerings, office environment, and corporate perks, we remain competitive within the industry and responsive to the needs of our employees.



COVID-19 SAFEGUARDS

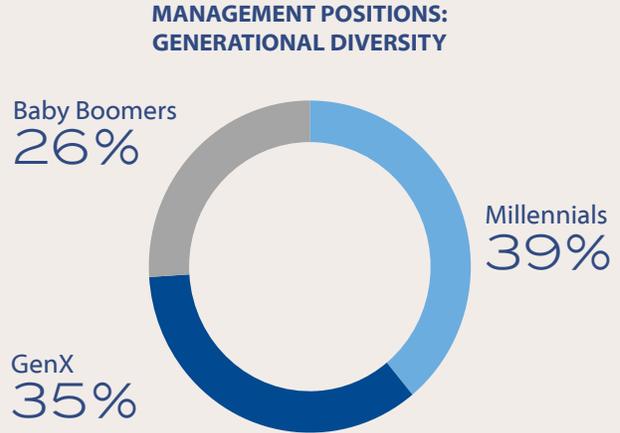
The COVID-19 pandemic created an unprecedented work environment that required flexibility and support to keep employees healthy and safe.

CrossHarbor continually monitored local health trends and indicators and with a fully vaccinated team, returned to the office on a hybrid schedule in June 2021.

By keeping capacity below 50% at any time and limiting outside visitors, CrossHarbor maintained the necessary social distancing to ensure our primary focus: a safe space for all employees.

DIVERSITY, EQUITY, AND INCLUSION

CrossHarbor is an equal opportunity employer with a commitment to promoting a diverse, equitable, and inclusive environment. We are focused on creating a workplace that includes a diversity of viewpoints, which we believe is a major contributing factor to retaining our talent.



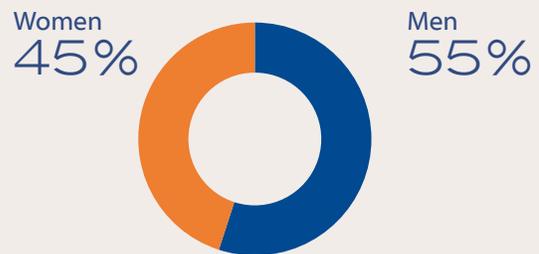
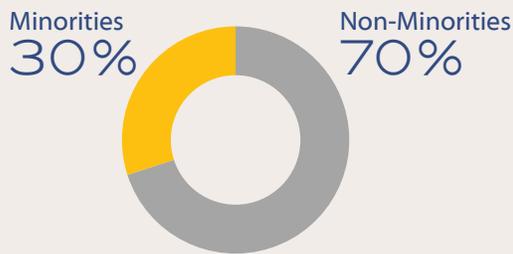
KEY METRICS

19%
Of Employees
Promoted in 2021

5.8
Average Years
of Tenure

3
2021
Departures

2021 NEW HIRES: The team continues to grow and advance. In 2021, CrossHarbor **hired a dedicated Director of Human Resources**. Donna Linsalata brings over 14 years of human resources experience, including 12 years of experience within the private equity industry and is responsible for the management and administration of talent acquisition and retention, benefits, and compliance. In 2021, CrossHarbor promoted approximately 19% of existing employees and also added 19 other new employees with a focus on diversity.



INDUSTRY DIVERSITY ENGAGEMENT:

CrossHarbor also supports efforts to increase diversity across the commercial real estate industry. CrossHarbor is a Founding Sponsor of the PREA Foundation, an industry program that partners with leading providers of diversity programming and is a Corporate Partner of The Opportunity Network (OppNet), a not-for-profit whose primary purpose is to develop future leaders by introducing talented, low-income high school students

to college access and career development opportunities.

Both organizations focus on the long-term growth of a diverse pipeline for young people of color to access careers in the real estate industry. CrossHarbor partnered with OppNet to form a summer internship program to hire from their diverse intern candidate pool and increase representation of BIPOC talent at CrossHarbor.



CHARITABLE GIVING

CrossHarbor emphasizes giving back to the local community by encouraging our employees to volunteer and serve on charitable boards in addition to direct financial support to charitable causes. CrossHarbor supports a wide range of causes related to housing, hunger, education, healthcare, job creation, and cancer.



CrossHarbor is also active in supporting the communities where we own and develop properties in addition to supporting causes in Boston where the firm is headquartered. For example, CrossHarbor has been investing in residential, commercial and hospitality projects in the Big Sky, Montana Region for more than 12 years.

Moreover, CrossHarbor and its employees are actively engaged in the **Community Foundations of the Yellowstone Club, Spanish Peaks, and Moonlight Basin** which raise funds to support initiatives for children, education, conservation, and under-served needs in the local community. Most recently, all three organizations have been integral in supporting **Big Sky Relief**, focused on protecting its residents from COVID-19 through purchasing ventilators for area hospitals, facilitating testing both at home and at local sites, in addition to supporting other needs.

Additional CrossHarbor 2021 Donations Include:

- The Corey C. Griffin Foundation
- Boston Children's Hospital
- Champions for Children's
- Boys & Girls Clubs of America
- FamilyAid Boston
- School on Wheels of Massachusetts

PORTFOLIO

COMMUNITY ENGAGEMENT

MULTIFAMILY

CrossHarbor recognizes the importance of understanding residents' preferences for the location and community attributes where they want to reside. As part of our due diligence, CrossHarbor thoroughly researches the potential site and location within the submarket, including ingress and egress, nearby property resources, schools, and retail amenities.

Once an acquisition is made, CrossHarbor works closely with our investment partners to incorporate key amenities and communal spaces that connect residents with each other and integrate our communities within the broader neighborhood. Furthermore, all of the third-party property management companies we engage actively work to partner with local businesses and service providers to offer on-site and off-site events and create a sense of community.

Examples of recent activities across our portfolio include:

- ➔ **Charity donation drives**, gathering necessities such as back to school supplies, holiday toys, and canned food
- ➔ **Meet the Artist events**, connecting residents with the local artists with art displayed at the property
- ➔ **Apartment Life** and utilization of other third-party organizations, creating a sense of community at the property



RETAIL

The firm's retail exposure focuses exclusively on lifestyle retail centers that provide a community-centric destination for local residents and visitors alike. All investments are with the same sponsorship group, who together with CrossHarbor, have created a programmatic relationship between the shopping centers, retailers, and local organizations that focuses on supporting and giving back to the local community.

COMMUNITY ENGAGEMENT SPOTLIGHT

Project
Garden City Center

Location
Cranston,
Rhode Island

Acquisition Date
January 2020

Size
530,836
square feet

Property Type
Lifestyle Retail
Center



GARDEN CITY CENTER

OVERVIEW

Through engagement with local organizations, we create resilience in the communities where we invest. For example, **a significant part of the success of CrossHarbor’s joint-venture equity investment in Garden City, an open-air lifestyle retail center located in Cranston, Rhode Island, is its role as a central location for numerous family-friendly and community-focused events.**

Not only do these events benefit local charities and enhance community support, but they also attract local residents to shop at Garden City’s retailers, such as major tenants like Whole Foods, LL Bean, Lululemon and the Gap, and draw visitors to The Gazebo, an informal gathering space for visitors at the center of Garden City.

CHARITABLE EVENTS HELD AT GARDEN CITY CENTER

The Tomorrow Fund: The 18th annual Stroll and Roll that raises nearly \$100,000 annually for pediatric cancer patients and their families treated at Hasbro Children’s Hospital

Celebrate the Movement Together!: A one-mile walk around the center to benefit the Special Olympics of Rhode Island

White Cane Day: Sponsored by InSIGHT, the program is aimed at raising awareness, inspiring confidence, and empowering independence for blind and visually impaired people

Heart of RI Animal Rescue: Yappy Hour events for residents and their dogs to gather at the center for food and entertainment, with proceeds benefitting adoptable rescue dogs

Weekly summer concert series, Jazz in the Courtyard, supporting the **Rhode Island Community Food Bank**



Disclaimer

No representation or warranty is given in respect of the information contained herein and CrossHarbor Capital Partners is under no obligation to (and expressly disclaims any obligation to) update any of the information provided in this report.

Past performance is not indicative of future performance. Any projections or forward-looking statements regarding future events, investment strategies, markets, properties, or ESG initiatives are not necessarily indicative of, and may differ from actual events or results.

This information has not been independently verified and no assurances can be given by CrossHarbor Capital Partners regarding the accuracy or completeness of this information.

This report does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in evaluating the merit of investing with CrossHarbor Capital Partners.

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