



2025

STEWARDSHIP AND SUSTAINABILITY



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## ABOUT THIS REPORT

CrossHarbor Capital Partners® ("CrossHarbor") has operated for three decades with a commitment to deliver the highest standard of fiduciary care. Our 2025 Stewardship and Sustainability Report summarizes our accomplishments completed during the year, our ongoing policy implementation, and progress towards achieving the Firm's environmental, social and governance ("ESG") goals. CrossHarbor continues to make strides in tracking metrics and achievements, enhancing transparency and expanding reporting. The data and information provided in this report are as of December 31, 2025.



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## COMPANY DESCRIPTION

Founded in 1993 by loan workout and property turnaround specialists, CrossHarbor is a longstanding, privately-owned investment and asset management firm focused exclusively on commercial real estate located within the United States. The Firm manages multiple investment 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.

33

YEARS IN BUSINESS

\$34<sup>+</sup>B

INVESTMENT TRACK  
RECORD

380<sup>+</sup>

TRANSACTIONS

\$11.3B

GROSS ASSETS UNDER  
MANAGEMENT<sup>1</sup>

100<sup>+</sup>

INSTITUTIONAL INVESTORS

220<sup>+</sup>

EMPLOYEES<sup>2</sup>

<sup>1</sup> As of September 30, 2025

<sup>2</sup> Includes 70 CrossHarbor Capital Partners and 150 Lone Mountain Land Company employees

## ESG MISSION STATEMENT

**With our focus on stewardship and sustainability, CrossHarbor is committed to integrating ESG practices at both the Firm and investment levels of the organization.**

We believe that considering and managing material ESG risks and opportunities over the investment lifecycle helps us to mitigate undue risks and unlock value-enhancing opportunities, allowing us to invest intelligently and better meet the financial objectives of our institutional investors. In addition, our ESG integration framework allows us to implement and measure specific actions that support our commitment to be a responsible community citizen that promotes resource efficiency, enhanced sustainability, ethical values, equal opportunity, and high standards of transparency and integrity.



For all CrossHarbor strategies, be it debt or equity, long or short duration, we implement practical and flexible ESG practices tailored to the scope, strategy, and investor profile. ESG risks that we consider to be material to the real estate sector and therefore to our investments include, among others, physical impacts of climate change and human rights. Consideration of these and other material topics are embedded into various stages of our investment lifecycle, for example consideration of flood and wildfire risk exposure during underwriting, and consideration of labor rights performance in instances where CrossHarbor is involved in construction contractor selection.

As stewards of capital, we partner with best-in-class operators and long-term-minded sponsors to pursue enduring outcomes. By engaging deeply with our stakeholders, including tenants, investors, partners, local communities, and staff, we strive to shape investments to deliver positive, measurable impact well beyond our investment horizon.



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# INTRODUCTION

CrossHarbor has always prioritized risk management—a mindset shaped by our founders’ early experience in workouts and asset turnarounds. Six years ago, we took a pivotal step by formally integrating ESG into our business, recognizing its value as a complement to our risk-first approach. Since then, our approach to ESG has evolved, becoming central to our risk framework, with new tools, analytics, and processes enabling more systematic identification, assessment, and management of risk.

Our ESG approach is anchored by three key fundamentals:

- delivering strong risk-adjusted returns for investors
- addressing stakeholder needs
- demonstrating the value of ESG through measurable results over time

This ongoing commitment to stewardship and sustainability guides our underwriting, investing, asset management, and client focus. Throughout, we remain focused on identifying risks early, evaluating them thoroughly, and managing them proactively.

We evaluate **environmental initiatives** for their return on investment, impact on performance, and long-term asset value, especially as properties face more climate risks and new regulations. We address **social factors** by maintaining safe, well-managed properties, fostering tenant satisfaction, strengthening community engagement, developing talent, treating workers fairly, and advancing diversity. **Governance practices** reinforce discipline, accountability, and alignment with our investors.

This report highlights our ongoing efforts to refine and apply ESG throughout our business. Our accomplishments in 2025 reflect how our risk-based framework continues to evolve, driving enhancements to our investment process, portfolio oversight, and team alignment.

## MILESTONES



# 2025 ACTIVITIES

## INVESTMENT PROCESS: ESG INTEGRATION

ESG considerations are central to how CrossHarbor understands, assesses, and manages risk throughout the investment lifecycle. In 2025, we advanced this commitment by adopting a more comprehensive, risk-based sustainability due diligence checklist. Today, ESG risk factors from transition and climate risk to asset-level and location-specific factors are evaluated during underwriting and due diligence, incorporated into Investment Committee materials, and embedded within asset management and governance plans for each investment. This approach helps us identify risks early, evaluate potential financial impact, and implement targeted measures to mitigate risks and enhance resilience.



### Framework and Governance

At the Firm level, the ESG Policy establishes the overarching framework for ESG integration, governance, reporting, and engagement. CrossHarbor operationalizes its ESG approach within each fund strategy through structured pre-investment diligence, Investment Committee oversight, and post-investment stewardship. Governance of the policy is overseen by CrossHarbor’s ESG Committee, ensuring consistency and accountability across all strategies.



## Pre-investment Diligence

### **ESG Review**

An ESG due diligence assessment is a mandatory component of the investment process for our institutional fund strategies. For each investment, the deal team completes an assessment tailored to the asset class, property type, and development stage to identify financially material risks and, where appropriate, value-creation opportunities. The Firm collaborated with its third-party ESG consultant, ACA Group, to develop this comprehensive, risk-based diligence checklist that better aligns our underwriting process with best practices in the industry.

This assessment helps identify material risks, including climate-related risks, which could adversely affect investment value or present opportunities for value creation. ACA leverages third-party software, Sust Global, to further support the Firm's diligence assessments when a high-risk site is identified to better assess potential hazards and short- to medium-term risks.

### ***Physical Climate and Natural Hazard Risk Evaluation***

As part of our diligence, we consider exposure to natural hazards and climate impacts. Identified risks do not preclude investment if the Firm determines those risks are well understood and can be effectively managed.

With our approach tailored to each client or fund strategy, our goal is to identify, measure, and monitor potential risks over time. Factors we consider include flooding potential, extreme heat, storm activity, precipitation patterns, wildfire risk, and water availability, as well as how these conditions may change.

To support this analysis, one tool we use combines natural hazard data and climate modeling to produce location-based risk scores and analysis for individual assets. Insights from this analysis inform our understanding of potential exposures and trends, helping us anticipate disruptions, manage operating and capital needs, and support asset resilience while enabling more informed investment and portfolio management decisions.

### **Operating Partner Considerations**

CrossHarbor partners with sector and market specialists on investments in its institutional fund strategies, leveraging their expertise, local market knowledge, and familiarity with applicable regulations, building codes, and sustainability practices to inform underwriting, risk assessment, and asset management. For each sponsor or borrower, CrossHarbor evaluates their expertise and capabilities, including their ability to execute business plans, manage assets, and address environmental and sustainability-related considerations.

CrossHarbor investment team members collaborate closely with borrowers/sponsors to compile data for the ESG due diligence assessment. The Firm partners with sponsors who have longer-term investment horizons and business plans focused on creating resilient, high-performing properties and lasting value for communities, even when certain CrossHarbor investment vehicles may have shorter-term hold periods.

### **Investment Committee Review**

Material findings, along with any recommended actions, are summarized and incorporated into Investment Committee materials. The Investment Committee considers these ESG-related findings alongside other internal and external diligence in its overall investment decision-making process.

### **Post-investment Stewardship**

Post-investment, based on its role and level of influence, CrossHarbor engages borrowers/sponsors, operating partners, and property managers to monitor and address material ESG risks and support agreed-upon initiatives. CrossHarbor annually collects standardized ESG-related information from property managers to establish a baseline and track performance across the portfolio.



### **DIFFERENTIATED APPROACH**

CrossHarbor's multi-strategy investment platform gives investors broad access to opportunities across the capital stack and risk/return spectrum. We tailor our ESG approach to fit each investment strategy, ensuring alignment with specific asset and strategy characteristics.

#### **CrossHarbor Institutional Partners**

("CIP") is our flagship investment program, focusing on value-oriented, middle-market investments arising from transitional, mispriced, distressed, or complex situations. This was the first fund strategy to integrate ESG considerations in its investment process and we have found that incorporating sustainable features not only enhances energy efficiency and long-term asset value but also increases appeal to institutional buyers. There are many ways the strategy incorporates ESG, including:

- *Future-Ready Investment:* Over the past five years, a few of the sustainability enhancements the CIP fund series has regularly implemented include energy-efficient lighting, advanced HVAC systems, water conservation measures, EV charging stations, and high-efficiency systems in new developments.
- *Fair Labor Practices:* Where CrossHarbor has greater influence over labor practices, such as in its CIP investments, it has established a Responsible Contractor Policy ("RCP") for direct contracts for construction, tenant improvements, capital expenditures, and operational services with annual contract values of \$100,000 or more. CrossHarbor works closely with JV partners to evaluate contractors' labor practices and records of human rights violations before selecting or renewing vendor contracts.



## Capital Planning, Property Operations, and Value Creation

Following acquisition, assets are managed in alignment with the Firm's asset management and operational oversight processes which include maintaining appropriate insurance coverage, regular property monitoring, coordination with property managers, and preparedness planning for areas exposed to potential natural hazards.

The Firm does not generally apply a separate asset management framework solely

because an asset has elevated climate or natural hazard exposure, but such risks may inform ongoing monitoring, capital planning, and operational discussions, as appropriate. Sustainability-related initiatives are evaluated and incorporated into the broader capital expenditure and business plans for each investment, where they are expected to enhance asset value, reduce operating costs, mitigate risk, or improve marketability.



### ESG COMMITTEE

CrossHarbor's ESG Committee guides the effective implementation of the Firm's ESG strategy. The ESG Committee is a multidisciplinary group that includes members from the C-Suite, Originations, Asset Management, Investor Relations, Compliance, and Human Resources. By leveraging the experience and senior expertise of its members, the Committee ensures a broad spectrum of viewpoints informs the firm's ESG agenda.

Collaborating with our ESG consultant, the Committee provides guidance on setting objectives at the organizational, strategic, and investment levels, as well as on reporting and identifying opportunities to further ESG initiatives. The team enhances internal operations to align with responsible investment goals and adapt to evolving market conditions. The team is tasked

with helping to embed ESG best practices throughout real estate investment, asset management, fund management, and talent management processes.

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#### ESG Committee Members

**Jay Hart**, Managing Partner, Co-Chair, ESG Committee

**Caroline Janson**, Director, Investor Relations, Co-Chair, ESG Committee

**Brian Davis**, Partner, Special Situations

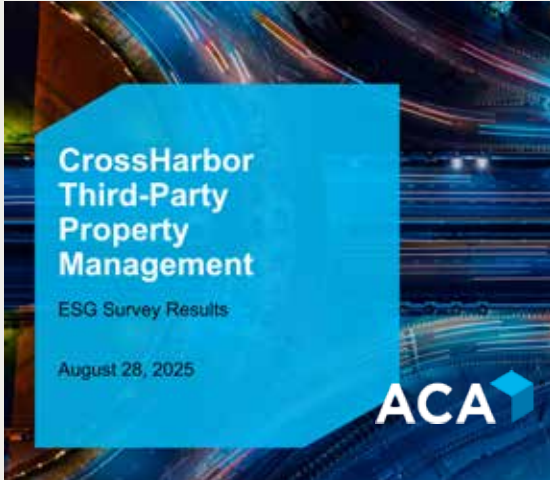
**Courtney Williams**, Director & Chief Compliance Officer

**Shawn Hurley**, Partner, CrossHarbor and EVP of Development, LMLC

**Dan Morgan**, Associate Asset Management

**Merete Giuliani**, Vice President, Human Resources

# PROPERTY MANAGEMENT: INAUGURAL ESG SURVEY



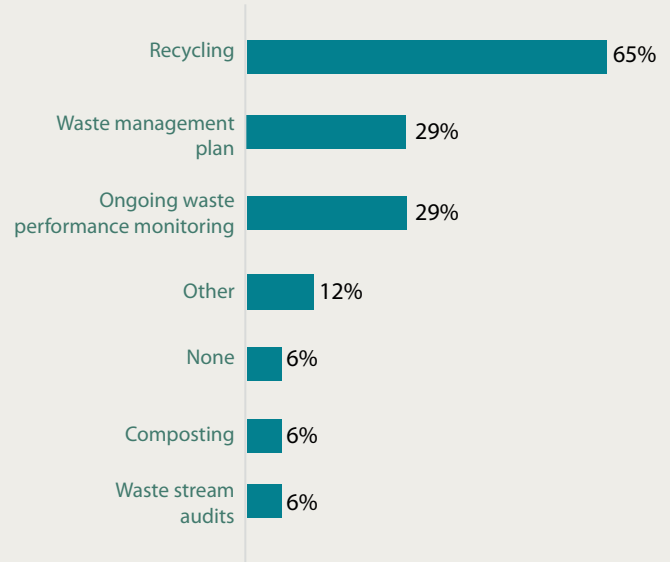
In mid-2025, the Firm launched its first survey of the thirty third-party property management firms responsible for properties in CrossHarbor’s portfolio to gain greater visibility into day-to-day operations and ESG practices. The 31-question survey provided insight into the differences among managers, regions, and assets, helped identify gaps and opportunities, and enabled performance comparison, benchmarking, and reporting. It also surfaced areas where operational changes could lead to increased efficiency, cost savings, risk reduction, clearer expectations, and stronger tenant relations.

Conducted confidentially by ACA, the survey included questions on environmental topics such as energy efficiency, water management, and waste practices; social topics such as tenant engagement; and governance practices such as data security, responsible contractor policies, disaster recovery, and business continuity planning. The initial survey results provide a baseline view of current practices.

For example, all respondents reported having data security systems in place to protect confidential tenant information,

more than two-thirds reported having responsible contractor-vendor policies, and a majority reported having disaster recovery or business continuity plans.

**Sample Environmental Question:**  
*Does your property have any of the following waste management measures that have been implemented in the last 3 years?*



The 31-question survey was distributed to 30 firms

However, responses varied widely on many other topics, revealing opportunities to further improve consistency across the portfolio. These insights will guide the Firm as it develops and refines protocols, practices, and performance expectations for property managers. Future priorities may include improving energy and water efficiency, strengthening waste management, expanding data tracking, enhancing tenant satisfaction, advancing disaster recovery planning, and establishing building performance standards.

## FUND MANAGEMENT: ESG-DRIVEN STRATEGY

CrossHarbor continues to advance innovative fund strategies that prioritize both financial performance and sustainable outcomes. Our latest fund within our senior debt platform reflects this commitment, integrating ESG standards at the core of its investment approach.

### MFI II Fund

CrossHarbor launched a successor debt fund in 2025, compliant with the European Commission's Sustainable Finance Disclosure Regulation (SFDR) Article 8. **CrossHarbor Debt Strategies II SCSp, or "MFI II"** is a Luxembourg-domiciled fund, focused on financing the construction of Class A multifamily and industrial properties in top US markets. Under SFDR Article 8, MFI II investments must meet defined criteria, including incorporating a certain percentage of sustainable elements into the development specifications prior to loan origination.



Consistent with these requirements, CrossHarbor intends to build a diversified portfolio of short-duration senior loans with environmental and social characteristics. By offering borrowers an interest rate reduction incentive to achieve Leadership in Energy and Environmental Design ("LEED") Gold or higher certification, MFI II incentivizes building owners and operators to be environmentally responsible and use resources efficiently.

In October 2025, the Fund originated and closed its first loan, a \$19.5 million first mortgage to fund the development and stabilization of 8513 State Road 33 North.

## CASE STUDY: 8513 STATE ROAD 33 NORTH

Type:	Senior Construction Loan
Location:	8513 State Road 33 North
Market:	Lakeland, FL
Loan Amount:	\$19.5 Million

MFI II provided a first mortgage loan to develop a 171,656-square-foot rear-load distribution center on a 23.3-acre parcel in Lakeland, FL. The project is designed for multiple tenants and financed with a three-year loan plus two one-year extension options.

The borrower is a privately held firm with 65+ years' experience in commercial real estate. The project is fully entitled, with completion targeted for October 2026 and stabilization anticipated by March 2028.

The facility design includes features that appeal to a diverse tenant base, including 36' clear heights, 32 dock-high doors, two drive-in doors, 16 trailer parking spaces, and 140 spaces for car parking. The development plan incorporates environmental elements and resiliency strategies to boost energy efficiency, limit heat absorption, conserve water, protect water quality, and mitigate climate risks.

The property will have stormwater collection systems, comply with local stormwater management and flood prevention



policies, and may qualify for ENERGY STAR certification upon completion.

Located in Lakeland, a growing logistics hub in Central Florida, the site is well-positioned along the I-4 corridor between Tampa and Orlando, with access to major highways, and key transportation networks, including four international airports, and three deep-water ports. Essential amenities and services such as medical care, parks, fitness centers, and healthy food are within a 10-minute drive.

Approximately 59% of Florida's population is within three hours, fueling strong demand for warehouse and distribution space. This attracts a range of industrial tenants to the 90.5 million-square-foot Polk County market, contributing to its 8.6% vacancy rate.



### ENVIRONMENTAL AND SUSTAINABLE FEATURES



**Energy-Efficient Lighting**  
(LED + Occupancy Sensors)



**Cool Roof**  
(High-Reflectance TPO)



**High-Efficiency Heating & Cooling**  
(HVAC + Windows)



**Water Saving Elements**  
(Plumbing Fixtures + Irrigation)



**Climate Resilience**  
(Storm & Flood Preparedness)

## **GOVERNANCE AND SUCCESSION: LEADERSHIP CONTINUITY AND OVERSIGHT**

CrossHarbor achieved key governance milestones for succession planning in 2025, building on work that began in 2023. The Firm undertook several strategic actions to address leadership development, accountability, governance, and leadership continuity.

### **LEADERSHIP DEVELOPMENT**

As a first step in this effort, in 2023, the Firm promoted several senior leaders, each the head of a business line or functional unit, to Partner. This established a clear succession path, rewarded and aligned long-tenured members of the team with the Firm's long-term success, and formalized the next generation of leadership.

### **ACCOUNTABILITY**

Following these promotions, each Partner was assigned responsibility for their business line's P&L. Regular Partnership Committee meetings were introduced, reinforcing accountability while expanding leadership capacity and capabilities across the Firm.

### **LONG-TERM CONTINUITY**

The Firm's Investment Committee was expanded in 2025, adding four additional Partners to support long-term continuity. Investment Committee decisions continue to require unanimity.

### **GOVERNANCE STRUCTURE**

In 2025, CrossHarbor enhanced its governance structure to support its continued growth, leadership development, and operational execution.

Founders Sam Byrne and William Kremer transitioned to the roles of Co-Founder/Chairman, demonstrating the Firm's commitment to leadership succession and continuity.

Senior leaders Scott Paton and Patrick O'Sullivan were promoted to Managing Partner, joining Managing Partner Jay Hart in an expanded leadership structure.

The Firm expanded its Executive Committee to include both Co-Chairmen and all three Managing Partners who meet weekly to provide corporate oversight across the organization. The Managing Partners also chair the Partnership Committee.

Together, the Executive Committee and Partnership Committee oversee day-to-day operations, promote collaboration, advance strategic priorities, and help position the Firm for long-term success.

## TEAM DEVELOPMENT: ENGAGEMENT AND RETENTION

In 2025, CrossHarbor expanded initiatives designed to strengthen Firm culture, enhance communication, and support new hires, existing team members, and professional development. These efforts create forums for senior leadership to communicate openly with team members, fostering a clearer understanding of the Firm’s vision through regularly scheduled Town Halls to share business priorities and a Team Committee that identifies ways to deepen team engagement.

### Town Halls

While Town Halls had previously been held on an ad hoc basis, in 2025, we formalized the program by establishing quarterly Town Halls, including three sessions with virtual participation for non-Boston offices and one annual company-wide in-person event. These programs led by the Partners are designed to provide transparency into the business, with senior team leaders responsible for each functional area presenting and reporting successes, challenges, priorities, and goals to team members.

### Team Committee

We formed a new cross-functional “Team Committee” that meets every other week to elevate employee feedback and develop ideas for enhancing onboarding, professional development, and engagement. Early projects include launching a firmwide confidential survey to better understand employee perspectives; creating a dedicated feedback channel; developing a structured calendar of internal programming, including four lunch-and-learns annually and other team events; and distributing a quarterly newsletter.

### TEAM COMMITTEE MEMBERS



**Co-head: Shawn Hurley,**  
Partner, CrossHarbor and  
EVP of Development, LMLC



**Co-head: Caroline Janson,**  
Director, Investor Relations



**Olivia Zhang,**  
Director, Tax



**Sara Chereskin,**  
Director, Asset  
Management



**Chris Jeffrey,**  
Vice President,  
Acquisitions



**Merete Giurlani,**  
Vice President,  
Human Resources



**Andrew Petkevich,**  
Senior Associate,  
Acquisitions



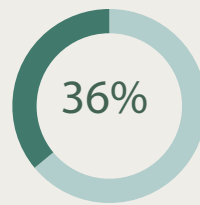
## Team Retention

Over the past several years, CrossHarbor has intentionally increased focus on employee development, culture, retention, and career advancement. Recognizing that building a stable workforce requires ongoing investment, the Firm has expanded initiatives focused on:

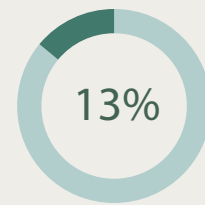
- Mentorship and training
- Internal advancement opportunities
- Employee engagement and connectivity
- Transparency and ongoing communication

These efforts support career growth and help employees feel connected, creating a workplace where long-term careers can be built. In 2025, the Firm took measures to further advance these efforts with the establishment of the Team Committee.

The Firm prioritizes developing and promoting talent from within, helping employees grow into leadership roles, while retaining institutional knowledge, enhancing continuity, and fostering collaboration. This approach has led to an increase in female representation in senior roles, heightened the Firm’s focus on diversity, and investment in workforce development.

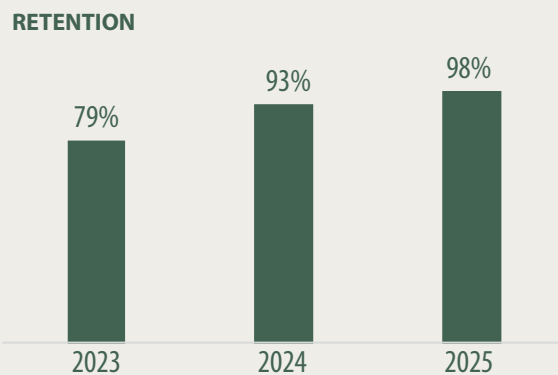


Female employees firmwide



Minority representation firmwide

These ongoing investments have steadily improved engagement and retention, culminating in a 98% employee retention rate in 2025 and reinforcing the Firm’s commitment to creating a desirable workplace.



The Firm prioritizes developing and promoting talent from within, helping employees grow into leadership roles.

## COMMUNITY ENGAGEMENT: VOLUNTEERISM AND PHILANTHROPY

Through active employee involvement and corporate giving, the Firm supports a wide range of organizations that make a positive impact in the communities in which we operate. By facilitating volunteerism and community engagement, CrossHarbor helps cultivate meaningful connections and serve as a catalyst for positive change.



### Volunteer Programs

#### *Corey's Kids Christmas*

In December 2025, CrossHarbor's Boston-based team participated in this heartwarming celebration hosted by the **Corey C. Griffin Foundation**, bringing holiday cheer to children in Massachusetts. Over 3,000 students from local community programs enjoyed performances and inspiring speeches, receiving personalized gifts. By taking part, the Firm supports the Foundation's mission to help Boston-area children thrive and celebrate them during the holidays.



#### *Cradles to Crayons*

CrossHarbor team members volunteered at **Cradles to Crayons' The Giving Factory**, the nonprofit's distribution hub in Boston, by helping to sort and package clothing packs and provide funding for essentials for learning, play, and daily life for families in need. The nonprofit supports local children living in homeless and low-income housing by providing clothing and essential items.

## Sponsorships



School on Wheels of  
Massachusetts



Boston Children's Hospital  
2025 Corporate Cup Silver



FamilyAid Boston  
2025 Building Better Futures



Youth Enrichment Services  
14th Annual Yes Gala



Ron Burton Training Village  
2025 Ron Burton Award Dinner



Corey C. Griffin Foundation  
Corey Fest



Boston Children's Hospital  
Champion for Children's Platinum Sponsor



## Donations



Gallatin Valley Land Trust



Jimmie Johnson Foundation  
JJF Annual Golf Tournament



New York Edge  
Step Up Scholars Circle



Petersen Automotive Museum



Spark Youth Annual Awards



ULI Foundation Annual  
Fund

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**Caroline Janson**

Director, Investor Relations, ESG Task Force Chair

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