

Environmental, Social and Governance (ESG) Policy

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For any comment or question regarding the content of this document, please contact us at investor.information@epcinvest.com

I. Philosophy

At Eagle Property Capital (together with its affiliates “EPC”) we strive to be leaders in responsible real estate investment and sustainable practices. We believe that doing the right thing for our people, the environment and our communities leads to better outcomes for all our stakeholders.

As a real estate investment manager engaged in the ownership, acquisition management and disposition of multifamily apartment properties, we are aware of the challenges posed by the 2030 and 2050 global agenda, and we are committed to continuously building a stronger, safer, more sustainable, resilient, and efficient multifamily asset system.

In that effort, EPC’s Environmental, Social and Governance (“ESG”) policy is the cornerstone of our investment strategy. We believe that rigorous ESG engagement creates value for our business from both financial and social perspectives. Our business is about the people and the planet as much as it is about the investment, and we seek to pursue ESG policies which reflect this.

This strategy document outlines our approach to ESG through the way in which we invest and manage multifamily real estate assets.

II. Objective and Scope of Application

We seek to become a more purposeful real estate company by incorporating ESG best practices in all our operations. Through our commitment and engagement to responsible and sustainable real estate management and investment, we aim to deliver risk-adjusted returns to our investors while diminishing social and environmental impacts to our stakeholders.

The purpose of this Policy is to lay out all the ESG aspects that are integrated in our business life cycle process, which includes the internal and external investment decisions and ongoing stakeholder relationships, the operation and maintenance of our assets, their corresponding refurbishments, and the asset disposition, so we can diminish related risks (including climate), and our environmental footprint, to continue to add value to all of our stakeholder needs and interests.

III. Broad View of ESG Factors

EPC is convinced that high standards of social responsibility, environment and governance will generate the potential to protect and improve the profitability of investments, reviewing the following aspects:

Environmental

We are committed to improving our environmental performance, within the assets we acquire and manage, the communities we serve and the places where we work. We want to reduce our short-, medium- and long-term environmental impact, climate related risks (physical and transition), through the following actions:

- **Energy consumption and renewable energy**
Track energy metrics and share best practices in energy saving with tenants along with increased use of renewable energies to reduce greenhouse gas emissions.
- **Water**
Implement best practices and technologies for water use, collection, treatment, and reuse.
- **Waste**
Conduct waste management practices (segregation, reuse and recycle).
- **Consider Impacts on Human Health**
Use sustainable materials, avoid toxic substances, and monitor air quality.
- **Pollution Prevention**
Develop our operations in accordance with all corresponding environmental laws, and prevent, mitigate, and correct environmental risks.
- **Climate Change**
Identify, analyze, forecast, and mitigate climate change risks (physical, transitional, and social) based on the Global Real Estate Sustainability Benchmark (“GRESB”), and the Task Force on Climate-Related Financial Disclosures (“TCFD”).
- **Physical and Transition Risks**
Consider the management and handling measures in case that some of these risks and events occur through the implementation of strategies recommended by the United Nations Environment Programme (“UNEP”).
- **Biodiversity**
Protect and enhance biodiversity and ecosystems during the operation of existing buildings and development/refurbishment of the assets. Incorporate green spaces with local vegetation and low water consumption that improve air quality and biota.

Social

At EPC it is of great importance to manage our business with a focus on all our stakeholders, including the feedback of our collaborators, the communities and investors, making a positive contribution with our interactions. We consider ourselves as a part of these communities and consider Corporate Social Responsibility (“CRS”), as a fundamental part of our social approach, based on the following aspects:



Communities

- Seek to foster a favorable relationship with the communities and mitigate problems identified in the areas of presence.
- Provide good quality and sustainable workforce housing to reduce inequality and improve the quality of life for our residents through property-level offerings such as financial capability tools, credit building and social impact programs.
- Provide mechanisms and channels of communication to foster an open dialogue with our residents and all other stakeholders who are or could be affected by our business activities.
- Build a multifamily community that looks like our world: Help diverse service providers – entities owned or partially owned by women, minorities, veterans, those who identify as LGBT+ and individuals with disabilities – grow and scale.
- Promote staff participation in community-focused volunteerism and social responsibility.
- Offer flexible work schedules to better meet family and other commitments; volunteer time to work for charities; and take part in initiatives that promote personal fitness and well-being.
- Keeping the data of our stakeholders safe is of the utmost importance to us. All personal data is kept securely within our business software, and we have rigorous controls in place to keep it safe and manage risk.

Human Rights

Respect and uphold compliance with the human rights of all our stakeholders. In all our actions, we promote equity, inclusion, and diversity. We are against any act that affects or violates human rights throughout our operation, including child labor, forced labor and any type of abuse, anti-harassment, anti-bribery/corruption and/or discrimination.

Our Team

- Include diversity as a key component in our recruitment policy. We are firm believers that by employing talented people with diverse experience, backgrounds, genders, and ages we will ultimately benefit both our staff and the company.
- Provide our collaborators and their families with competitive benefits that deliver flexibility and financial security.
- Promote a work environment and culture in compliance with all the applicable regulations, focused on integral well-being and meritocracy.
- Offer continuous ESG professional development and training opportunities (including responsible investing). Targeted learning and engagement programming to build cultural awareness and cultivate new ways of doing and thinking, within our team.

Governance

EPC governance principles guarantee that all our stakeholders have accurate and transparent processes, including integrity and diversity and our purpose is to indicate that all rules and procedures are being respected leading to good governance practice.



Corporate responsibility and stakeholder engagement is an integral part of our business activity, as reflected by the following ongoing practices:

- At EPC we focus to communicate and listen to all our stakeholders to detect their needs and work to improve their satisfaction.
- EPC takes a disciplined approach in investing. This approach is reflected in our standing committees, which provide a sounding board and valuable feedback to EPC's senior management.

- **Investment Committee**

The Investment Committee is responsible for reviewing and approving every real estate investment, disposition, finance, and refinance made on behalf of EPC's clients. We include robust and rigorous due diligence processes, including an underwriting regimen, risk management evaluation and approval processes. We include an ESG vision within the committee, to make decisions about main interests and opportunities related to ESG risks and impacts with a cost-benefit based approach.

The Investment Committee meets at least once a quarter to review the portfolio and to introduce new investment opportunities and receive preliminary guidance and feedback, as well as presenting underwriting assumptions and due diligence conclusions to secure final approval to acquire multifamily properties. The committee's unanimous approval is required for the execution of any transaction.

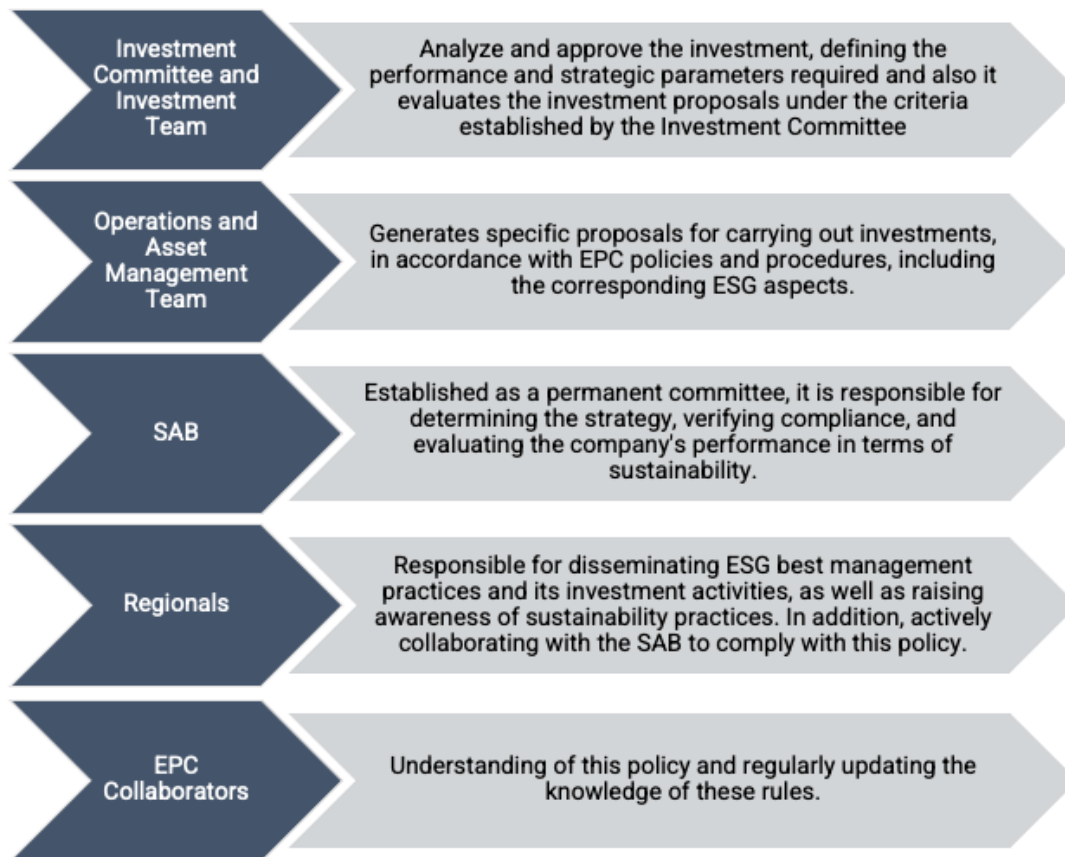
- **Risk Management Committee**

EPC's Risk Management Committee provides guidance, and operational and investment risk in relation to all our portfolios, as well as the company in general. The responsibilities of the Committee include: (a) review and approval of annual business plans, and (b) a mid-year review of all multifamily properties in EPC's portfolio. In addition to assessing risk on a property and portfolio basis, the committee also meets quarterly to assess operational and investment risk firm wide.

- **Compliance Committee**

EPC's Compliance Committee reviews marketing materials and product documents and makes recommendations to ensure that these documents comply with all applicable laws and regulations. The committee meets as such time or times as may be required but, in any event, every six months.

- **Responsible Investment**



EPC is convinced that high standards of social responsibility, environment and governance will generate the potential to protect and improve the profitability of investments, reviewing the following aspects:

Social: We strive to address the demands of users in our communities and investments, as well as to incorporate their comments into our operations, promoting respect for human rights, non-discrimination, seeking to reduce inequalities, promoting gender equality, but above all seeking to create shared value with the communities in which we operate. We work to improve their welfare conditions and seek common sustainable development.

Environment: We believe that climate change will have a significant impact on economies and, as a result, our areas of business. Emerging dangers and possibilities can already be observed now, and they will continue to expand in the medium and long future. Warming temperatures, extreme weather events, rising sea levels, worsening heatwaves and droughts, or changes in vector-borne illnesses are examples of acute and chronic physical consequences on property or human health.

We review that our projects comply with all the environmental guidelines that apply to them, and that they follow our Responsible Investment Procedure, through the following:

- Review of sustainable investment initiatives such as: green certifications, energy efficiency and renewable energy, water saving, waste management, sustainable materials, etc.
- Regulatory changes (greenhouse gas emission restrictions, government codes).
- Physical hazards as defined by TCFD, extreme weather, water scarcity, storms, hurricanes, etc.
- Current legal documentation.

Governance: We make sure that the relationships we have with the stakeholders related to our investment process are responsible, ethical, non-corrupt, impartial, and transparent; as well as in legal compliance, in its relations with interest groups, based on the following:

- Economic situation and viability of the project.
- Brand and reputation issues (poor health and safety record, cyber security breaches).
- Work practices (for example, the observance of health, safety and human rights provisions and compliance with the provisions of the Law).
- Aspects of ethics and anti-corruption, in line with our Code of Ethical Business Conduct.

IV. Active Ownership

EPC seeks an active investment style through portfolio management decisions, maintaining a continuous dialogue with their stakeholders. The goal is to provide a return on investment for our clients by seeking a long-term understanding of all aspects of the communities in or with which we invest. The thorough research at the beginning of the investment continues far beyond the expected life of the investment.

All stakeholders in the investment chain need to be aware of the activities to ensure that the results of ownership/commitments are reflected in investment decisions and vice versa.

Our research method includes interaction with management teams, which may help us make investment decisions. It provides us with unique insights into the quality of management, the company model, financial performance and strategy, and future business prospects.

Engagements with management teams, for example, may involve conversations on ESG issues in addition to other themes, or in other circumstances, we may hold sessions solely focused on ESG aspects.

Engaging in ESG discussions aims to collect data, assess responsibility, and inspire change through the adoption of best practices. These gatherings can also be used to debate the relevance of a long-term business strategy that considers ESG factors.

V. Scope and Periodicity

This policy applies to all processes and operations managed and implemented by EPC and its subsidiaries.

This policy shall be reviewed and updated on an annual basis and communicated to all EPC stakeholders in the same manner.

VI. Roles and Responsibilities

The Sustainability Advisory Board (“SAB”) shall be responsible for developing the implementation procedures necessary to meet the policy objectives in this document. Each department shall send one representative to serve on the SAB. The SAB will meet at least quarterly.

For the Responsible Investment aspect, please refer to EPC’s Social Responsibility and Social Investment Policy.

VII. Reporting any Violation of EPC’s ESG Policy

All EPC employees are required to report and record any breach of the Responsible Investment Policy. If any employee becomes aware of a relevant situation or behavior that violates this policy, they must not investigate it on their own and must report it as soon as possible. Both people inside and outside EPC can submit complaints or report problems in this regard through the anonymous hotline 727-579-2579.

All employees have an obligation to cooperate in internal or external investigations of alleged violations of the policy. All reports of violation of the policy must be reported immediately to the Ethics Committee.

VIII. Reference Documents and Alliances

EPC Code of Ethical Business Conduct

SDGs and United Nations Global Compact

[EPC is a signatory](#) of the Principles of Responsible Investing (UN PRI)

EPC is a [TCFD supporter](#)

IX. Approval and Periodical Update or Re-Assessment

Reviewed by	Approved by	Approval Date
Mariana Robina/Mirosława Kopec	Gerardo Mahuad	November 3, 2021
Mariana Robina/Mirosława Kopec	Gerardo Mahuad	March 11, 2022
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