

Sustainability Report

2023





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Modera Hollywood, Hollywood, CA

LETTER FROM THE RESPONSIBLE INVESTMENT COMMITTEE

At Rockwood, we strive to invest responsibly. We believe that our practices regarding responsible investment (Responsible Investment) have the potential to generate value for our investors while also creating positive impacts for the people, communities and environment in which we serve and invest. Central to our efforts are the pillars of Partnership, Place, and Performance, which we use to guide our investment and management efforts.

Central to our efforts are the pillars of **Partnership, Place, and Performance**

Since our last report, we believe that we have made great strides in understanding our environmental impact, sustaining a diverse and inclusive employee culture, and managing potential risks to our portfolio. Much of our efforts focused on Rockwood Multifamily Partners, which underwent a carbon footprint analysis, GRESB submission, and development of a carbon emission reduction target. Fortifying a Responsible Investment strategy specific to Rockwood Multifamily Partners was important to Rockwood's continued financial stewardship of our assets. Where possible, we looked to implement tactics that reduce our impact on the environment, while still delivering high-quality, healthy accommodations for those who choose to call our properties home.

Rockwood is proud to have submitted an assessment for Rockwood Multifamily Partners to GRESB, the results of which we have reviewed

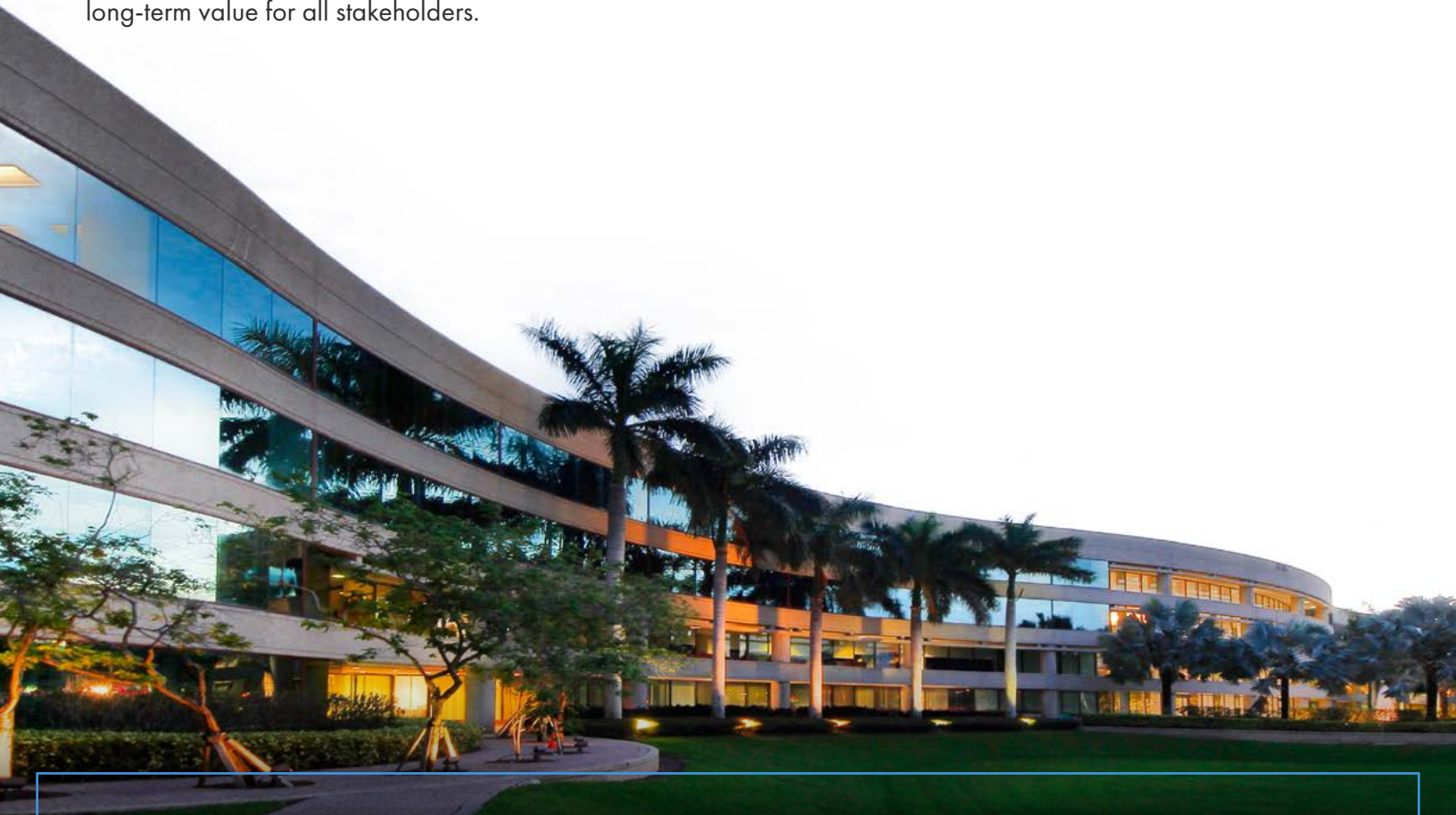
to map out improvements for the coming year. We continued to partner with organizations that promote diversity, equity, and inclusion (DEI) in our operations and industry. In addition, we have used employee input to volunteer our time for causes that resonate with our team members across the country. Mitigating risks to our portfolio remains a key focus of our Responsible Investment efforts. We have successfully conducted climate risk assessments at 100% of our new equity investments and have made that a standard requirement for new investments going forward.

Our Responsible Investment Committee continued to develop and implement strategies to bring value to our stakeholders, heeding the power of buy-in on Responsible Investment initiatives across our business and industry. Our sustainable living addendums in standard leases, property-level playbooks, and Responsible Investment checklists help develop responsible investment practices throughout our portfolio from pre-acquisition through to operation and the eventual sale of a property.

Looking forward, Rockwood is optimistic about the future of our investments and will continue to rely on our strong foundation of Responsible Investment efforts to help drive sustainable returns. Our dedicated leadership and well-rounded employee base understand the importance of Responsible Investment. Through their concerted efforts Rockwood believes it is equipped to produce value for people, profits, and the planet.

ROCKWOOD AT-A-GLANCE

With over 30 years of experience as a real estate investment management firm, Rockwood has garnered value through an investment approach that emphasizes and proliferates the role of natural elements in generating positive returns, a philosophy we call “The Nature of Value.” Rockwood provides debt and equity capital, combined with real estate operating expertise, for the repositioning, development, redevelopment, and recapitalization of primarily livespace, workspace, retail, mixed-use properties, and industrial properties in select target markets throughout the United States. Rockwood has led an investment framework built on the pillars of **Partnership**, **Place**, and **Performance**, through which we seek to deliver vibrant, healthy spaces for the communities where we invest and long-term value for all stakeholders.



PROPERTIES

449

Total Properties

As of 12/31/23

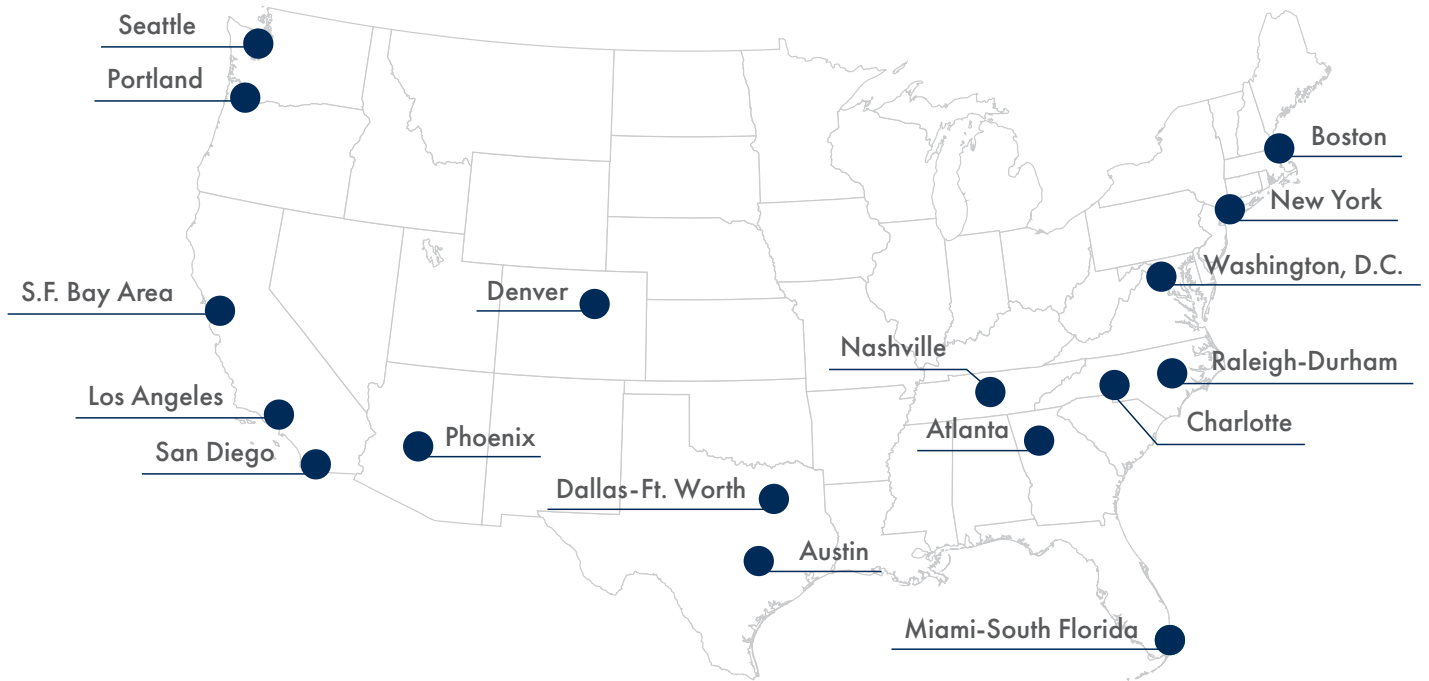
\$39B

Invested Across Real Estate
Markets Since Inception

\$13B

of Assets Under
Management

OUR MARKETS*



One Boca Place, [Boca Raton, FL](#)

PEOPLE

130+

Institutional Investors

85+

Employees

25+

Years Average Real Estate
Experience Among Senior Team

As of 12/31/23

*The actual markets of Rockwood's investments may be different from those presented herein over time.

ABOUT RESPONSIBLE INVESTMENT AT ROCKWOOD

At Rockwood, we understand that our actions have impacts beyond our assets. As such, we strive to deliver responsible, healthy, and engaging places to live, work, and play by investing at the intersection of real estate and the health of our urban environments. With the pillars of **Partnership**, **Place**, and **Performance** guiding our environmental, social, and governance (Responsible Investment) strategy, Rockwood has created a reputation for investing in transit-oriented, walkable, and socioeconomically diverse assets.



Ivy Station, Culver City, CA

Responsible Investment Framework

The following framework, formed by the pillars of **Partnership**, **Place**, and **Performance**, guides Rockwood's Responsible Investment efforts to ensure we are strategic in our investment approach.



We work with our partners to support our community and the environment through a range of actions such as:

- Encouraging our stakeholders to embrace Responsible Investment principles with open dialogue, education, and training
- Communicating material aspects of Rockwood's Responsible Investment performance and governance structure
- Reinforcing a culture of teamwork and inclusion among our staff
- Promoting diversity, equity, and inclusion (DEI) at Rockwood and within the industry



Our investment strategy focuses on the creation of properties within urban, mixed-use locations that are transit-oriented, walkable, and socioeconomically diverse. We aim to create desirable communities that prioritize nature to improve the health, happiness, and quality of life for our tenants. We create this powerful sense of place by:

- Developing strategies to identify, analyze, and mitigate material Responsible Investment risks
- Investing in communities that promote healthy, sustainable lifestyles
- Collecting and analyzing key performance indicators (KPIs) at the asset level



Rockwood tracks and manages material financial, environmental, and social indicators to improve and inform our operational performance. We continuously strive to improve our performance by:

- Considering material Responsible Investment-related risks and opportunities across our existing portfolio and as part of our acquisition process
- Incorporating innovative technologies to improve data management
- Assessing properties and developments to identify risks and opportunities
- Certifying properties, where deemed appropriate, through industry-recognized programs

Responsible Investment Policy

Rockwood’s Responsible Investment Policy, which was updated and expanded in 2023, guides our consideration of material environmental, social, and governance issues throughout the investment process. Following the pillars of **Partnership**, **Place**, and **Performance**, our Responsible Investment Policy outlines the methods and actions Rockwood can take to improve efficiency, uplift people in and around our communities, and future-proof our portfolio.

Responsible Investment Committee

Rockwood’s Responsible Investment Committee is held accountable for the long-term success of our program. Made up of nine cross-functional members from our senior leadership team, Rockwood’s Responsible Investment Committee aims to meet monthly to track progress and move forward the goals of our Responsible Investment strategy. Regular communication is conducted between the Responsible Investment Committee and Management Committee via the Responsible Investment Committee Chair, and the Management Committee approves all priorities set forth by the Responsible Investment Committee to help ensure initiatives align with responsible business practices.

“ In 2023, our initiatives focused primarily on data and data analytics, which we believe enhances the identification of opportunities across existing or new investments, assessment of performance, and management of risk. ”

TARA MCCAAN

(Head of Client and Capital Strategies)

RESPONSIBLE INVESTMENT COMMITTEE MEMBERS

Tara McCann
Senior Managing Director and Head,
Capital & Client Strategies
(Committee Chair)

Mary Bogino
Managing Director,
Credit Strategies

Najee Coverson
Vice President,
Asset Management

Matthew Friedman
Managing Director,
Acquisitions

Peter Kaye
Partner,
Portfolio Management

Joel Moody
Partner and Head,
Asset Management

Hallock Svensk, Esq.
Associate General Counsel

Ashley Valentine
Executive Director and Head,
Human Capital

Maria Vasilatos
Managing Director,
Capital & Client Strategies

Our Responsible Investment Objectives

Rockwood has identified a broad set of Responsible Investment objectives to make progress toward that are in alignment with our Responsible Investment framework and overall investment strategy. Over the past year, Rockwood has continued to institute practices that promote Responsible Investment performance.

Proactively identify climate-related risks through comprehensive risk analyses – Beginning in 2022, Rockwood has conducted climate risk assessments at 100% of new equity investments and requires risk assessments for all new investments.

Support internal and external DEI initiatives to drive DEI throughout our industry – Rockwood continues to be a partner and advocate for organizations who support and promote DEI. See more on page 18.

Engage stakeholders on the importance of Responsible Investment considerations – Rockwood seeks to train our employees on a range of Responsible Investment topics including decarbonization, climate risk, governance, anti-discrimination and harassment, and safety.

Drive community engagement with our time and resource commitments – In 2023, Rockwood volunteered for and contributed to various sponsorships and charities.

Monitor and track our energy data against KPIs – Rockwood benchmarks Rockwood Multifamily Partners and Value Add investments in ENERGY STAR® Portfolio Manager.
– Rockwood is currently developing short-, medium-, and long-term carbon emission reduction targets for Rockwood Multifamily Partners.

Align to or support certain international standards and reporting frameworks such as the UN SDGs and GRESB – Rockwood submitted an assessment for Rockwood Multifamily Partners to GRESB for the first time in 2023, achieving 75 out of 100 points on its inaugural submission.



Ivy Station, Culver City, CA



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS*

The United Nations Sustainable Development Goals (UN SDGs) are the world's shared plan to end extreme poverty, reduce inequality, and protect the planet by 2030. Adopted by 193 countries in 2015, the UN SDGs emerged from the most inclusive and comprehensive negotiations in UN history and have inspired action from people and organizations across sectors, geographies, and cultures. Rockwood is focused on climate change, poverty, and inequality and we aspire to use our business objectives to positively impact the people, communities, and environment where we invest. Guided by our Responsible Investment commitment and framework, we believe our efforts may support the ambitions described in the following UN SDGs:



Goal Progress



Invest in or create properties that support healthy cities and promote occupant health and well-being.

- 19 Fitwel and 17 ENERGY STAR® certifications across Rockwood Multifamily Partners. See more on page 14.



Support gender equality through inclusive hiring practices and alignment with organizations that promote this goal.

- Rockwood actively partners with organizations focused on promoting the advancement of women in real estate and has prioritized hiring practices and training that promotes DEI. See more on page 19.



Invest in creating stronger communities that promote social and environmental sustainability.

- Rockwood looks to certain factors such as access to green space, walkability, transit scores, and market density when investing in new assets as we believe that nature and vibrant, mixed-use land brings value to our investments and communities alike. See more on page 15.



580 Anton, Costa Mesa, CA

Goal Progress



Work to reduce waste, water consumption, and resource consumption across our investments and operations.

- Rockwood is actively developing targets to reduce utility consumption across our assets and has set a 20% reduction in scope 1 & 2 (energy only) Carbon Use Intensity (CUI) for Rockwood Multifamily Partners by 2030.



Baseline, benchmark, measure, and report our Responsible Investment performance towards energy and emissions reduction.

- Rockwood completed a baseline greenhouse gas (GHG) inventory of equity holdings, and developed a carbon reduction strategy, for Rockwood Multifamily Partners.

*The United Nations Sustainable Development Goals (SDGs) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on Rockwood's application of the SDGs, as such application is subject to change at any time and in Rockwood's sole discretion.

ENVIRONMENTAL IMPACT

At Rockwood, we understand that our business has an impact on the planet and that environmental considerations may impact our investments’ performance. To limit the negative environmental impacts our investments and operations may have, we look to certify our spaces with accredited green building certifications, where feasible, and track and analyze our utility use to improve efficiency and reduce consumption. To help us identify climate-related risks and opportunities, we also run climate risk scenario assessments across our properties.

WHAT WE TRACK



Utility Data



Green Building
Certifications



GHG Emissions and
Carbon Targets



Efficiency
Upgrades



Waste Diversion
& Consumption



Climate
Assessments

Data Management

To minimize our impact on the environment, Rockwood benchmarks and analyzes utility consumption across our properties in ENERGY STAR® Portfolio Manager®. We created performance dashboards using this data to measure key metrics over time in a consolidated platform where we can pinpoint spikes in usage and validate savings from efficiency measures.



This past year, Rockwood focused efforts on compiling available data in ENERGY STAR® Portfolio Manager®. Through this platform, Rockwood gains access to more resources and materials to help propel energy efficiency across our entire portfolio.

73%

of assets have
ENERGY STAR® scores

Average score: 90.5 (as of January 2024)

100%

of operational assets
track waste data

100%

of equity acquisitions complete a
sustainability assessment, since 2021

CASE STUDY CARBON FOOTPRINT ANALYSIS ON ROCKWOOD MULTIFAMILY PARTNERS

Rockwood completed a GHG inventory of our 2022 baseline carbon emissions for Rockwood Multifamily Partners in consideration of the GHG Protocol Corporate Accounting and Reporting Standard (the Corporate Standard), a global best-in-class emissions accounting framework. Through this inventory, we have concluded that Rockwood Multifamily Partners emissions activities include:

SCOPE 1 Direct GHG Emissions

Emissions from sources owned and controlled by Rockwood Multifamily Partners. Emissions activities include fuel consumed onsite for heating purposes and fugitive emissions from refrigerant leakage.

SCOPE 2 Indirect Emissions from Purchased Electricity

Emissions that occur due to the consumption of electricity and steam in Rockwood Multifamily Partners-controlled spaces and vacancies, such as common areas, office space, clubhouses, and vacant units.

SCOPE 3 Other Indirect Emissions

The remaining indirect emissions related to upstream and downstream activities. These emissions include waste generated in operations, and downstream leased assets such as emissions from tenant-controlled activities, and fugitive emissions from refrigerant leakage.

Modera Lofts, Jersey City, NJ

Results of the GHG inventory indicated that 82% of Rockwood Multifamily Partners emissions were attributed to whole building electricity and natural gas energy consumption. Of those energy emissions, just 23% of emissions were attributed to spaces under Rockwood's direct control. Given the nature of multifamily building energy consumption and control between owner and tenant, Rockwood will prioritize our carbon reduction strategy around scope 1 and 2 emissions, while continuing to identify reduction opportunities for non-energy and tenant-controlled emissions.

¹<https://ghgprotocol.org/corporate-standard>

Green Building Certifications

We believe that third-party validation through certifications such as Fitwel, ENERGY STAR®, and LEED help convey to stakeholders those efforts at our properties, which improve operational efficiency and create healthy environments for our tenants, are genuine. As we continue to find ways to reduce utility consumption and support tenants' health and well-being, Rockwood will remain persistent in certifying our assets to further our buildings' performance and status in the industry.

CERTIFICATIONS BY TYPE:



19

Rockwood Multifamily Partners
Fitwel certifications



17

properties are now ENERGY
STAR® certified for 2023



19

certifications in total, 6 for
Rockwood Multifamily Partners
and 13 across other funds

Property-level efforts

PLAYBOOKS

At the property level, Rockwood has developed Multifamily and Office Responsible Investment Operations and Maintenance Playbooks that reinforce best practices for asset operations and serve as a reference tool for asset managers, property managers, and partners. The playbooks cover a range of Responsible Investment topics for use in design and operations processes and contain supplemental material for implementing action plans at the property level.

GREEN SPACE

Rockwood strategically invests in assets that have ample access to green space. Aligning with "The Nature of Value" philosophy, we seek out investments that are close to parks, promenades, and public spaces where the natural world is the focus. Through this approach, we provide our communities with green vistas and grassy getaways to relax and recharge. All Rockwood Multifamily Partners properties have access to outdoor spaces through a variety of amenities including:

- Outdoor terraces
- Gardens
- Patios
- Roof decks



600 B Street, San Diego, CA



NEW ACQUISITIONS AND DEVELOPMENTS

To create long-term value inside and outside of our daily operations, Rockwood takes a holistic approach to building healthy, diverse, and equitable communities. Through Responsible Investment due diligence for new acquisitions and developments, and Responsible Investment checklists for credit investments, Rockwood seeks to address topics such as:

- Physical and financial climate-related risks
- Responsible Investment risks such as compliance requirements, health and wellness features, and previous environmental performance
- Characteristics of surrounding neighborhoods and their impact, if any, on a property's potential including mobility and ParkScores®

INVESTING IN HIGH-RANKING PARK SCORE MARKETPLACES



The Trust for Public Land has created a ParkScore® index to rate and rank how well the 100 most-populous U.S. cities are meeting the need for parks, or public green space. Across Rockwood's portfolio, we have consistently invested in cities with a high ParkScore®, exemplifying our commitment to investing in assets prioritizing the natural world. Scoring is measured across five categories including acreage, investment, amenities, access, and equity. Each city's total points—out of a maximum of 500—are normalized to a ParkScore® rating of up to 100.

We ran Rockwood Multifamily Partners properties through the ParkScore® index, and here are the results:

84%

the average percentage of residents (by city) within a 10-minute walk to a park

13%

average percentage of city area that is parkland

5

properties are located in cities with a top 10 ParkScore rating



CASE STUDY ROCKWOOD MULTIFAMILY PARTNERS INTEGRATED RESPONSIBLE INVESTMENT APPROACH

Launched in December of 2021, the open-end Rockwood Multifamily Partners strategy includes 30 assets in select markets in the United States with an investment strategy focused on high-quality multifamily communities in select innovation and growth markets.

DATA COLLECTION AND MANAGEMENT

Initial efforts related to data management included collecting and onboarding energy data and KPIs across all Rockwood Multifamily Partners assets. Rockwood engaged an advisor on this effort who continues to validate our data on a quarterly basis through our proprietary Responsible Investment dashboards. Rockwood utilized this data to complete a carbon footprint analysis and is pinpointing opportunities for value creation and energy efficiency opportunities. (Read more about our carbon footprint analysis on page 13)

OPERATIONAL ENHANCEMENTS

Rockwood developed 22 of the properties associated with Rockwood Multifamily Partners with a development partner. As such, we were able to implement operational strategies that aligned with our Responsible Investment strategy. Given Rockwood's Nature of Value philosophy, we looked at surrounding areas for land use, access to nature, and connectivity to public transit to ensure we could create an integrated community favorable for our residents. From a design standpoint, we made decisions to build resilient assets outfitted with high-quality, durable finishes. Additionally, many of the projects secured third-party certifications such as LEED, Fitwell, or ENERGY STAR® recognition which provides an objective measure of the strong environmental and operational efficiency features of the portfolio.

RANKING AND RATING

As a result of our data collection efforts, Rockwood was able to submit an assessment of Rockwood Multifamily Partners to GRESB for the first time in 2023, setting a benchmark for our Responsible Investment performance. From green building attributes to employee health and training, and good governance practices, GRESB rates our management and performance efforts relative to our peers, helping us create a path of sustained improvement. To build on accreditation and transparency, we also submitted our assets for Fitwel certification in 2023. Originally created by the Centers for Disease Control and Prevention (CDC) and the U.S. General Services Administration, Fitwel measures the health of a building inclusive of its design and management, focusing on the building's improvement of public health. As of January 1, 2024, we had 19 assets Fitwel certified. (Read more about our Green Building Certifications on page 14)

CARBON REDUCTION STRATEGY

Setting a carbon reduction goal for Rockwood Multifamily Partners was a concerted effort that Rockwood developed in partnership with third-party external advisors in 2023. We relied on our carbon footprint analysis to develop a meaningful carbon reduction strategy and goal, which incorporated a review of the decarbonization landscape and emerging best practices. Our roadmap to achieve our carbon reduction goals will prioritize onsite energy efficiency and renewable energy. Wherever possible, Rockwood will also focus on addressing whole building emissions reductions to effectively manage transition risk and improve future GRESB performance.



INVESTMENT APPROACH



MOVING FORWARD

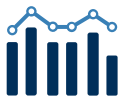
Rockwood Multifamily Partners will continue to prioritize decarbonization strategy planning and implementation. In 2024, we plan to widen our focus to include asset-level climate risk management around both transition and physical risks. This includes a proactive approach towards compliance with state and local benchmarking ordinances and building performance standards, as well as limiting both financial and regulatory risk for the fund. Additionally, Rockwood plans to conduct a second carbon footprint analysis on Rockwood Multifamily Partners to generate a year-over-year emissions trend report to help inform asset prioritization and intervention in alignment with carbon reduction targets.

Modera South Lake Union, [Seattle, WA](#)

SOCIAL IMPACT

Rockwood places emphasis on uplifting our employees, creating spaces that improve the lives of tenants, and giving back time and resources to the communities in which we operate. Through strategic partnerships, training, and benefits, Rockwood has set a path to enriching the lives of our people and promoting a positive social impact throughout our industry.

WHAT WE TRACK



Demographics



Employee Satisfaction



Training Hours



Tenant and Resident Satisfaction



Access to Green Space



Economic Development


Employee Engagement

With DEI-focused partnerships across the industry and holistic professional development, Rockwood seeks to create a workplace environment where our employees are supported and engaged. Additionally, our health and wellness benefits provide flexible, comprehensive coverage for employees to live healthy lives and we regularly survey our employees to evaluate their satisfaction and engagement.

DIVERSITY, EQUITY, AND INCLUSION

Rockwood enhances diversity awareness through mandatory annual training programs for all employees and completes an annual review and evaluation of our DEI efforts to ensure we remain stewards of equity and equality. Rockwood is proud to partner with the following organizations to promote DEI in our industry and beyond:

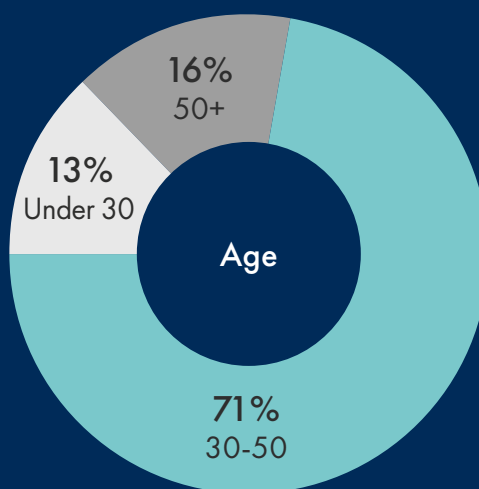
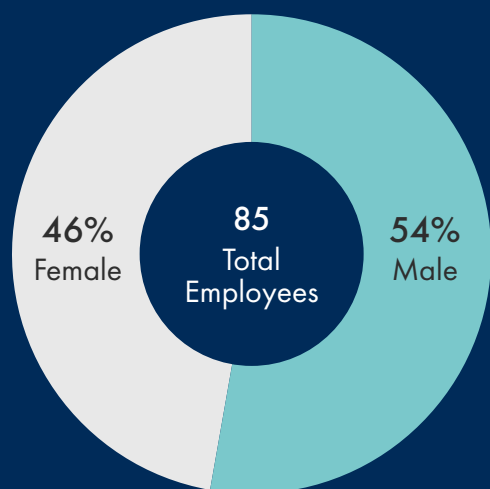
SEO Seizing Every Opportunity An educational non-profit providing internships to Black, Latinx, and Native American students.

TOIGCO  A non-profit dedicated to fostering under-represented talent within the financial services industry.

PREA foundation Diversity Builds Better Futures The philanthropic arm of the Pension Real Estate Association, which we helped launch, with a mission to advance diversity and inclusion in real estate.

WX NEW YORK WOMEN EXECUTIVES IN REAL ESTATE An organization that promotes the advancement of women in real estate and the highest standards of professionalism, ethics, and integrity in the field.

DEMOGRAPHICS



78% Diverse

Over the past six years, 78.5% of new hires, on average, have identified as women and/or are racially diverse

61%

of all employees are women and/or racially diverse

27%

of our partners are women and/or are racially diverse

Leadership

40%

of all Investment Professionals are women and/or racially diverse

HEALTH AND WELL-BEING

At the center of our philosophy and work is health. Providing our employees with comprehensive benefits to live healthy lives is one such measure we take seriously. At Rockwood, employees are provided benefits including:

- Health insurance
- Dental and vision insurance
- 401(k) profit-sharing plans
- Commuter benefits
- Vacation and sick leave
- Paid family and parental leave
- Flexible work hours
- Wellness benefits

TRAINING AND DEVELOPMENT

We believe that ensuring our employees are educated on and informed of a range of Responsible Investment topics is essential for Rockwood's long-term success. When our employees are engaged on Responsible Investment topics, Rockwood is better positioned to achieve our objectives. In 2023, Rockwood employees completed quarterly Responsible Investment training on:

- Climate Risk
- Social Impact
- GRESB
- Anti-discrimination and harassment
- Data Management

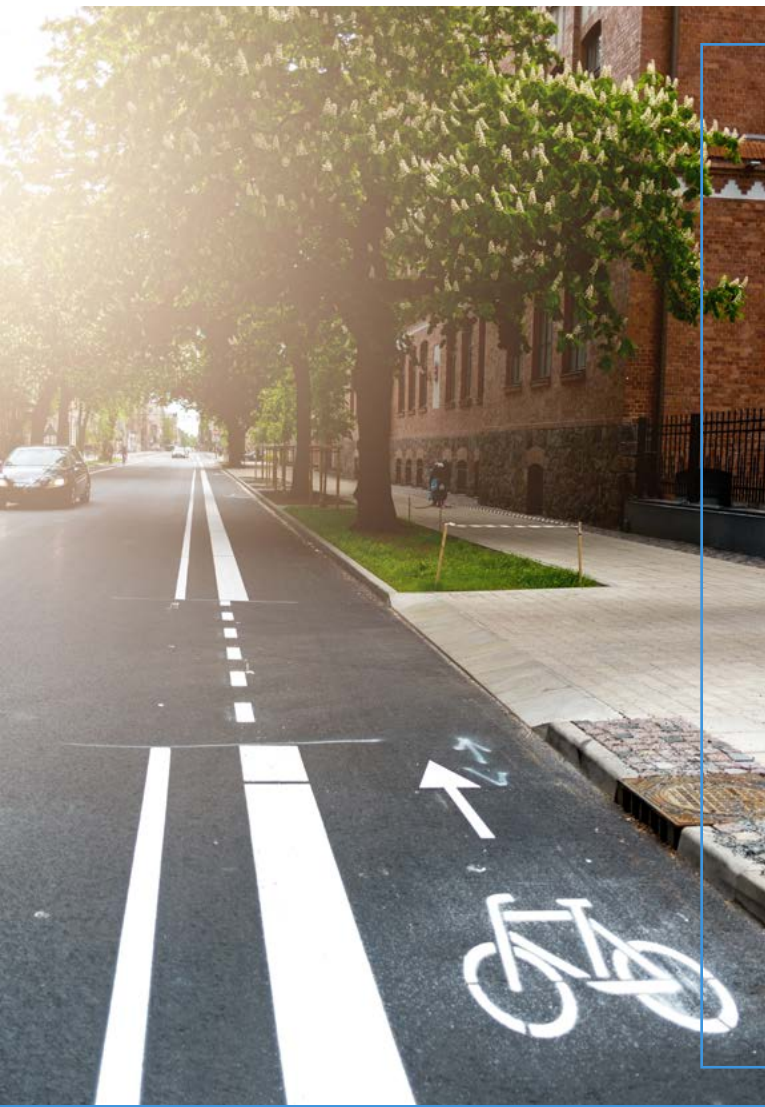
Rockwood employees receive training on a quarterly basis

Employee Survey

Rockwood keeps track of our employees' experience through employee surveys, which are sent out to every employee. Our most recent survey looked to gauge how employees felt supported by our health benefits. We take this feedback to update or improve health benefits to ensure they have the greatest impact on our employees' health and well-being.

Tenant and Resident Engagement

Our tenants and residents benefit from “The Nature of Value” philosophy by way of healthy buildings and ample access to green space. Rockwood’s partnership with Gensler, a global architecture and design firm, led to the creation of our white paper on *The Future Health of Our Cities: A Collaborative Socially Responsible Framework for the Built Environment* which outlines a people-centric framework for urban development that places people’s health at the forefront of design. We reference this work frequently to ensure we are investing in spaces where people can live, work, and thrive.



INVESTING IN INFRASTRUCTURE THAT SERVES PEOPLE AND THE PLANET

Similar to ParkScores®, Rockwood seeks to invest in infrastructure that has high mobility scores, or locations where communities can access amenities through multiple modes of transit including walking, biking, or public transportation. Walk and bike scores are considered for 100% of new acquisitions and due diligence when exploring a new investment opportunity.

Average scores for across Rockwood Multifamily Partners properties:



WALK - 82 or Very Walkable.
Most errands can be accomplished on foot



TRANSIT - 65 or Good Transit.
Many nearby public transportation options



CYCLING - 72 or Very Bikeable.
Cycling is convenient for most trips

Tenant and Resident Satisfaction Surveys

To further engage tenants and residents, Rockwood conducts satisfaction surveys where we can collect candid feedback from our stakeholders to understand what is benefiting them and where our efforts might need improvement. In 2023, Rockwood hired a third-party firm to conduct a tenant satisfaction survey for all tenants in Rockwood Multifamily Partners. We plan to continue this practice and plan to use this data to improve the tenant experience in those assets.

CASE STUDY VOLUNTEERING

Rockwood looks to give back our time and resources to causes and organizations that align with our values. Through charitable giving and volunteering opportunities, Rockwood looks to make a positive, lasting impact beyond our investments. We seek out employee input from each office to help determine which volunteer opportunities we take part in. In 2023, some of those activities included:



24 Rockwood employees took part in our Sign Hill Park event where we removed invasive plants from the area to help conserve and restore Sign Hill's native grasslands.



27 Rockwood employees took part in oyster habitat restoration with NYC-based Billion Oyster Project, a city-wide initiative restoring New York Harbor's oyster population to combat water pollution, foster biodiversity, and drive resilience against flooding and erosion.



11 Rockwood employees volunteered to help beautify Coldwater Canyon Park in Los Angeles. Guided by leaders from TreePeople, we helped weed, mulch, and water young trees in the area.

GOOD GOVERNANCE

Guided by senior leaders who have a rich history of strong leadership and industry expertise, Rockwood seeks to embrace a governance approach that promotes Responsible Investment decisions, transparency, and industry involvement. We intend to continue driving our business and industry forward through governance practices reflected in our Responsible Investment framework.

WHAT WE TRACK



Enforcement of our responsible contractor policy



Ethics training for 100% of our employees



Green lease standards

Governance Approach

Rockwood's approach to governance is guided by strong leadership coupled with comprehensive policies and management practices. Quarterly training on Responsible Investment topics, outlined on page 19, supplement the work we put into our governance approach to ensure our employees and partners are informed and educated on relevant Responsible Investment topics and issues.

POLICIES

Rockwood's policies cover a comprehensive list of issues, including:

Responsible Investment



Environmental

- Data improvement for increased efficiency
- Risks and opportunities for new acquisitions
- Building efficiency and safety



Social

- Employee remuneration
- Freedom of association
- Diversity, equity, and inclusion
- Labor standards and working conditions
- Social enterprise partnering
- Stakeholder relations



Governance

- Bribery and corruption
- Cybersecurity
- Data protection and privacy
- Fiduciary duty
- Shareholder rights



Summit Pointe, San Diego, CA

GREEN LEASE LANGUAGE

Rockwood standardized the inclusion of green lease language into the lease agreements for Rockwood Multifamily Partners to help engage tenants and residents in improving the efficiency and environmental performance of our assets. All Rockwood Multifamily Partners assets now have a sustainable living addendum added to our standard lease form. Included in the addendum are guidelines on reducing electric, water, and gas usage, along with guidance on prioritizing public transportation, waste management, and indoor health and wellness.

RESPONSIBLE INVESTMENT CHECKLISTS



For new acquisitions and credit investments, Rockwood has a Responsible Investment checklist that we employ to encourage smart, resilient investments. At the asset level, Responsible Investment checklists are used to provide a comprehensive view of property-specific considerations such as mobility scores, proximity to green space, building performance, and stakeholder engagement. At a high level, these Responsible Investment checklists are intended to ensure we are able to understand and address Responsible Investment-related risks and opportunities.

Industry Involvement and Memberships



Staying involved in our industry and serving as members in various organizations that propel our industry forward is a key effort of Rockwood’s leadership approach. When we collaborate or participate with organizations shaping our industry, we can gain more insights into how to improve our own Responsible Investment practices and help further progress the industry. Rockwood is proud to be involved with or participate in:

 **Fannie Mae**

 **UN GLOBAL COMPACT**

 **Harvard University
Graduate School of Design**

 **Urban Land
Institute**

 **AFIRE**

 **AIF** | AMERICAN
INDIA
FOUNDATION

 **DREA**
pension real estate association

 **INSTITUTIONAL
REAL ESTATE, INC.**



Transparency

Reporting on our progress and benchmarking our performance is important not only to measure our success, but to communicate our Responsible Investment efforts to the industry and relevant stakeholders. Rockwood has increased transparency around our Responsible Investment program and efforts by reporting against industry-recognized benchmarks and remaining a signatory of the United Nations Principles for Responsible Investment (UN PRI). We are also working toward alignment with the Task Force on Climate Related Financial Disclosures (TCFD) to disclose the risks and opportunities our investments face in a climate-conscious world.



GRESB - A voluntary, annual, industry standard, Responsible Investment reporting framework for real estate that measures Responsible Investment performance.

Rockwood submitted an assessment of Rockwood Multifamily Partners to GRESB for the first time in 2023. We plan to review this submission at length to pinpoint opportunities for improvement and benchmark our performance over time and against peers.



UN PRI - A set of six principles investors commit to in order to reflect the increasing relevance of Responsible Investment issues to investment practices.

As a signatory of the UN PRI framework, for the second year in a row, Rockwood commits to incorporating Responsible Investment issues into investment decisions, policies, and practices, as well as proliferating the use and disclosure of the principles within the industry.



TCFD - Provides information to investors about what Rockwood is doing to mitigate the risks of climate change and discloses our governance approach to managing such risk.

To date, Rockwood has completed climate risk assessments using the Moody's Climate on Demand dashboard to identify which assets face the most climate-related risks and opportunities.



Water's Edge, Playa Vista, CA

LOOKING AHEAD

As we look to the future, Rockwood intends to continue to progress its current program, with even more focus at the vehicle and asset levels, including:

- Continuing to submit to GRESB and UN PRI: seeking to improve performance in each assessment
- Formally adopting and tracking additional KPIs
- Furthering integration of program with Property Managers and Operating Partners
- Enhancing Responsible Investment performance and energy monitoring at the asset levels
- Developing a Climate Risk Management Plan aligned with TCFD that encompasses both physical risk and transition risk monitoring and assessment
- Increasing data management, coverage, and analysis
- Advancing Rockwood Multifamily Partners 5-Year Carbon Strategy by formalizing a decarbonization priority analysis and carbon emissions reduction plan
- Conducting a second annual GHG inventory for Rockwood Multifamily Partners that will allow for year-over-year trend analysis and opportunity identification



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