

# Table of Contents

About Savanna New Developments Key Achievements Goals & Targets Carbon Accounting Social Responsibility Employee Engagement Tenant Engagement Community Engagement Corporate Governance About This Report **GRI Index** SASB Index TCFD Index

141 Willoughby Street

## Letter from Senior Leadership 4 6 8 Our Integrated Team Strategy 9 11 Environmental Sustainability 12 Sustainability Certifications & Recognition 18 22 Environmental Performance Metrics 24 26 Impacts of Climate Change 32 34 Case Study: 521 Fifth Avenue 36 38 40 42 Case Study: Bronx Community Garden 46 48 51

52

54

58



**PETER ROSENTHAL** Chief Development Officer and Chief Sustainability Officer Our commitment to environmental sustainability, social responsibility, and corporate governance (ESG) has increasingly been integrated into our overall business strategy. We believe that having an ESG strategy reduces risk, increases asset value and positions Savanna to deliver continued growth. Savanna has made great strides in our position as a leading owner of office, residential and retail real estate in New York City and Florida by prioritizing the needs of our stakeholders and employing industry best practices in our operations. This year brought both opportunities and challenges as we worked to explore new ESG initiatives, pursue additional projects aimed at increasing operational efficiency and improve how we disclose our company practices and respond to new legislation.

In 2022, Savanna became a UN Principles for Responsible Investment (PRI) signatory which demonstrates our commitment to promoting sustainable investment by incorporating and evaluating ESG into our strategy. For the third consecutive year, Savanna has been recognized with a 5-star rating and Green Star designation by the Global Real Estate Sustainability Benchmark (GRESB) for multiple funds. Additionally, we issued our first ESG report aligned with Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-Related Financial Disclosures (TCFD). We understand that our commitment to ESG extends beyond reporting. Our commitment requires real action, measurable outcomes, and a dedication to making a positive impact. We acknowledge our responsibility to mitigate climate change and are continuing to track our progress towards our commitment to reducing greenhouse gas emissions across our portfolio.

We continue to try to enhance our ESG platform and optimize our performance against key performance metrics to demonstrate progress and focus on improving our impact. As an owner of diversified assets, it is our intention to improve ESG performance and continue to grow with the growing industry expectations and sustainability standards. Through our rigorous efforts, Savanna intends to implement the following:

- Develop efficient ground-up construction projects, incorporate sustainability criteria in newly acquired buildings, and demonstrate operational efficiency of existing buildings where possible through green building certification programs and energy ratings such as LEED, WELL, WELL Health-Safety Rating, ENERGY STAR, etc.
   Increase our efforts of positively impacting the local communities in which we operate through our involvement with Business Improvement Districts (BIDs), philanthropic donations, and volunteer work.
- Conduct in-depth assessment to further understand environmental performance of our assets by engaging with our energy managers, property managers, consultants and tenants and identify areas of opportunity for efficiency.
- Enhance tenant engagement through appreciation events, outreach programs, and satisfaction surveys to further improve tenant experience.
- Maintain objectivity and transparency with our stakeholders and ensure all business operations are managed according to the highest ethical standards.



 Cultivate an inclusive and diverse work environment for our employees that encourages optimal performance, stimulates innovation, and supports personal development opportunities.

Savanna recognizes that the incorporation of ESG into our business strategy should contribute to having a positive impact on the environment, the communities in which we operate, and our stakeholders. As Chief Development Officer and Chief Sustainability Officer, I am pleased with the progress we have made as a company and maintain confidence that we can address the challenges and opportunities of our world by incorporating environmental, social, and governance initiatives into our business. I am proud of our achievements over the past year and thank you for your efforts in helping our continued success.

## PETER ROSENTHAL

Chief Development Officer and Chief Sustainability Officer

## **Overview**

Founded in 1992, Savanna Investment Management LLC ("Savanna") is a vertically integrated real estate investment and development firm based in New York City and focused on strategic property investments throughout the City's five boroughs. Savanna is a well-established owner, operator, and developer with expertise across the office, retail, residential, and industrial sectors. Over its 30-year history, Savanna has built a platform designed to identify well-located properties with strong potential and capitalize on those opportunities through intensive development plans and leasing efforts.

Since inception, Savanna has pursued real estate equity and debt investments, including major repositioning, major redevelopment, and ground-up construction projects. Savanna aims to create value for each of our fund properties and build each asset's income stream through the implementation of an intensive redevelopment or development plan and leasing effort.

Savanna has a deep expertise in acquiring well-located older buildings and executing a strategy to modernize the systems, reposition the property, and build value in order to bring a high-quality institutional asset to the investment sales market.

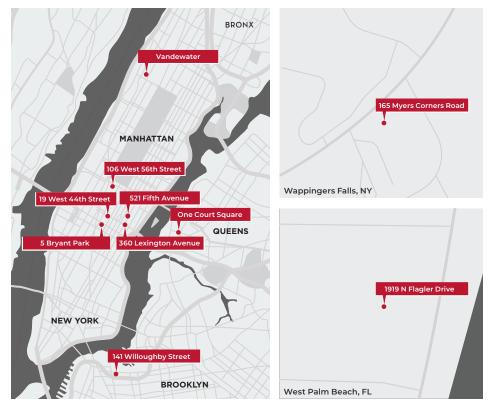


## **Portfolio Overview**

As of December 31, 2022, Savanna's diversified operational portfolio consists of 13 office properties, 1 retail and 1 residential building located in New York City. Savanna is currently developing 1 office, 1 residential, and 1 self-storage facility in New York and Florida. This report covers all properties within the following funds:

- 1. Savanna Investment Management LLC
- 2. Savanna Real Estate Fund IIA, L.P.
- 3. Savanna Real Estate Fund III, L.P.
- 4. Savanna Real Estate Fund IV, L.P.
- 5. Savanna Real Estate Fund V, L.P.
- 6. SREF IV 44th St Co-Investment
- 7. SREF IV Bryant Park Co-Investment
- 8. SREF IV 521 Fifth Avenue Co-Investment

Savanna's portfolio is comprised of approximately 6.2 million square feet of commercial gross floor area (GFA) and over 2 million square feet of residential GFA.



<sup>1</sup>Savanna Investment Management LLC fund encompasses all 18 operational and development assets within Savanna's portfolio.

SAVANNA 2022 ESG REPORT

PORTFOLIO AT A GLANCE



**OFFICE PROPERTIES** 

## 1

RETAIL

RESIDENTIAL

6.2M

SQUARE FEET OF COMMERCIAL GFA

2M+

RESIDENTIAL GFA

The figures above detail the entire portfolio (both operational and in development)

## **New Developments**





#### 141 Willoughby Street

141 Willoughby Street in Brooklyn, New York is a groundup, 400,000 SF, 25-story trophy office development. 141 Willoughby's positioning along the expansive Flatbush Avenue allows for rare, unobstructed views of the Manhattan skyline, and the property features 15'-17' ceiling heights, large floor-to-ceiling windows, and floor plates ranging from 12,000 – 22,000 SF. The abundance of natural light gives a feeling of expansiveness and spacious outdoor terraces unite inside and out. Amenities include a lounge, conference center, yoga studio, and private entrance along Gold Street, presenting the opportunity for a tenant to fully govern their space. This building will be operational in 2023.

As part of Savanna's ESG strategy and goal of attaining a green building certification for all assets, 141 Willoughby Street is pursuing a LEED and WELL certification. Once operational, this building will also be included in Savanna's Portfolio WELL Health Safety Rating renewal.

#### Olara

Olara Residences in West Palm Beach, Florida is a luxury, waterfront residential oasis on 4 acres of development site. The 2 condominium towers will have 26 floors, 275 residences and more than 80,000 square feet of indoor and outdoor amenity spaces. Amenities include an Olympicsize lap pool, private intracoastal marina with three Olarabranded boats for residents' use, as well as private slips.

Enhancing the health and wellbeing of our tenants is a priority for Savanna. At Olara, there is over 13,000 square feet of indoor and outdoor fitness spaces, including performance training zones, an open-air yoga deck, and meditation rooms. Additionally, there is a 5-star regeneration spa with a Japanese-style Onsen, sauna, steam and treatment rooms.

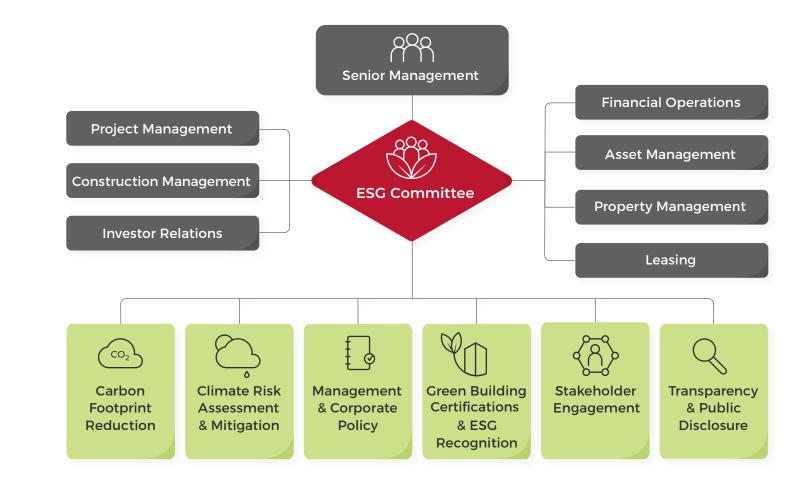
Olara Residences will be operational in 2026 and is pursuing a LEED and WELL certification. Olara will also be included in WELL Health Safety renewal once operational.

## **Our Integrated Team Strategy**

Savanna's commitment to ESG continues to be a core component of our business strategy and operations. It is our goal to facilitate a sustainability strategy that emphasizes the importance of environmental and social responsibility, transparency and disclosure, and the mitigation of corporate governance risks. At Savanna, it is our intention for environmental, social and governance principles to be integrated throughout our operations and investment decision-making process.

Our holistic approach to responsible investment is to incorporate sustainability and effective management of ESG initiatives throughout the various business units within our company. Additionally, Savanna works closely with our third-party ESG consultants, risk experts, and expertise of our internal management teams to try and ensure that key environmental and social objectives are integrated into our business.

Savanna's ESG committee, which is led by Savanna's Chief Development Officer and Chief Sustainability Officer oversees all sustainability initiatives proposed and executed by the firm. Given that the ESG Committee is comprised of various employees across multiple business units, they should be successful in identifying opportunities to further integrate ESG into all aspects of our business.



## **Commitments to Our Stakeholders**

At Savanna, we recognize the importance of Environmental, Social, and Governance factors in driving sustainable growth and creating long-term value for our stakeholders. We are committed to ensuring the integration of ESG into our decision-making processes, operations, and overall business operations. Our commitment to ESG is expressed through our dedication to responsible business practices, transparency, and accountability to all our stakeholders.

## ENVIRONMENTAL

We strive to minimize our environmental impact by looking to adopt sustainable practices across our operations. We are committed to reducing our carbon footprint, conserving resources, and promoting the efficient use of energy and water. We intend to continuously strive to reduce our greenhouse gas emissions through energy efficiency measures and adoption of low-carbon technologies.

## 

We value diversity, inclusion, and equal opportunities for all our employees. We are committed to maintaining a safe, respectful, and inclusive work environment that promotes diversity, and professional growth. We prioritize the well-being of our employees, contractors, and tenants by maintaining safe working conditions and adhering to best practices for occupational health and safety. We actively engage with local communities, contributing to their well-being, supporting business development, and participating in community development initiatives.



We are committed to maintaining the highest standards of corporate governance and ethical conduct. We prioritize integrity, accountability, and transparency in all our business practices. We maintain a strong Corporate ESG team that provides oversight and guidance on ESG matters. We value the input and feedback of our stakeholders and are committed to transparently communicating with them, seeking their perspectives, and addressing their concerns. We conduct rigorous assessments of ESG risks and attempt to integrate them into our decision-making processes to ensure the long-term resilience of our business.

## **Key ESG Achievements**

#### **ENVIRONMENTAL RESPONSIBILITY**

LEED/ENERGY STAR/WELL Health Safety: As of 2022, Savanna has over 3.4 million square feet of LEED certified buildings. Savanna achieved ENERGY Star certification accounting for over 1.4 million square feet of office buildings. Savanna has achieved WELL Health-Safety rating for all eligible assets within the portfolio which accounts for 5.9 million square feet.

**GRESB:** Savanna achieved GRESB 5 STAR Rating and Green Star Designation for the third consecutive year.

#### SOCIAL RESPONSIBILITY

Diversity, Equity, and Inclusion: Savanna's DEI council is comprised of members representing multiple Savanna business units. The council has been developing several innovative initiatives aimed at increasing diversity and inclusivity, access, and equity throughout our firm, including:

- Periodic newsletters to inform all employees about DEI initiatives and engage the team in upcoming training, networking, and social events
- Standardizing procedures for the recruitment and hiring process to reduce unintended bias and diversify the hiring pool
- Engaging in mentorship and volunteer opportunities
- Revising Savanna's employee surveys to include confidential questions regarding employee demographics and the Savanna company climate

Savanna Women's Initiative (SWI): ): SWI was founded by employees in 2021 with the mission to promote professional development and leadership opportunities for the firm's female team members by fostering a culture in which the success of women is respected, valued, and supported. SWI engages all employees at Savanna with a focus on recruiting, retaining, and cultivating female talent. SWI events to date have included breakfasts and lunches, mentoring discussions, company-wide leadership trainings, holiday gift drives, and an International Women's Day networking event.

#### **CORPORATE GOVERNANCE**

Disclosure: In 2022, Savanna became of Signatory of United Nations Principles for Responsible Investment (UN PRI). This showcases Savanna's commitment to sustainable investing by incorporating ESG into our investment strategy.

**Training:** Savanna employees complete annual Compliance & Code of Ethics training and Discrimination and Harassment Prevention Training. These training courses aim to ensure our employees uphold adherence to our code of conduct.

#### HIGHLIGHTS



3.4 MILLION SF OF LEED CERTIFIED SPACE



1.4 MILLION SQUARE FEET OF OFFICE BUILDINGS HAVE QUALIFIED



ENTIRE PORTFOLIO CERTIFIED



GRESB GREEN STAR, 5-STAR RATING

# Environmenta Sustainability

of our business strategy.

Our business plans and sustainability goals are directly aligned with our strategy to manage energy and water resources responsibly which includes operational and capital improvements, where feasible. Savanna's asset management and project management team frequently assess building performance of each asset within our portfolio, conduct energy and water audits, and track how the buildings are trending towards the achievement of our efficiency goals. As building technologies continue to evolve in the sustainability landscape, Savanna has always embraced the utilization of digital solutions to improve operational efficiency, reduce resource consumption, and minimize environmental impact. We often collaborate with companies of various sizes to drive technological innovation when aligned with our goals.

## At Savanna, our commitment to sustainability and environmental responsibility has become a growing part of our business operations. Savanna assesses the feasibility of environmentally efficient alternatives as part

## Sustainable Real Estate Strategy

Savanna considers sustainable options for both buildings in our current portfolio as well as new acquisitions that involve either ground-up construction or substantial redevelopment of existing buildings. For our standing investments, Savanna uses Energy Star Portfolio Manager to track consumption on a regular basis in compliance with Local Law 84 and certifies all buildings that qualify as Energy Star buildings with an Energy Star label. Additionally, Savanna is in the process of performing energy audits at all buildings in the performance phase, in compliance with Local Law 87. In 2022, Savanna became an ENERGY STAR Partner to show our commitment to managing energy use across our portfolio.

Since the majority of Savanna's properties are located in New York City, Savanna aims to align with the City of New York's PlaNYC initiative which includes the reduction of energy consumption, water consumption, GHG emissions, and increase of waste diversion from landfills. Savanna's strategy for capital investment planning takes into consideration the end of useful life for mechanical equipment, methods to optimize energy and water efficiency, and minimizing health impact on our building occupants. Additionally, Savanna works closely with onsite energy managers, in partnership with NYSERDA, to evaluate the operational efficiency of the portfolio.

Savanna has issued construction rules and regulations to each property manager to be distributed to all contractors for all construction projects which include guidelines relating to environmental issues such as energy consumption, GHG emissions, water consumption, waste management, and climate change. These guidelines specify Savanna's goal to select and install high efficiency HVAC systems, highly reflective roofs, low flow fixtures, Energy Star appliances and other applicable environmentally efficient systems.

With these initiatives in mind, Savanna targets LEED certification for all ground-up construction and substantial redevelopment projects, where feasible, to ensure a sustainability focus across all new projects.





## Sustainability At Our Buildings

Savanna implements asset-specific assessments by conducting energy audits and environmental risk assessments of our properties, using Energy Star Portfolio Manager to track energy, water and GHG emissions when applicable, specifying guidelines for the building process for all ground-up and substantial redevelopment projects, and targeting LEED certification for all ground-up construction and substantial redevelopment projects. The following are Savanna's goals for current and future ground-up construction, repositioning, and substantial redevelopment projects, as outlined in the Environmental Policy.



#### **Building Safety**

Appropriate lighting will be installed in all exits and staircases in an effort to help ensure building safety while attempting to appropriately manage energy consumption.



#### **Climate Change Adaptation**

When appropriate and cost effective, Savanna will aim to ensure that no CFC based refrigerants will be used in HVAC & refrigeration systems in any buildings. CFCs contribute to global warming and ozone layer depletion.



#### **Environmental Attributes of Building Materials**

Savanna will aim to install local materials (sourced within 500 miles) and/or materials with recycled content. Savanna will also attempt to use materials such as paints, coatings, adhesives, sealants and flooring that are green seal compliant and that contain minimal VOCs.



#### GHG Emissions/Management

Overall efforts will be made to reduce the carbon footprint of the buildings and occupants, including efficient, right-sized mechanical systems and HVAC units, in an effort to reduce energy consumption of the building.



#### Waste Management

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Savanna intends to recycle ongoing consumables such as glass, plastics, paper, cardboard and aluminum in all ground up construction projects. Additionally, it is intended that all ground up construction projects will aim to divert 50% of construction waste from landfills.



#### Water Consumption/Management

Low flow fixtures and faucets will be installed wherever feasible. Any replacement fixtures will also meet or exceed the following UPC/IPC Standards and EPA WaterSense Standards.



Savanna performs location and transit analyses for all new investments as part of our due diligence process. These analyses include reviewing FEMA flood maps, elevation data, public transportation accessibility, WalkScore, etc. Majority of our existing portfolio and new developments are intentionally located in areas with pedestrian, bicycle, and mass transit networks.

When preparing development or redevelopment plans, Savanna will request that key service providers present sustainable or green options.

#### Sustainable Materials Return on Investment

When installing or replacing building systems, Savanna will consider options for energy efficient, green systems that may provide operating cost efficiencies in the

#### Ecosystem Services/Habitat Management

Low-impact development best practices are employed to control urban runoff whenever possible to maintain the existing ecosystem services of a site and habitats (as applicable). These best practices include preserving and recreating natural landscape features and minimizing impervious surfaces.

All Savanna assets and employees aim to promote health and safety whether in the office or at construction sites. This includes but is not limited to requiring green cleaning policies and workplace wellness strategies such as hand sanitizing stations

Savanna believes creating more adaptability and resiliency in our buildings will give the firm a competitive advantage in our marketplace. As such, Savanna's goal is to build a portfolio that is as resilient as possible to any potential disruptions to the firm's business, such as heatwaves, storms, sea-level rise, and other

# Sustainability Certifications & Recognition



#### GRESB

Savanna is dedicated to improving the sustainability and performance of the buildings across our portfolio and tracks this improvement over time to ensure results. Savanna has participated in GRESB reporting since 2012. GRESB is the Global Real Estate Sustainability Benchmark and is a rating tool that helps quantify the ESG performance of each fund and provide investors with transparency. GRESB is a holistic tool that assesses reports on ESG performance in areas of Environmental, Social, and Governance practices.

In the 2022 GRESB Assessment, Savanna has achieved 5 Star Rating and Green Star designation for the following six funds:

- 1. Savanna Investment Management LLC
- 2. Savanna Real Estate Fund IIA, L.P.
- 3. Savanna Real Estate Fund III, L.P.
- 4. Savanna Real Estate Fund IV, L.P.
- 5. SREF IV 44th Street Co-Invest, L.P.
- 6. SREF IV Bryant Park Co-Invest, L.P.

Given that the GRESB Rating shows exactly where companies stand on a global scale, GRESB 5 Stars is the highest rating and recognition for being an industry leader. This is a true testament to Savanna's efforts to really integrate sustainability into business operations and strengthen ESG strategy. Savanna has expanded the breadth of our sustainability policies and initiatives both internally and externally. One of the significant changes Savanna has made to our overall approach to ESG in the last five years is to engage JLL as a consultant to identify general opportunities to improve and formalize policies and procedures across the portfolio.

Overall, Savanna's commitment to sustainability extends beyond our investment portfolio and includes our employees, contractors, tenants, and other stakeholders. Utilizing the GRESB framework, Savanna has been able to track and report on the initiatives it has implemented with respect to all of these stakeholders, with the goal of ensuring that both the firm and each individual fund is delivering improvements year over year.

#### **UN PRI**

In 2022, Savanna has become a signatory of the United Nations Principles of Responsible Investing (UN PRI). The UN PRI is the world's leading framework of responsible investment and was created to understand the investment implications of environmental, social and governance (ESG) factors and to support companies, like Savanna, in incorporating these factors into their investment and ownership decisions.

As a PRI signatory, Savanna is required to disclose our investment strategy which details our overall approach to responsible investing or guidelines in environmental, social and governance factors. Additionally, we are required to disclose details of senior-level oversight of our investment strategy, as well as information around internal and external staff implementing responsible investment. Savanna will report during UN PRI's 2024 reporting cycle.

#### WELL Health-Safety Rating

Savanna is committed to maintaining a safe work environment as the world navigates a post- COVID-19 world through our prioritization of health and wellbeing. In 2022, Savanna achieved the WELL Health-Safety Rating Renewal for the entire real estate portfolio, where eligible, to ensure our employees and building occupants stayed healthy.

The WELL Health-Safety Rating is an evidence-based, third-party verified rating for all new and existing building and space types focusing on operational policies, maintenance protocols, stakeholder engagement and emergency plans to address a post-COVID-19 environment now and into the future.

Achieving this rating not only verifies all steps have been taken to protect tenants, but also demonstrates Savanna's prioritization of human health and wellness. As part of this endeavor, Savanna has developed an employee wellness program that incorporates a variety of health and wellbeing policies and procedures that focus on enhanced prevention measures and cleaning standards.







#### LEED

Savanna values LEED Certification as an integral part of the strategy necessary to move the company towards our sustainability goals. Savanna has committed to pursue LEED Building Design + Construction certification for all new construction projects as a part of our commitment to sustainability. Savanna also places an emphasis on sustainable operations of our office holdings and pursues LEED Operations + Maintenance: Existing Buildings Certification (LEED EBOM) wherever practicable.

#### Certifications have been awarded to the following properties in Funds IIA, III, and IV:

#### LEED Existing Building Operations & Maintenance

360 Lexington Avenue	Recertified LEED v4 O+M: Existing Buildings	SUL DILLONG
	Awarded GOLD September 2019	
5 Bryant Park	LEED v4.1 O+M: Existing Buildings	Strong of the second
	Awarded GOLD June 2020	
One Court Square	LEED v4 O+M: Existing Buildings	LI BUILDING
	Awarded SILVER November 2020	
19 West 44th Street	Recertified LEED v4.1 O+M: Existing Buildings	A CONTRACTOR OF
	Awarded GOLD February 2022	
521 Fifth Avenue	Recertified LEED v4.1 O+M: Existing Buildings	Statuto Inco
	Awarded GOLD May 2022	
_EED Building Design & Constru	ction	
Vandewater (543 West 122nd)	LEED v3 BD+C: New Construction	A CONTRACTOR OF
	Awarded GOLD July 2022	
The Six (106 West 56th Street)	LEED v3 BD+C: Core & Shell	ALL DULLDING
	Awarded SILVER October 2021	TEO SUCCES

Having achieved multiple certifications for properties in both our current and past portfolio, Savanna has proven the business case for LEED certification and improved building performance.

Savanna plans to continue participating in LEED and other green building certification programs to raise our standards for the mutual benefit of our building occupants and the environment.

#### **Energy Star**

Savanna uses ENERGY STAR Portfolio Manager as a data management platform in order to measure, track and benchmark our energy, greenhouse gas, water and waste performance. Due to use of this platform, various assets are eligible to earn an ENERGY STAR Certification label which demonstrates optimal building performance.

As an ENERGY STAR Partner, Savanna is committed to pursuing Energy Star certification for assets that achieve an ENERGY STAR score of 75 or higher. In 2022, Savanna certified nearly 1.4 million square feet of our portfolio with Energy Star certification.

Savanna's comprehensive energy management practices help optimize the energy performance of our building through the monitoring of our

#### Local Law 97

On May 18, 2019, the City of New York enacted Local Law 97 of 2019—the most ambitious climate legislation for buildings enacted by any city in the world. The new law places buildings on a path to mee the city's goal to reduce overall carbon emissions 80 percent by 2050. Buildings represent nearly 70 perce of those emissions. The Law is currently broken out in three phases setting increasing stringent limits on carbon emissions per square foot, with the first compliance report due May 1st, 2025

Savanna performed a portfolio-wide assessment on a per asset basis to calculate the emissions implication against historic usage data. This evaluation determined that under current facility operations no assets are expected to face fines in Phase 1 of Local Law 97. However, Phase 2 emissions limits are designed to impact 75% of all operating buildings



consumption, implementing energy conservation measures where feasible, and ultimately making data-driven decisions to enhance building efficiency. By pursuing and maintaining our ENERGY STAR certifications, Savanna demonstrates our commitment to sustainability while also enhancing the value and appeal of our buildings to our stakeholders.

## Certifications Awarded to properties in 2022 Funds III, IV, and V:

Properties	Energy Star Score
24-28 W 25th Street	89
48 W 25th Street	86
360 Lexington Avenue	82
110 William Street	78

et nt	in New York City. In response to the carbon analysis conducted, Savanna partnered with engineering firm WSP in January 2020 to develop comprehensive energy models of Savanna properties. These models are being used to evaluate the financial and performance impact of carbon and energy reduction projects against the existing building profiles.
a	Further, the energy models should give Savanna a dynamic picture of the building operations and interactive effects of capital upgrades over the building's life cycle. These models will not only help in upgrading the existing building systems but should ensure Savanna repositions each asset for a market that we believe acutely focused on ESG.

 Phase 1
 Phase 2
 Phase 3

 2024 - 2029
 2030 - 2034
 2035 - TBD

21

## **Goals & Targets**

In order to truly measure the impact of our buildings, Savanna has established performance improvement targets to guide our progress and hold ourselves accountable to our stakeholders. Given that Savanna is a short-term holder for our assets, it is no easy feat to establish long-term targets as we may not have continued ownership of several assets. Nevertheless, this further encourages us to be more creative with the various efficiency projects and operational strategies in an attempt to ensure we are always doing the right thing. By setting the following goals, we aim to drive positive change and improve our environmental performance.





**ENERGY** 



**Reducing** Energy Consumption by 2030 (Baseline Year 2017)

**EMISSIONS** 

## 50%

**Reducing** GHG Emissions by 2030 (Baseline Year 2017)



**NET ZERO** 



Achieving Net Zero Carbon Under our Operational Control by 2050 Increasing Waste Diverted from Landfill

Green Building Certifications for the Portfolio

## Environmental Performance Metrics

Savanna utilizes the Energy Star Portfolio Manager platform to track the performance of each building and aim for improvements at the portfolio level. Additionally, Savanna utilizes a software called Cortex, which provides real-time analytics on the efficiency of the building's HVAC systems. This software has allowed Savanna to achieve both energy and cost savings at the building. The following section shows the energy, water, carbon, and waste performance of the entire portfolio. The consumption levels from 2022 are compared to the prior year. This allows Savanna to track performance improvements from the sustainability projects that have been implemented and identify areas to target for future sustainability efforts. All values represent consumption at the beginning of the Savanna hold period.

The data below represents the full energy, water, and emissions for all sites within Savanna's portfolio and are third-party verified by ISOS referencing AA1000AS. With respect to joint venture deals or co-investments, the numbers below reflect consumption for the entire building and have not been reduced based upon the respective fund's ownership percentage of the underlying asset. All Like-For-Like analyses are inclusive of all operational assets except Vandewater. Vandewater became operational during the 2022 reporting year.

#### **GHG Emissions Calculation Methodology:**

We are reporting location-based emissions and defining our boundary using the operational control methodology specified in the GHG Protocol, Revised Edition, Section 4 pages 24-33. As such, we report on only those assets over which we have (i) day-to-

#### Water Consumption

Like-for-like Water Consumption	Like-for-Like Wate	2022 Absolute Water Consumption (m <sup>3</sup> )	
<b>3.68%</b> Year-over-year reduction in water consumption	<b>257,423</b> 2021	<b>248,276</b>	254,352

## **Energy Consumption**

Like-for-like	Like-for-Like Energy Use		2022 Absolute Energy
Energy Consumption	Intensity (kWh/ft²)		Consumption (MWh)
<b>1.89%</b> Year-over-year increase in energy use	<b>15.67</b>	<b>15.97</b>	93,117

#### **GHG Emissions**

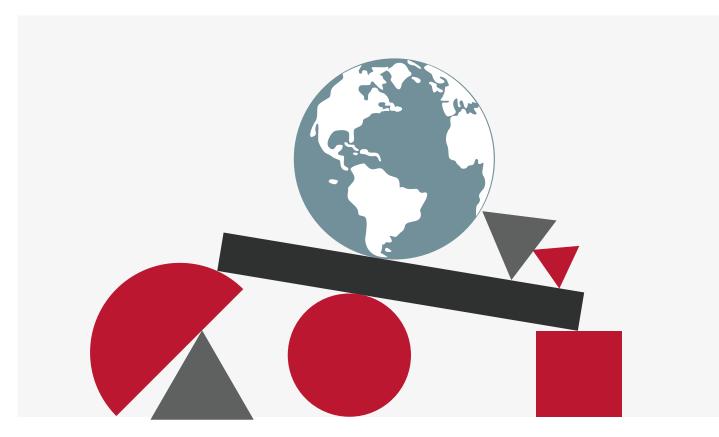
Like-for-like	Like-for-Like GHG Emissions		2022 Absolute GHG
GHG Emissions	Intensity (kgCO2e/ft²)		Emissions (MTCO <sub>2</sub> e)
<b>19.19%</b> Year-over-year increase in same store GHG emissions	<b>4.17</b> 2021	<b>4.97</b>	28,932

#### Waste

Total Waste Weight (MT)		% Diversion	from Landfill
<b>528.82</b>	<b>548.47</b>	<b>34.5%</b>	<b>29.8%</b>
2021	2022	2021	2022

day decision-making authority, and/or (ii) control over mechanical systems repair, maintenance, and installation. (b) Emissions factors used are the most recent supplied by government environmental agencies in the United States and Canada together with the International Energy Agency (IEA).

## **Impacts of Climate Change**



Savanna believes climate change is one of the greatest challenges facing businesses and society. The energy and material resources required to build and operate commercial real estate properties produces significant amounts of greenhouse gas (GHG) emissions. There is an ongoing global effort to decarbonize at scale, with the goal of reducing emissions to net-zero by 2050 to limit the worst impacts of climate change. The real estate industry, beholden to this target, will be required to change the way we develop and operate buildings. At the same time, the impacts of climate change are already being experienced, supporting a sense of urgency and timeliness. Savanna, in line with the real estate industry at large, recognizes its role in mitigating and adapting to the threat of the changing climate.

Savanna recognizes that this global challenge presents both risks and opportunities for our business. Savanna has committed to supporting ULI Greenprint's Net-Zero carbon goal by trying to reduce greenhouse gas emissions by 50% by 2030 with a 2009 baseline and achieve Net Zero carbon operations by 2050.

Additionally, Savanna publicly supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and applies TCFD in our climate strategy and reporting. This alignment signals our commitment to providing investors and other stakeholders with clear and transparent information on our management approach to climate-related risks and opportunities that are relevant to our business.

#### Governance

Climate change governance at Savanna takes advantage of our existing environmental, social and governance (ESG) management structures. These processes support oversight of climate risks and opportunities as well as enable integration throughout our business strategy and operations.

## 200

#### Savanna Senior Leadership

The head of Savanna's ESG Team, Chief Development Officer and Chief Sustainability Officer, helps to ensure that key information is effectively shared between the ESG Team and senior leadership.



#### ESG Team

Savanna's ESG Team is responsible for the development and ongoing oversight of sustainability and climate-related initiatives, including climate change management actions and sustainability benchmarks. The multi-disciplinary ESG Team consists of representatives from project management, property management, construction management, leasing, asset management, investor relations, and financial operations. This structure aims to promote regular internal communication and accountability.



#### **Property Management/ External ESG Consultants**

Members of the ESG Team work closely with property managers, ESG consultants and other stakeholders on climate management. See Risk Management section below for more details.

#### Strategy

Savanna has identified several climate-related risks and opportunities material to our business. The firm has assessed these risks which illuminate the potential impact to the firm's operations. Physical risks and opportunities are those resulting from a changing climate, and transition risks and opportunities arise from the need to transition to a low carbon economy. The timeline for these risks is defined as short-term, anticipated over the next one to five years, and long-term, anticipated in six plus years.

#### **Physical Risks**

	Climate-Related Risks	Potential Business Impact
SHORT-TERM	<ul> <li>Flash and urban flooding</li> <li>Extreme storms</li> <li>Extreme winds</li> <li>Extreme heat</li> </ul>	<ul> <li>Capital costs to proactively implement physical risk mitigation measures and repair damage from physical climate events</li> <li>Updated stakeholder safety management (e.g. updating emergency procedures and preparation to ensure tenant and building safety in case of physical climate events)</li> <li>Updated business continuity plans and strategy for corporate and asset operations in case of physical climate events</li> <li>Requirement to consider physical risk of all assets in due diligence phase and allocate appropriate capital in CAPEX for risk mitigation measures; negative investment screen for assets located in flood plains in the future</li> <li>Increased insurance premiums</li> </ul>
LONG-TERM	<ul> <li>Rising sea levels</li> <li>Rising average temperatures</li> </ul>	<ul> <li>Increased construction costs and development premiums for resilient assets</li> <li>Increased operating and maintenance costs due to higher cooling loads</li> <li>Consideration of specified indoor temperatures in lease agreements as average temperatures rise</li> <li>Inclusion of climate and GHG information in underwriting</li> <li>Widespread population migration leading to a shift in stakeholder demographics</li> <li>Disruption to supply chains</li> </ul>

## **Transitional Risks**

_	Climate-Related Risks	Potential Bus
SHORT-TERM	<ul> <li>Affordability of renewable energy and energy storage technology</li> <li>Increased tenant demand for sustainable buildings</li> <li>Evolving expectations (e.g., net zero strategies)</li> <li>Evolving regulations (e.g., Local Law 97)</li> <li>New net-zero building codes</li> </ul>	<ul> <li>Implemental switching (e. development York Local La</li> <li>Modification commitment designing net</li> <li>Inclusion of r development</li> <li>Additional m included in c</li> </ul>
LONG-TERM	<ul> <li>Increasing costs due to transition to low carbon economy (e.g. carbon pricing)</li> </ul>	<ul> <li>Enhanced Est breath of inv</li> <li>Budget for in industries als carbon pricin</li> </ul>

#### siness Impact

tation of renewable energy, energy efficiency and fuel (e.g., fuel to electric heating) in operational assets and ents to meet net zero commitments and changes to New Law 97 stipulating limits on GHG emissions

on of energy sources for existing assets to meet net zero ents (e.g., transition from fuel to electric heating) and new buildings to be both fuel and electric-enabled

f renewable energy and energy efficiency upgrades in ents and existing assets to meet net zero commitments

mandatory sustainability and health & wellbeing features developments and asset retrofits to meet market demand

ESG reporting requirements and advanced depth and nvestor requests

increased capital and operating costs because of other along supply chain transitioning to net zero and potential cing

#### **Opportunities**

The challenge of adapting to a low-carbon economy and mitigating the risks of a changing climate can also present immense opportunities. Below we outline opportunities we have identified that could allow us to capture advantages in the market by leveraging the strengths of our value-add model to meet the quickly evolving preferences and needs of investors and tenants.

To further identify physical climate risks to integrate into our business strategy, Savanna is evaluating use of third-party climate risk data and scenario analysis

in operational risk management and investment due diligence processes to better assess the climate related risks and opportunities of our portfolio.

To integrate the low-carbon transition into our strategy, Savanna will aim to reduce our GHG emissions under our operational control, doing our part to contribute to our goal of reaching net zero emissions by 2050. We will continue to work with our ESG consultants and property management partners to develop action plans in pursuit of this goal.

#### **Risk Identification**

#### Organizational risk identification processes

Savanna's ESG Team held a workshop facilitated by external ESG consultants to discuss climate change trends and identify climate-related risks and opportunities and business implications. The workshop validated which physical and transition risks are the most material for Savanna, identifying parts of our value-chain that are most affected, as well as discussing potential climate-related opportunities in the short, medium, and long term. The crossfunctional nature of our ESG Team allowed us to identify risks and implications across our business.

Codes and regulations relating to physical climate changes and the transition to a lowcarbon economy are quickly evolving. To address this, Savanna retains a consultant to monitor public policy to ensure we are always up to date on the changes that are relevant to our business.

#### Asset-level risk identification processes

Savanna's Asset Management teams assess physical and transition climate risk in due diligence phase when evaluating all potential investments. This process involves:

- Evaluating an asset's exposure and vulnerability to physical climate risks through flood maps, site visits and interviews
- Conducting site visits and interviews to track historical risks
- Conducting Phase 1 and 2 environmental risk assessments
- Analyzing historical utility usage and auditing existing systems

#### **Risk Management practices**

We attempt to manage climate change risks at each stage of the building cycle.

Stage	Approach
Investments	All material findings from the memos. Highest-priority clim through building upgrades to emissions. These upgrades ar CAPEX plans. Examples can i floor if the asset is in a flood p maintain compliance with Ne
Operations	Savanna's property managen ENERGY Star Portfolio Managen energy usage across our port team, who works with proper GHG emissions based on the Savanna also works closely we to increase resilience and mit upgrading building systems, training and drills. Additionally with NYSERDA, to evaluate the Savanna completed ASHRAE acquisitions and worked with audits to develop comprehen potential carbon emission reco portfolio. These analyses are p prepared to meet the GHG reconstructions any city in the world.
Developments	Climate risk management is a compliance with the New Yor energy efficiency, indoor air q others. We then aim to build the building code, which requ We target LEED certification of projects where possible. We we to assist with climate risk man the appropriate data, materia

Any identified climate-related risks or opportunities are evaluated using studies produced by third-party engineers and consultants.

e due-diligence phase are included in our investment nate-related risks and opportunities are then managed o increase resilience and reduce energy usage and are factored into deal underwriting and when creating include re-locating electrical equipment to the second plain or planning for energy efficiency upgrades to ew York Local Laws.

ment teams and consultants use software including ger, Measurabl, and Cortex, to regularly track and monitor tfolio. This data is shared with our asset management rty managers to reduce energy usage and associated data

*v*ith property managers to execute on opportunities igate any climate-related risks. These can include installing back-up generators, and planning emergency ly, we work with onsite energy managers, in partnership ne operational efficiency of the portfolio.

E Level II energy audits at certain of our newer n our external ESG consultants to use the results of these nsive energy models. These models helped us analyze duction strategies that may be appropriate for our part of an ongoing effort to ensure that our assets are eduction requirements set forth by New York Local Law s pieces of climate legislation for buildings enacted by

baked into our development processes in part through ork City building code. These requirements cover lighting, quality, transit access and active-transit options, among beyond the requirements of municipal regulations and uires standards that align with LEED certifications.

for all ground up construction and major redevelopment work with LEED Accredited consultants at SPN and JLL inagement in our developments and ensure that we have als, and sub-contractors to meet our LEED targets.

## **Carbon Accounting**

In order to achieve our goal of reducing 50% of carbon emissions by 2030 and achieving net zero carbon by 2050, Savanna believes it is imperative that we assess and disclose our carbon emissions. Tracking and measuring our progress toward our climate related commitments ensures accountability and grants Savanna the ability to further enhance our strategy for reducing carbon emissions.

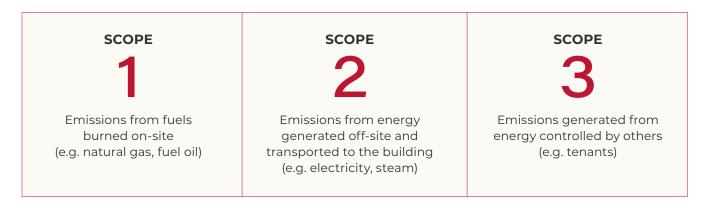
4.87 kg CO2E PER SQFT (2022 ABSOLUTE)

19.19%

**INCREASE IN** CARBON EMISSIONS PER SQFT (2021/2022 LIKE-FOR-LIKE)

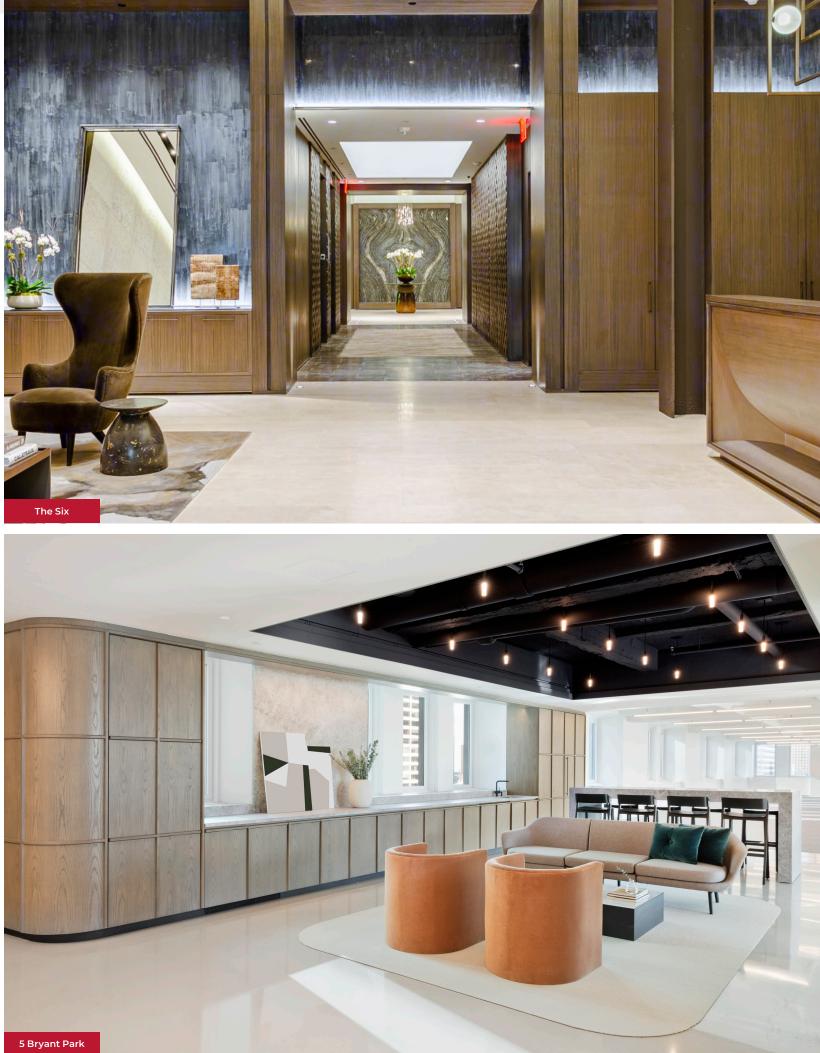
Scope	2022 Absolute			Like-	for-Like Emissi	ons
	Total 2022 CO2e (MT)	Data Coverage (SF)	Max Coverage (SF)	2021 CO2e (MT)	2022 CO2e (MT)	Like-for-Like Change (%)
Scope 1	3,429	4,000,512	4,000,512	3,154	3,429	8.73%
Scope 2	24,628	5,639,746	5,639,746	20,385	24,628	20.81%
Scope 3	875	309,984	309,984	0	0	0.00%
Total	28,932	-	-	23,539	28,057	19.19%

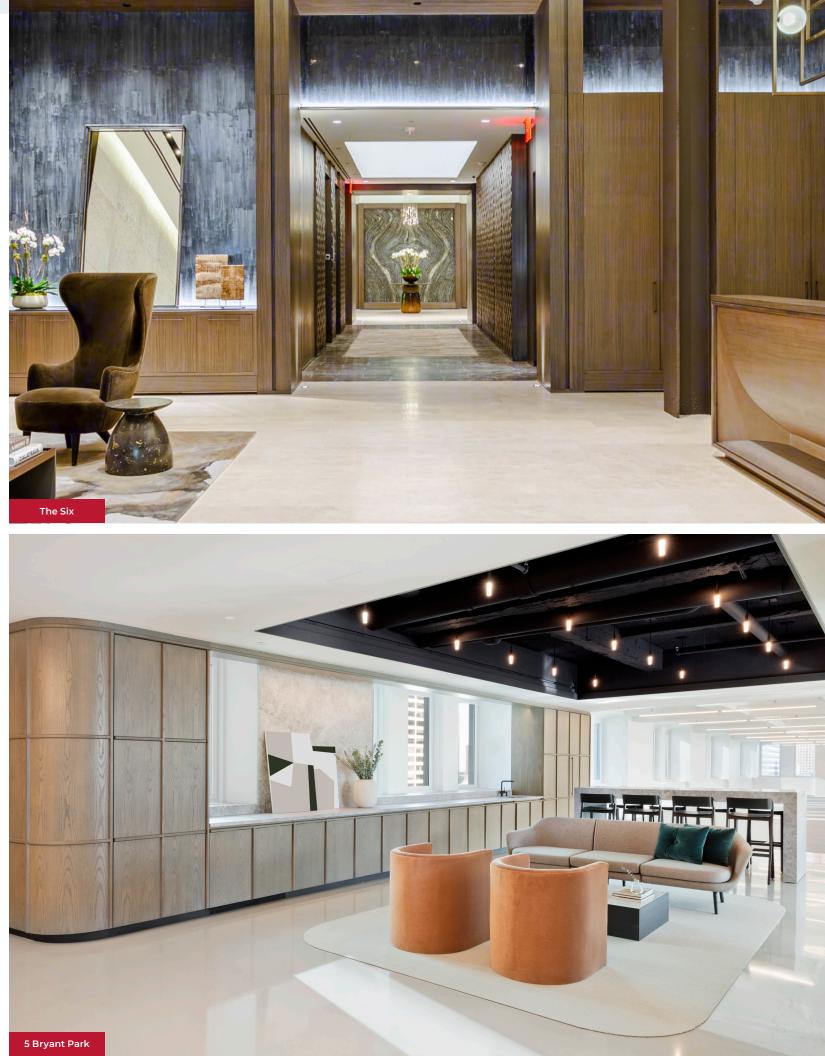
## Savanna's Emissions Data



Savanna has limited access to tenant submeters, and therefore little visibility to tenant energy usage. As a result, Savanna is prioritizing the inclusion of submeters in all new leases where feasible. For 2022 carbon emission data, Scope 3 emissions cannot be identified. As a result, Scope 1 and Scope 2 emissions reported here reflect whole building master metered tenant usage and base building-controlled usage.

GHG Emissions Calculation Methodology: We are reporting location-based emissions and defining our boundary using the operational control methodology specified in the GHG Protocol, Revised Edition, Section 4 pages 24-33. As such, we report on only those assets over which we have (i) day-to-day decision-making authority, and/or (ii) control over mechanical systems repair, maintenance and installation. (b) Emissions factors used are the most recent supplied by government environmental agencies in the United States and Canada together with the International Energy Agency (IEA).





## 521 Fifth Avenue

521 Fifth Avenue is a 39-story, 460,000 square-foot commercial and office building in the central region of Manhattan's Midtown. 521 Fifth Avenue has been awarded LEED Gold. Leveraging the NYSERDA Onsite Energy Management program through Smith Engineering, the opportunity was identified to perform a modernization of the Building Management System, implement ASHRAE 36 compliant sequences and install a VFD.

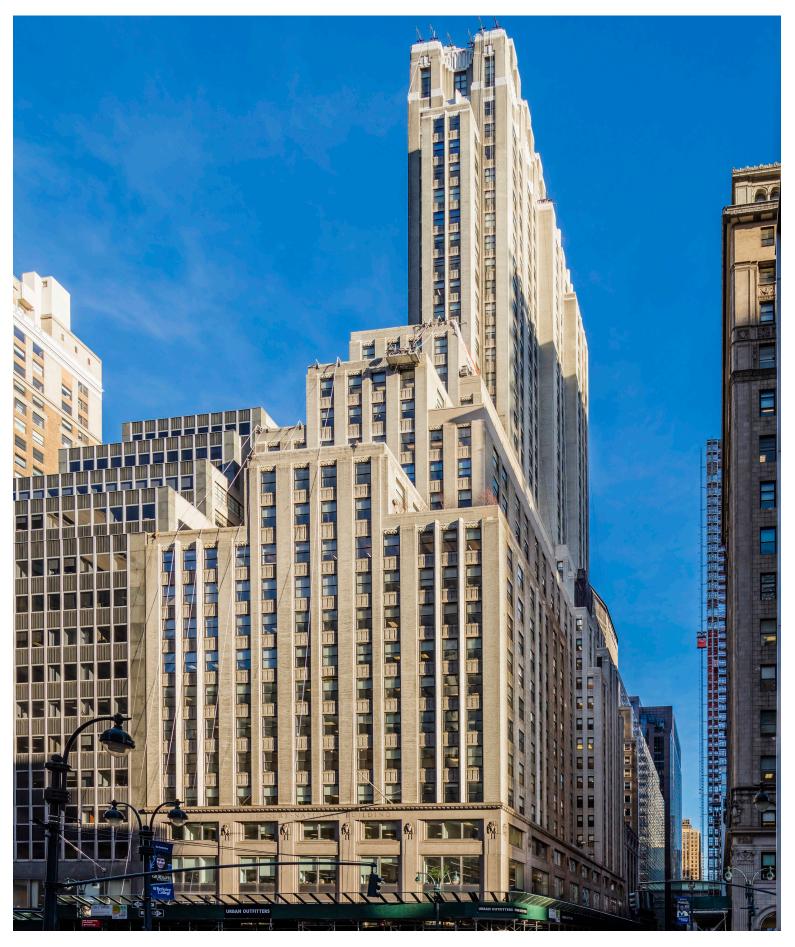
This upgrade helped centralize the control and monitoring of building systems, improve energy efficiency, and enhance occupant comfort, yielding 653,619 kWh in electricity savings based on Con Edison and NYSERDA models.

In addition to reducing overall energy consumption and conserving resources, Savanna was able to attain the initial energy management and planning services under the NYSERDA incentive program and approximately \$300,000 in rebates on the total project cost via Con Edison allowing for a payback period just over 4 years.

#### Highlights

ConEd Rebate Amount	\$294,543
Electricity Savings (kWh)	653,619
Electricity demand reduction (KW)	214
Steam Savings (Mlbs)	207
CO2 Reduction (MT CO2e)	198





# Social Responsibility

At Savanna, we believe that meaningful engagement with our employees, tenants, investors, and communities of operation is key to our long-term success. We leverage the opportunity to embed ESG principles into of our operations in an effort to be uniquely positioned as a leader in the real-estate industry.

One C

37

## **Employee Engagement**

Savanna places a high value on human capital, acknowledging that the firm's people and our stakeholders are the key to our success. Savanna uses our Employee Handbook to govern all employee matters and aims to ensure the protection of employee rights, promote development, and foster a supportive culture by the firm at large. Savanna's Health and Wellness Program has been developed to further support employee needs, addressing physical, social and mental health by encouraging social interaction and ensuring that water quality, lighting quality, and acoustic performance are key components of the design.

#### **Employee Training**



Our property managers, leasing managers, and engineering team are offered professional training opportunities on multiple focus areas throughout the year. This includes sustainability-specific topics as they relate to green building certification, enabling

our employees to effectively communicate our environmental initiatives with our tenants, and include portfolio-level amenities, carbon footprint reduction, water efficiency, and waste management. Beyond that, dozens of training courses are conducted each year related to construction, health & safety, software and cybersecurity, time management and business skill building. Beyond standard trade meetings, Savanna organizes ad-hoc trainings for lessons learned to address novel issues and ensure a learning opportunity for an ongoing best standard of practice for all employees .

Savanna aims to ensure this content is in line with what is important to our employees by issuing

surveys to understand what is of priority to the team. The results of which are reviewed with the company at periodic operations meetings.

## Professional Development & Performance Evaluations

Savanna utilizes yearly performance evaluations to assess and encourage the professional growth of all of our employees by rewarding achievements and strategizing identified areas of improvement. Although formal evaluations take place once a year, Savanna equips employees with access to resources that help them in their professional development and goals. There are a wide range of free trainings and events available to all employees, as well as sponsoring project managers to further their education at institutions offering mechanical and electrical system coursework. Additionally, Savanna offers Lunch & Learn sessions to inform employees and interns about a variety of real estate topics ranging from leasing, development, investment, etc. Lastly, Savanna has a formalized approach for receiving feedback from our employees as a means to assess company performance. By conducting interviews with employees, documenting both positive and negative feedback and utilizing a standardized method for review, Savanna hopes to continually improve the employee experience.

#### **Diversity & Inclusion**

Savanna recognizes diversity as an important goal and plans to continue to invest in enriching, educating, and facilitating the cultural life of our workplace in a way that reflects the communities in which we operate. We commit to providing a collaborative, innovative and nurturing work environment where our employees feel supported and thrive.

Savanna does this by ensuring that the company culture reflects equality and is free from unlawful discrimination based on race, color, national origin, sex, sexual orientation, gender identity, physical or mental ability, religion, medical condition, ancestry, marital status, pregnancy, genetic information, veteran status, or age.

These activities are publicly disclosed and internally communicated through Savanna's D&I Newsletter, and updates from our Diversity & Inclusion Council. This group boasts representation from across our organization, including the Operations, Investor

#### **Employee Benefits**

Committed to providing a nurturing and collaborative work environment for employee health and well-being, Savanna offers comprehensive benefits packages to all full-time employees starting their first month of hire. Relations, Project Management, and SavCon Teams. Updates on work and hiring policies, surveys and other community-partnered engagements are shared quarterly to facilitate transparency in our workplace culture.

#### **Employee Health & Well Being**

Ensuring the health and well-being of our employees is also important to Savanna. Our corporate offices encourage healthy lifestyles by assessing the satisfaction of employees with their work environment by performing annual employee satisfaction surveys. In response to the pandemic, Savanna took initiative to launch a Health & Wellness Newsletter in an effort to share tips and resources to help stay mentally and physically sound.

Additionally, Savanna has pursued the WELL Health Safety Rating for the entire portfolio demonstrating best practices in tenant health and well-being and maintained this certification over the years to ensure these practices and protocols are embedded in the fabric of Savanna properties.

Hedical
Life Insurance
Retirement plans
Paid time off for holidays, vacation, sick and/or personal leave beyond the standard
Paid Primary and Secondary Caregiver Leave
Short and Long-Term Disability
Flexible working hours and home-office
Free Lunch Account at select restaurants

## **Tenant Engagement**

#### **Tenant Service Focus**

Savanna recognizes that successful asset management relies on how our tenants value our services. Our goal of providing superior tenant service and priority of maintaining strong relationships is met through periodic and consistent communication and engagement strategies. We insist that all property management teams across the portfolio are trained to provide personalized and dedicated attention to our tenants.

Savanna prioritizes ongoing tenant collaboration and communication, celebrated annually at tenant appreciation events. In supporting clean and healthy spaces, Savanna hosted an annual 'spring cleaning' effort, offering deep cleaning for buildings at a discounted cost and with a focus on responsible waste management. Savanna ensures spaces are running efficiently by providing guidance for emissions reduction strategies, specifically during unoccupied times, and ongoing best practices.

With tenants in mind, Savanna is proud to highlight some amenities:



**"The Six" at 106 West 56th Street** features floors with 10-foot ceiling heights and green terraces, plenty of natural light and views of central park. The building has "private air" provided by standalone HVAC units and is Wired Certified Gold, providing tenants with access to multiple highquality internet service providers to ensure safe, consistent, and protected connectivity. The Six also provides a tenant lounge and a conference center for all building occupants.



**521 Fifth Avenue** recently redesigned the lobby which includes upgraded turnstiles and Bluetooth capable card readers for touchless access. The lobby café serves coffee, breakfast, and lunch transforming into a wine bar in the late afternoon. The building also uses a bipolar lonization technology used as part of the HVAC equipment serving the lobby to enhance indoor air quality for all occupants.



141 Willoughby Street boasts an amenities center currently under construction that is designed with a lounge, an expansive fitness facility, and ample outdoor space on a terrace including programming for BBQs and events.

#### **Sustainability Guidelines**

Savanna provides recommended best practices to our tenants to improve operational efficiency. Savanna incorporates green language into our leases and also distributes Sustainability Guidelines to tenants upon lease signing to recommend ways in which they can conserve resources within their space. Beyond these efforts, Savanna has also created Tenant Design & Construction Guidelines highlighting best practices in tenant well-being defining parameters for low-emitting materials and indoor air quality. In instances where Savanna builds out space for tenants, the industry leading frameworks are employed, often aligning with LEED and WELL building standards.



#### **Tenant Satisfaction Assessment**

We value feedback from our extensive network of tenants and aim to ensure we are always addressing their needs and requests. To fully measure tenant feedback, Savanna conducts biennial tenant satisfaction surveys. In 2022, a series of surveys were sent to 13 properties garnering 245 aggregated tenant responses. 92% of responders communicated the highest level of satisfaction with the way the building operates. Some highlights from the respondents were excellent communication regarding tenant safety, cleanliness and building performance requirements. 54% communicated interest in lowering their carbon footprint in support of Savanna's carbon goals, and 61% expressed interest in learning more about how they can play an active participatory role in Savanna's ESG goals and sustainability practices. Areas of improvement are continuing to keep tenants informed on changing local laws and regulations, which Savanna is actively tracking. Our formalized process to internalize feedback is initiated by developing an action plan for identified areas of improvement, contacting tenants to better understand how Savanna can address their concerns, and maintaining regular follow-ups for progress tracking.

## **Community Engagement**

#### **Community Engagement**

Savanna is dedicated to giving back to our community through numerous partnerships across our core areas of focus. By actively engaging with the communities in which we operate, we foster meaningful relationships, build trust, and create shared value. Community engagement helps to allow us to understand the unique needs, concerns, and aspirations of local residents and stakeholders. We offer financial support, donations, and volunteer hours, and work closely with local Business Improvement Districts (BIDs) across New York to strategically invest in community improvement programs. These relationships allow us to maximize our investment dollars and minimize disruption to the communities in which we operate.



The Savanna **Women's Initiative** (SWI) is an internal group fostering support, representation, and programming to advance women in real estate. Beyond organization-wide networking and community-building events, SWI is proud to support WomenRising. This local Jersey City-based organization provides women & families experiencing domestic violence with emergency shelter, a 24-hour hotline, counseling services, and court advocacy. The organization empowers women and their families to achieve self-sufficiency and live safe, productive, and fulfilling lives through social services, economic development, and advocacy services. Through the internal SWI Holiday Gift Drive, children and their families received toys and gift cards, as well as messages of support and affirmation, fulfilled from their wish list.

#### PROJECT DESTINED

Savanna is also proud to have partnered with **Project Destined**, an organization making strides to provide access, empowerment and opportunities to students in diverse communities by giving them exposure to the commercial real estate industry.



Since 2021, Savanna has been engaged with The **ACE Mentor Program**, a local and free after-school mentorship program that introduces high school students to careers in architecture, engineering, and construction management. Our team meets weekly to support students on projects, which this past year was to design a wellness center near their local high school in Brooklyn. Mentors from across the industry participate and students have the opportunity to showcase their work and combined efforts to a larger audience.



#### SAVANNA 2022 ESG REPORT

## **Community Development**

#### **Community Development**

In an effort to act as a responsible member of the community, Savanna engages with community members by supporting local organizations in the neighborhoods in which it invests and by establishing a line of communication with the community in connection with ground-up development projects that have on an impact on their surrounding neighborhoods. Savanna is currently a member of the following Business Improvement Districts (BIDs):



Downtown Alliance - provides service, advocacy, research, and information to advance Lower Manhattan as a global model of a 21st century Central Business District for businesses, residents, and visitors.



LIC Partnership – advocates for economic development that benefits the neighborhood development of Long Island City's industrial, commercial, tech, cultural, tourism, and residential sectors.



Uptown Grand Central - delivers programs to transform East 125th Street into a thriving corridor through collaborations with businesses, residents, and neighborhood organizations across East Harlem.



34th Street Partnership (Bryant Park) – provides sanitation and security over the 31-block area business district, as well as maintaining 2,000 pieces of street furniture, trees, and planters.



Grand Central Partnership - in our fourth decade of delivering supplemental public safety, sanitation, capital maintenance, horticultural, business support, and visitor services to a 70+-block district in Midtown East for a clean, safe, and welcoming district.





Garment District Alliance - improve the quality of life and economic vitality in this authentic New York neighborhood.



Downtown Brooklyn Partnership - serves as the primary champion for Downtown Brooklyn as a world-class business, cultural, educational, residential, and retail destination



Lower Manhattan Cultural Council - serves, connects, and creates a nurturing environment for artists and art groups in Lower Manhattan



Make-A-Wish ® Metro New York and Western New York – aims to financially support and grant wishes to children battling critical illness.

Flatiron/23rd Street Partnership – enhance the area's reputation as one of New

## Rebuilding Together NYC/SEBNC Community Garden



As part of our values, Savanna continuously supports diverse social programs that increase engagement with our larger stakeholder community. In Fall 2022, Savanna joined 100 other volunteers and 48 sponsor companies to build a community garden to grow food for the Southeast Bronx community. Community gardens are a proven way to help communities gain access to sustainable healthy food options. This initiative was created by Rebuilding Together NYC and Southeast Bronx Neighborhood Centers Inc.

Our massive volunteer group transformed the Bronx lot into a community garden by building raised beds, digging trenches to lay fencing, and assembling outdoor furniture for the Southeast Bronx Neighborhood Center's outdoor classroom. All in one day! Additionally, this initiative also supports **Rebuilding Together NYC's Career in Construction** program that re-skills individuals for a family sustaining career in construction. Savanna's engagement with the Bronx neighborhood and SEBNC staff was a huge success! Rebuilding Together NYC was thrilled that our collaboration helped raise \$184,100!

SEBNC is an organization whose mission is to plan, develop, and provide services that enhance the quality of life and facilitate empowerment of the constituents of the Southeast Bronx, which has been known to be a food desert with one in four Bronx residents facing food insecurity.

Rebuilding Together NYC is a nonprofit organization that aims to transform the lives of New Yorkers by improving the safety and health of homes, reskilling underemployed individuals in the construction trades, and leveraging a robust volunteer and partnership network to revitalize community spaces for local residents.





# Corporate Governance



Savanna is fully committed to embedding environmental, social and governance risk management into our business and philosophy. We embrace ESG considerations as both an obligation to our stakeholders and an opportunity to improve value and operate in a manner that is transparent, fair, and managed according to the highest ethical standards. In an environment that is consistently changing, our stakeholders can trust that we aim to prioritize and maintain exemplary disclosure of ESG key performance indicators and targets.

Savanna's Senior Management Committee and ESG team oversees effective implementation of a variety of initiatives to demonstrate exceptional ESG leadership and transparency. Employees are offered training, on the firm's compliance policies with a strong focus on ethics, fiduciary duty, and integrity.

Savanna's Construction team, SavCon, organizes new training opportunities. These Lunch & Learns spotlight internal experts and external guests and encourage professional development with topics like Leasing 101, Development 101, and case studies to share how value is created, the purpose, the process, and relevant stakeholders, and financing. They also keep a pulse on what's new in the industry with periodic coverage on the current state of the local market to address market fundamentals and notable trends.

#### **Business Ethics**

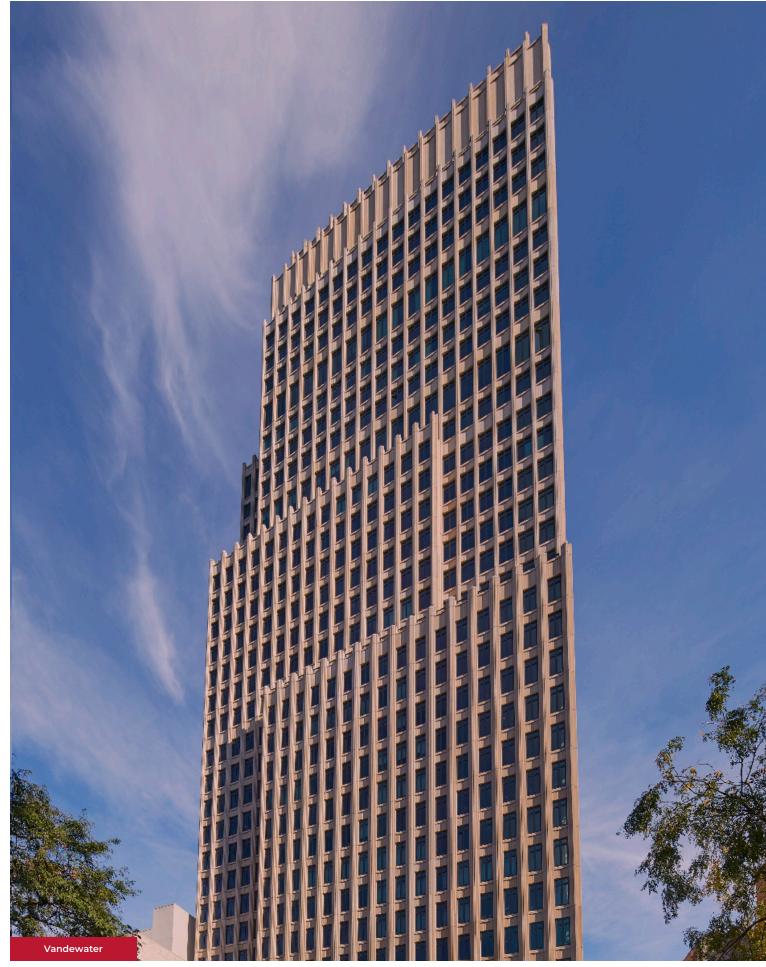
Savanna has in place a governance structure that allows for both transparency and effective oversight of the firm and our employees. The firm is led by a 10-person Senior Management Committee, which includes a Chief Legal Officer who oversees the firm's risk management function and ensures there is a strong focus on compliance and business ethics. Savanna has a Compliance Manual, Code of Ethics, and Employee Handbook which are the guiding documents pertaining to governance and employee conduct. In addition, ESG is governed by a team comprised of nine Savanna employees across disciplines, led by the firm's Chief Development Officer. Employees must regularly undergo training for Compliance & Code of Ethics.

#### **Reporting and Transparency**

Savanna is committed to providing regular and transparent reporting on our ESG performance. In an effort to prioritize transparency, Savanna issues an annual ESG Report and responds to the Global Real Estate Sustainability Benchmarking Survey for all of our fund assets, disclosing sustainability policies, performance, audits, projects, building certifications, and other information about the firm's ESG practices. Regarding our performance data, we will always seek external assurance and verification of our ESG reporting to ensure its credibility and adherence to recognized standards.

#### **Regulatory Compliance**

Savanna diligently monitors and ensure compliance with local and federal laws and regulations that apply to our industry and operations. We maintain a comprehensive understanding of legal requirements and implement robust internal controls to meet or exceed these standards. Additionally, Savanna conducts regular internal audits and assessments to monitor our compliance with regulatory requirements. We regularly review and update our policies, procedures, and training programs to reflect changes in regulatory requirements and industry standards.



## **About this Report**

This is Savanna's fourth sustainability report.

This report covers the sustainability performance and programs for the year ending December 31, 2022. Unless clearly stated otherwise, performance data includes office, residential and retail properties in New York City. All like-for-like calculations consider Savanna properties owned during all 24 months of 2021 and 2022. All financial data is reported in U.S. dollars.

This report references disclosures recommended in the Real Estate Services Sustainability Accounting Standard (Industry Standard) that was developed by the Sustainability Accounting Standards Board (SASB). The report also references disclosures from the Global Reporting Initiative (GRI) Standards guidelines, and Taskforce for Climate-Related Financial Disclosures (TCFD).

2022 GRESB ratings were given on 10/6/2022 based on the period beginning 1/1/2021 and ending 12/31/2021. GRESB ratings received in prior years were based on similar time periods in that given year.

2022 LEED, WiredScore rating, WELL, WELL Health-Safety Rating ENERGY STAR certifications and qualifications are asset specific and are awarded on their respective timelines. For additional information on timing of these ratings, please reach out to Savanna.

Savanna pays fees associated with participating in and receiving the above assessments. These fees do not influence any rating, certification or qualification received, which are based on objective criteria applied to each fund and/or portfolio assets, as applicable.

## **Data Verification**



ISOS conducted a third-party, moderate level type 2 assurance of environmental data to be reported in its 2023 GRESB Real Estate Assessment ["Assessment"], covering the period beginning January 1, 2022 and ending December 31, 2022.

ISOS performed moderate assurance engagement in accordance with the AccountAbility 1000 Assurance Standard v3 ("AA1000AS"). The review was limited to the data reported in Savanna's 2023 GRESB Real Estate Assessment comprising of: energy consumption, GHG emissions, water use and waste management.

For more information about Savanna, please contact us:

#### Savanna Investment Management

(212) 229-0101 info@savannafund.com www.Savannafund.com

## **GRI Standard Context Index**

The Global Reporting Initiative (GRI) provides an integrated, cohesive set of standards that represent the global best practice for reporting on economic, social, and environmental factors. The latest 2021 Universal Standards showcase the leading best practice for reporting on ESG. These global standards allow Savanna to become increasingly transparent and showcase our contribution towards a sustainable future.

#### **Universal Standard**

Statement of Use	Savanna Investment Management LLC has reported in accordance with the GRI Standards for the period, January 1st, 2022 – December 31st, 2022
GRI Used	GRI 1: Foundation 2021
Applicable GRI Standards	GRI 2: General Disclosures 2021, GRI 205: Anti-Corruption 2016, GRI 302: Energy 2016, GRI 303: Water and Effluents 2018, GRI 305: Emissions 2016, GRI 401: Employment 2016, GRI 404: Training and Education 2016, GRI 413: Local Communities 2016

#### **GRI 2: General Disclosures 2021**

Disclosure Number	Disclosure Title	2022 Disclosure
2-1	Organizational Details	About Savanna, pg. 6
2-3	Reporting period, frequency and contact point	About This Report, pg. 51
2-5	External assurance	About This Report, pg. 51
2-14	Role of the highest governance body in sustainability reporting	Letter from Senior Leadership, pg. 4
2-22	Statement on sustainable development strategy	Our Integrated Team Strategy, pg. 9 Environmental Sustainability, pg. 12
2-28	Membership associations	Community Engagement, pg. 42
2-29	Approach to stakeholder engagement	Commitment to our Stakeholders, pg. 10 Social Responsibility, pg. 36

#### **GRI 200: General Disclosures 2021**

Disclosure Number	Disclosure Title	2022 Disclosure
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance, pg. 48

#### **GRI 300: Environmental Standards**

Disclosure Number	Disclosure Title	2022 Disclosure
302-1	Energy Consumption within the organization	Environmental Sustainability, pg. 12
302-2	Energy consumption outside of the organization	Environmental Sustainability, pg. 12
302-3	Energy intensity	Environmental Sustainability, pg. 12
302-4	Reduction of energy consumption	Environmental Sustainability, pg. 12
303-5	Water Consumption	Environmental Sustainability, pg. 12
305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability, pg. 12
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Sustainability, pg. 12
305-4	GHG emissions intensity	Environmental Sustainability, pg. 12
305-5	Reduction of GHG emissions	Environmental Sustainability, pg. 12
306-3	Waste generated	Environmental Sustainability, pg. 12
306-4	Waste diverted from disposal	Environmental Sustainability, pg. 12

#### **GRI 400: Social Standards**

Disclosure Number	Disclosure Title	2022 Disclosure
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Responsibility, pg. 36
404-2	Programs for upgrading employee skills and transition assistance programs	Social Responsibility, pg. 36
404-3	Percentage of employees receiving regular performance and career development reviews	Social Responsibility, pg. 36
413-1	Operations with local community engagement, impact assessments, and development programs	Social Responsibility, pg. 36

## SASB

The Sustainability Accounting Standards Board (SASB) provides robust, industry-specific sustainability accounting standards that grants Savanna the opportunity to disclose our financial, environmental, social, and governance-related information to our peers, stakeholders, and the larger investment community.

This is the first year that Savanna is disclosing data using the SASB standards. Savanna has identified the Real Estate standard as the most applicable industry to report under. The following table contains our disclosure on the topics included within the Real Estate standard.

Code	Accounting Metric	2022 Disclosure
IF-RE-000.A	Number of assets, by property subsector	Savanna's portfolio consists of 14 office properties, 1 self-storage, 1 retail property, and 2 residential properties. 13 Office, 1 residential and 1 retail are operational.

#### **Energy Management**

Code	Accounting Metric
IF-RE-130a. 1	Energy consumption data coverage as a percentage of total floor area, by property subsector
IF-RE-130a. 2	<ol> <li>Total energy consumed by portfolio area with data coverage,</li> <li>percentage grid electricity, and</li> <li>percentage renewable, by property subsector</li> </ol>
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy

#### Water Management

Code	Accounting Metric	2022 Disclosure
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	(1) Total water consumption data coverage from Savanna operational portfolio, as a percentage of total/gross floor area, was equal to 100.0% in 2022 (100% for office,100% for retail, and 100% for residential).
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Savanna's overall water management risk level is low since most of our portfolio is not located within regions with high baseline water stress. Despite this, we conduct water audits every three years across our portfolio to identify opportunities to improve water efficiency of our assets. We strive to implement solutions (e.g., low-flow fixtures) and embed water management clauses into our standard leases. We also pursue LEED certification for our assets. It is the most widely used green building rating system in the world and contributes to water conservation. In New York City, Local Laws 84 and 94 standardize the energy and water consumption benchmarking process. We are mandated to collect and report energy and water data on an annual basis. This process helps us evaluate the performance of our assets and in turn, contributes to efficiency planning.

#### 2022 Disclosure

Total energy consumption data coverage from Savanna operational portfolio, as a percentage of total/gross floor area, was equal to 100% in 2022 for office, 100% for retail, and 100% for residential property types.

(1) Savanna total 2022 energy consumed by portfolio area with data coverage was equal to 335,195 gigajoules (GJ) (322,626 GJ for office, 1,488 GJ for retail, 11,080 GJ for residential). (2) The percentage of total energy corresponding to grid electricity for all property types was 60.5%. (3) The percentage of total energy corresponding to renewable energy for all property types was 0.0%.

Total like-for-like change in energy consumption for Savanna operational portfolio was +1.89% in 2021–2022. Like-for-like energy consumption for office properties was +1.9% and like-for-like energy consumption for retail properties was -0.8%, both in 2021–2022. Residential assets were not included due to not being operational for 24 months.

#### Investment analysis

Savanna's Investment and Asset Management teams assess energy management risks and opportunities during the due diligence phase when evaluating all potential investments. We conduct site visits and interviews to evaluate the age and efficiency of building systems and equipment and analyze the building's historical utility usage. Any energy management risks or opportunities at this stage are evaluated and prioritized using studies produced by third-party engineers and consultants. All material findings from the due-diligence phase are included in our investment memos. Highest-priority energy management risks and opportunities are then managed through building upgrades. These upgrades are factored into deal underwriting and when creating CAPEX plans.

#### **Operational strategy**

Our Asset Management team uses CORTEX software to monitor day-to-day energy usage across our portfolio. We share this data with property managers and use it to inform building system adjustments to reduce energy.

Since 2020, Savanna completed ASHRAE Level II energy audits at our properties and are working with external consultants to use the results to develop comprehensive energy models. These models will help us analyze GHG emission and energy reduction strategies, ensuring that our assets are prepared to meet requirements set forth by New York Local Law 97, one of the most ambitious pieces of climate legislation for buildings enacted by any city in the world.

## SASB (Continued)

#### Management of Tenant Sustainability Impacts

Code	Accounting Metric	2022 Disclosure
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Savanna incorporates green language into our leases and distributes Sustainability Guidelines to tenants upon lease signing to recommend and encourage ways in which tenants can conserve resources within their space. Savanna has also created Tenant Design & Construction Guidelines which include criteria on low-emitting materials and indoor air quality, to ensure tenant health is prioritized in all designs. In instances where Savanna builds out space for tenants, we use the latest best practices, which often align with LEED and WELL credit requirements. In the past features have included low-flow fixtures, high efficiency equipment/lighting, and CO2 sensors.
IF-RE-450a.1	Area of properties located in 100-year food zones, by property subsector	Area of properties located in 100-year flood zones from Savanna operational portfolio, by property subsector, was equal to 0 square feet in 2022 (0 square feet for office properties and 0 square feet for retail properties).

#### Management of Tenant Sustainability Impacts

Code	Accounting Metric	2022 Disc
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio	<b>Climate d</b> Savanna a asset level
	exposure, and strategies for mitigating risks	Organizat Our multi- climate-re compone Additional transition
		Asset-leve Savanna a Asses Condu Condu Evalua and au
		Degree of We detern physical cl these risks 100-year fl
		In prepara requireme per asset I usage dat operations
		Strategies Our strate and incluc
		Condu
		<ul> <li>Alloca efficie</li> </ul>
		<ul> <li>Comn and co</li> </ul>
		Evolut

56

#### closure

#### change risk exposure analysis

assesses climate change risk at both the organizational and

#### ational assessment

i-disciplinary ESG Team conducted a workshop to identify elated risks and opportunities and their implications on each ent of our business over the short, medium, and long term. ally, we regularly receive updates on emerging regulatory and risks from our external ESG consultants.

#### el assessment

assesses asset-level climate risk during due diligence: ss vulnerability to physical climate risks such as inland flooding luct site visits and interviews to track historical risks luct Phase 1 and 2 environmental assessments ate energy efficiency through analysis of historical utility usage audit of energy systems

#### of systematic portfolio exposure

mined that flash and urban flooding represent the most material climate risks for our portfolio. To date, our systemic exposure to ks is limited as to date we have not identified any assets within a flood plain.

ation for New York's Local Law 97 greenhouse gas reduction ents, Savanna performed a portfolio-wide assessment on a basis to calculate the emissions implications against historic ta. Through this process we confirmed that under current facility ns, no asset will be affected until Phase 2, beginning after 2030.

#### s for mitigating risks

egies for mitigating climate risks extend across our business units de:

- de climate risks in investment memos and asset plans
- luct energy audits and modelling
- ate capital for upgrades to improve resilience and energy ency of assets
- mit to Urban Land Institute (ULI) Greenprint Net Zero Standard collaborate with consultants to meet commitment
- Evaluate the integration of third-party climate risk data and scenario analysis into operational risk management and investment due diligence

## TCFD

The Taskforce for Climate-Related Financial Disclosures (TCFD) is the global standard framework for managing and disclosing climate risks and opportunities. As part of our efforts of addressing climate-related risks and opportunities, we are committed to implementing the recommendations set forth by TCFD. The following table indicates where the disclosures within Savanna's 2022 ESG Report.

#### Governance

Disclosure Focus Area	Recommended Disclosure	Reference	
Disclose the organization's governance around climate-related risks and	a) Describe the board's oversight of climate elated risks and opportunities.	Savanna does not have a board of directors.	
opportunities	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Impacts of Climate Change, pg. 26	

#### Strategy

Disclosure Focus Area	Recommended Disclosure	Reference
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Impacts of Climate Change, pg. 26
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Impacts of Climate Change, pg. 26
	c) Describe the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy, and financial planning.	Impacts of Climate Change, pg. 26

#### **Risk Management**

Disclosure Focus Area	Recommended Disclosure	Reference
Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Impacts of Climate Change, pg. 26
	b) Describe the organization's processes for managing climate-related risks.	Impacts of Climate Change, pg. 26
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Impacts of Climate Change, pg. 26

#### **Metrics and Targets**

Disclosure Focus Area	Recommended Disclosure	Reference
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Sustainability, pg. 12; Carbon Accounting, pg. 32
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Environmental Sustainability, pg. 12; Carbon Accounting, pg. 32
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Environmental Sustainability, pg. 12; Carbon Accounting, pg. 32

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