

Cardinal Group

COMPANIES

Environmental, Social and Governance Policy

(updated as of July 2021)

Core ESG Principles:

At Cardinal Group Companies (Cardinal Group), responsible environmental, social, and corporate governance (ESG) practices are critical factors of our business success and a driving force behind every decision we make. Prioritizing ESG in how we conduct our business and invest in our communities will result in greater stability and mitigate risk for our companies, team members, clients, partners, and industry as a whole. We believe a strong ESG platform should facilitate top-line growth, reduce costs, minimize disruptions, increase productivity and optimize investments and capital expenditures. ESG considerations are embedded into our management and investment decisions, as well as our headquarters operations.

This Policy sets forth Cardinal Group’s core ESG principles and commitments, which drive ESG initiatives at headquarters, in our operating businesses and within our owned and managed communities.

ESG Definitions:

Cardinal Group focuses on the environmental and social impact of its business operations and investment decisions to ensure the business is managed responsibly with a commitment to accountability to our communities, partners, clients, team members and residents. Together, these factors are known as “Environmental, Social and Governance.” These three factors are core non-financial indicators of our success.

Environmental	Social	Governance
Every day, we as humans affect and are affected by our environment. Our focus on sustainability and conservation of resources not only drives savings in our communities but also contributes to the overall stability of the changing physical world in which we do business.	A commitment to building diverse, happy, competent teams ensures that the full range of ideas and perspectives come to the table, generating the best ideas. Social also speaks to our relationships with our partners, investors, clients, team members, residents and the larger	Our company structure, corporate values, practices and controls define who we are and how we make decisions. Cardinal believes in the power of ethical behavior, transparency, bringing all voices to the table, equitable compensation and alignment of incentives with what is important to us.

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	communities in which we operate.	
Sustainability	Diversity & Inclusion	Values & Policies
Resource Conservation	Wellness	Leadership
Climate Change	Community Outreach	Compensation

Cardinal Group’s Core ESG Commitments:

Since inception, Cardinal Group has built its platform on its 10 Core Values. These values are the driving factors that support our ESG commitments.

Do the right thing, all the time – Follow both the letter and the spirit of the law, adhere to the Cardinal Group code of conduct, lead with transparency and actively promote ESG principles.

Build an open and honest relationship with communication – Celebrate our ESG victories, report on our ESG metrics and build relationships with partners, investors, clients, team members and residents who share our commitment to ESG principles.

Be adventurous, creative and open minded – Use our tools and resources to create and propel opportunities for advancement of ESG principles, especially where it is not expected.

Be a team player and respect those you work with – All voices matter: create space for others to be themselves and contribute in their own unique ways through actively promoting diversity and inclusion in all workspaces.

Embrace change and new ideas – Embracing society's increasing recognition of and priority on maintaining and improving our environment.

Bring your best each day and create fun – Act with integrity and accountability; when it comes to ESG, do what we say we will do and engage those around us in the opportunities.

Pursue growth and knowledge – Measure our exposure to and management of ESG factors, pursue education, seek disclosures regarding ESG activities from those we work with and leverage the available data for improvement.

Do more with less – Be active owners and managers that prioritize resource conservation, waste reduction and sustainable practices across our communities and within our headquarters.

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Be passionate and determined – Proactively engage our partners, investors, clients, team members and communities in ESG initiatives to create a culture of concern for the environment and social justice all around us.

Be humble – We are in service to our community, industry and business, and there will always be more that we can do to promote sound ESG principles and practices. We will learn from our mistakes and work together to continue to grow our ESG Platform.

Regarding each ESG factor, we will strive to accomplish the following:

Environmental:

Our environmental focus is on the energy we use, the waste we discharge, the resources we need, and our effect on the environment in our communities. Cardinal Group is committed to doing our part in protecting the environment by reducing the environmental impact of our headquarters operations and the communities we own and manage.

As a property manager and business operator, Cardinal adheres to the following environmental principles as key components of its operating platform:

- Actively embraces sustainability as an opportunity to improve our business performance while reducing our impact on the environment and surrounding communities
- Engages residents, partners and team members in sustainability efforts through education and resources promoting utility conservation and sustainable natural resource management
- Complies with national laws regarding the assessment and mitigation of environmental impacts from operations
- Works with local utility providers to reduce utility usage and takes advantage of rebates and incentives for reducing usage
- Evaluates and employs initiatives, projects and technology tools at communities and headquarters that are calculated to reduce carbon emissions and resource consumption and increase resiliency
- Uses local labor and materials when commercially available to reduce carbon emissions and provide more jobs to the community
- Provide opportunities for and support alternative transportation/commutes and remote work

As an investment manager, Cardinal Group adheres to the following principles when pursuing, acquiring and managing its investments:

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- Integrates an environmental analysis in the due diligence process and engages third parties to assess the environmental impacts of each investment opportunity and outline opportunities to improve sustainability prior to acquisition
- Seeks investment opportunities that offer energy savings and sustainability improvement potential and incorporates business plans to reduce environmental impacts when applicable to the property and investment strategy
- Strives to limit emissions and minimize pollution by implementing energy savings, water conservation and waste reduction initiatives within its investment portfolio
- Actively monitors electricity usage, water consumption and costs on a quarterly basis to identify areas of increased usage
- Conducts business with partners who observe sound ESG practices

Social:

Team Members:

Cardinal strives to create an environment where team members feel empowered to bring their whole self to work each day, and every team member has a voice in the future trajectory of the company. We recognize that strong companies and prosperous communities are built through the dedication and commitment of our team members, and in turn we have committed to our team members' personal health and wellbeing as well as their personal and professional growth.

To adhere to our commitment to our team members, we observe the following principles:

- Maintain a safe and healthy working environment while treating all team members with equality
- Develops and employs anti-discrimination, anti-harassment and other socially responsible policies and practices creating a safe and healthy place to work
- Prioritize the mental and emotional health of team members
- Provide opportunities and incentives promoting physical health and wellness
- Seek to create a more diverse and inclusive environment by actively educating on topics like unconscious bias training for managers and taking action to recruit and hire a diverse talent pool
- Comply with applicable labor laws to promote human and employee rights

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- Provide comprehensive health benefits, including, at a minimum, life and disability insurance, retirement savings plans, paid leave, dependent care and applicable education reimbursement
- Create safe spaces for underserved and minority team members to network, pursue professional growth, and come together and discuss the topics or issues that matter most to them
- Promote community service opportunities

Communities/Residents:

Cardinal Group believes that the success and stability of its owned and managed properties relies in large part on our residents feeling included and empowered to impact their communities. The principles with which we manage our communities include the following:

- Comply with all workplace and onsite safety laws and regulations, and set and adhere to the highest standards for safe performance of our onsite work
- Create inclusive communities where residents feel connected and respected
- Provide resources and references to support residents needs, including mental health resources and safety patrols (where applicable)
- Require training in and adherence to policies regarding fair housing, credit reporting, disability accommodation and other applicable laws and regulations ensuring the fair treatment of our residents
- Engage in outreach in each area where Cardinal Group manages a community to improve the life and wellbeing of others

Governance:

Cardinal Group understands that the integrity of our ESG Platform begins and ends with our accountability to our business partners, investors, team members and communities. To support our ESG Platform, we must be mindful of the selection and composition of our leadership, root our decision-making in our ESG principles and align our compensation and incentives with the pursuit of our ESG commitments. Cardinal Group adheres to the following principles to ensure strong ESG-aligned corporate governance:

- Promotes high standards of business integrity and ethics through annual compliance training programs and maintenance of the Cardinal Group Code of Ethics

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- Works to consistently improve representation within executive leadership and strives to consider diverse candidates for executive positions
- Implement programs to drive stakeholder engagement with investors, residents, and team members to ensure open communication and representation
- Develops and adheres to pay equity policies and practices ensuring fair and equitable pay to all team members
- Design compensation programs to attract, retain and motivate talented executives and link compensation to achievement of company goals, including ESG
- Upholds our responsibility to our investors and makes timely and balanced disclosures regarding investments, while honoring investor rights and valuing cooperation with industry partners
- Maintains procedures for fraudulent financial reporting and protection for whistleblowers, and strives to continually evaluate and improve internal controls
- Critically evaluates conflicts of interest and prioritizes its duties and responsibilities to investors and clients
- Values the rights and privacy of our team members, business partners, investors and clients and employs tools, policies and training to ensure compliance with applicable international, federal and state laws regarding privacy and data security

ESG Pillars:

Our commitment to ESG principles will succeed only with appropriate support from the pillars of our ESG Platform:

1. Policy – Our overarching ESG policies and commitments are set forth in this document and guide our ESG planning and initiatives. This policy will be reviewed annually and updated as appropriate to ensure Cardinal Group’s continued productive commitment to a strong ESG Platform benefiting our partners, investors, clients, team members and residents.
2. Initiatives – We will determine projects and initiatives at regular intervals based on our assessment of the most important and impactful value-add.
3. Training – We will provide training for our leaders, team members and residents with respect to ESG factors.

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4. Capital Allocation – We will prioritize investment in sustainable projects, appropriately fund our ESG initiatives and contribute to the development of strong ESG culture within our industry
5. Measurement & Benchmarking – We will track metrics and assess against benchmarks that give us vital insights into what we have accomplished and areas for improvement.
6. Reporting & Marketing – We will be ready at all times to meet ESG disclosure requests and will actively market and report on our ESG achievements and initiatives within our industry to create a strong ESG reputation and presence.
7. Evaluation – We will engage in retrospective assessments of our initiatives to gauge impact and effectiveness and improve our efforts time over time.