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About Colony Capital

Colony Capital (NYSE: CLNY) is a leading global investment management firm with a unique collection of real estate and real estate-related assets, and investment management product offerings, providing institutional and retail investors access to a range of attractive current yield and total return focused investment opportunities. Together, our deeply engaged and disciplined team of more than 400 professionals from around the world actively steward and grow this $43 billion portfolio of real assets on behalf of our shareholders and limited partners.

In our 27-year history, we have owned, operated and invested more than $100 billion of capital in real estate and real estate-related assets in 20 countries. We seek to create long-term value for our stakeholders while operating a sustainable portfolio and making a positive, lasting impact in our global communities through job creation, wage growth and professional development.

Worldwide Presence
Colony Capital, Inc. (NYSE: CLNY) is a leading global real estate and investment management firm that creates long-term value through investing in real estate and real estate-related assets.

**Business Overview**

We provide investment management services and offer numerous investment products while serving as a fiduciary to a diverse set of institutional and individual investors.

We have significant experience structuring, acquiring and managing investments in net lease healthcare real estate. We are primarily focused on independent-living, assisted-living and skilled-nursing facilities.

We are primarily focused on independent-living, assisted-living and skilled-nursing facilities.

Our hotel portfolio is geographically diverse and is primarily comprised of extended-stay hotels and premium branded select service hotels located in major metropolitan and corporate suburban markets. The majority of the portfolio is affiliated with top hotel brands including Marriott and Hilton.

We acquire, develop and operate industrial properties in major metropolitan markets throughout the U.S. with a focus on light industrial buildings.

We have extensive experience investing throughout the capital structure and target attractive risk-adjusted returns through investments in real estate and real estate credit. We seek to originate high quality loans where capital market inefficiencies exist and to achieve equity-like returns through debt-like positions.

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1. Represents third-party AUM as of March 31, 2019.
2. Represents pro rata carrying value of assets as of March 31, 2019.
ESG Principles

Environment
We seek to improve our operating performance by reducing energy, water use, waste, and carbon emissions while lowering operating costs.

Social
Our goal is to create a positive impact for our stakeholders and community through meaningful engagement, contribution, and volunteerism.

Governance
We believe that achieving long-term value for our stakeholders begins with robust governance practices and oversight.

Efficiently Manage Resources
Integrate leading ESG practices throughout our operations while collaborating with service providers, tenants, and communities.

Invest Responsibly
Build a resilient portfolio that reduces risks and preserves resources while enhancing economic value.

Build Long-Term Financial Value
Create long-term value for our stakeholders through responsible investing complementary to our investment mandate.

Lead Transparently
Measure and manage our business operations to improve environmental and financial performance and openly communicate progress with stakeholders.

Make a Positive Impact
Make a positive, lasting impact in our global communities by working to improve the health and well-being of our employees and supporting charitable activities.
Environment

We seek to improve operating performance by reducing energy, water use, waste and carbon emissions while lowering operating costs.
Colony Capital is committed to creating long-term value for our stakeholders with a goal of building a resilient portfolio that improves our operational performance and reduces our energy use, water use, waste, and carbon emissions. The following long and short term goals relate to both the company’s owned and managed real estate properties as applicable. These targets are designed to reduce the environmental impact of our properties while improving financial performance.

### Long and Short Term Performance Goals

<table>
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<tr>
<th>Goal Description</th>
<th>2018 Baseline</th>
<th>2028 Target</th>
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<tbody>
<tr>
<td><strong>Energy Use Intensity</strong></td>
<td>2% per year</td>
<td>20% by 2028</td>
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<tr>
<td><strong>Carbon Emissions</strong></td>
<td>2% per year</td>
<td>20% by 2028</td>
</tr>
<tr>
<td><strong>Water Use Intensity</strong></td>
<td>2% per year</td>
<td>20% by 2028</td>
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<tr>
<td><strong>Waste Diversion</strong></td>
<td>30% by 2018</td>
<td>60% by 2028</td>
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<tr>
<td><strong>Properties Implement Green Cleaning Policy</strong></td>
<td>90% by 2018</td>
<td>100% by 2028</td>
</tr>
<tr>
<td><strong>Drought Resistant Landscape</strong></td>
<td>30% by 2028</td>
<td></td>
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Sustainability Policies

Colony Capital’s corporate responsibility program is supported by a centralized Environmental Management System (EMS) that allows us to strategically and effectively plan, optimize, communicate, and manage all key components of our program. To ensure that our EMS is on par with industry standards, it is aligned with ISO 14001 and adheres to a plan-do-check-act structure.

Colony Capital has adopted sustainability-specific policies and guidelines that offer best practices for operating and maintaining more efficient buildings. These policies are regularly updated, and implementation directions are provided to our staff, tenants, and service providers.

Sustainability objectives are integrated into Colony Capital’s overall business strategy through a range of policies and guidelines that address climate, energy, water, waste, and occupant and community wellbeing throughout our acquisitions, developments, tenant improvements, capital budgeting, operations and maintenance, and reporting processes.

Corporate Policies
- Corporate ESG Policy
- Health and Wellbeing Guide
- Green Education Guide
- Stakeholder Engagement Policy

Property Level Policies
- Building Resilience and Climate Change Guide
- Energy Policy
- Water Efficiency Policy
- Solid Waste Management Policy
- No Smoking Policy
- Green Cleaning Policy
- Indoor Air Quality Management Policy
- Green New Construction and Renovation Guide
- Sustainable Purchasing Guide
- Refrigerant Management Policy
Colony Capital takes risk management seriously, following industry best practices and internal policies and guidelines to manage operational disruptions, such as climate change and resource scarcity.

Environmental mitigation initiatives are being pushed forward in the industry due to the growing threats posed by climate change. Regulators are demanding greater transparency from the real estate sector on its response to climate-related issues. In addition, to effectively manage risks, investors and tenants are prioritizing investments in water and energy efficiency, emergency preparedness, and workplace health and safety.

The primary ESG risks to Colony Capital’s operations are climate change, building resilience, and greenhouse gas emissions. To address these risks, we have developed various climate change and resilience policies and programs, including a Resilience Guide and an annual risk assessment.

Our Resilience Guide aims to assess and mitigate climate-related risks associated with hurricanes, fires, floods and other extreme weather conditions on a regional basis. By understanding the risks associated with each property, we are better prepared to manage sudden environmental disruptions and to ensure the comfort and safety of building occupants.
Colony Capital is committed to pursuing green building certifications where feasible, the most prominent of which are ENERGY STAR and LEED (Leadership in Energy and Environmental Design).

Building certification is an important process that verifies high building performance and may also help to mitigate risk. ENERGY STAR primarily focuses on energy-efficient building products to reduce greenhouse gas emissions. The LEED program assesses building design and construction in terms of energy efficiency, water usage, air quality, and building materials, as well as environmental factors such as responsible land use and access to public transit. Colony Capital’s ENERGY STAR-labeled properties have an average floor area-weighted score of 84 out of 100; a score of 84 equates to a building’s energy performance being 34% more efficient than the national average building of similar type.

One California Plaza
Los Angeles, CA

LEED EB O+M Platinum

92 ENERGY STAR Score
Sustainability Initiatives

**Energy Efficiency**

Goal: Identify areas of improvement and reduce energy usage and carbon emissions.

- Benchmarking: Colony Capital uses ENERGY STAR Portfolio Manager® to benchmark our properties and track energy consumption. Currently, 84% of the industrial portfolio is benchmarked.

- LED Lighting Upgrades: In 2018, Colony partnered with Green Light National to perform lighting audits at 100% of our industrial properties and installed LED lighting for 4.9 million square feet of assets. This resulted in estimated annual energy savings of 1,982,499 kWh and $199,346 in cost savings, with an average payback of three years.

- Roof Upgrades: As part of our energy efficiency efforts, Colony performed roof upgrades and replacements for 2.8 million square feet of the industrial portfolio in 2018.

**Water Efficiency**

Goal: Monitor and reduce potable water demand and use.

- Colony and Green Light performed water audits for 100% of our industrial properties in 2018. During these audits, we inventoried indoor plumbing fixtures and recorded their flow rates.

- Water-Efficient Faucets: From our water audits, we determined that 72% of Colony Industrial properties have faucets with aerators to improve water efficiency.

**Stakeholder Engagement**

Goal: Incorporate stakeholder engagement as an integral part of Colony’s operations

- Green Leases: To facilitate implementation of sustainable strategies at our properties, we developed and added green lease clauses to our standard industrial lease forms in 2018.

- Employee Education: Colony offers ongoing sustainability training and education opportunities to our employees.

- Employee Survey: We conducted an employee survey in 2018 to gather insights into Colony Industrial’s operations. Our employees reported a 98% satisfaction rate.

- Tenant Survey: Colony Industrial conducts regular tenant surveys to ensure satisfaction and find areas for improvement. In 2018, we achieved a 44% increase in the number of tenant survey responses.

**Certifications, Reporting and Data Collection**

Goal: Pursue green building certifications as feasible, maximize data quality and quantity and report on our progress annually.

- GRESB Reporting: Colony Capital is a GRESB member and participates in assessments annually on behalf of Colony Industrial.

- Utility Data Collection: Colony Industrial utilizes Yardi’s Utility Expense Management system for utility payment automation, data collection and benchmarking in ENERGY STAR Portfolio Manager®. To date, we have collected whole-building electric data for 6.2 million square feet, whole-building gas data for 5.4 million square feet, and whole-building water data for 3.9 million square feet of the portfolio. Additionally, we have collected partial energy data for 27 million square feet and partial water data for 36 million square feet of the portfolio.
Case Study: Spencer Place Dublin

Spencer Place is a unique and exciting mixed-use development in the heart of Dublin’s thriving Docklands. In addition to over 500,000 square feet (net) of office space, the project features a large-scale hotel as well as Dublin’s first purpose designed ‘Private Rented Sector’ (PRS) residential scheme comprising over 400 residential units. The scheme, which was acquired as a partnership between Colony Capital and Ronan Group Real Estate in 2016, is currently under construction.

The scheme’s office component, the Salesforce Tower Dublin, is set to become Ireland’s most sustainable office property when it completes in 2020. The campus will comprise four connected office buildings, which have been fully pre-let to a market-leading global technology company in Ireland’s largest ever office leasing transaction. The office buildings have been designed to accommodate up to 4,500 employees whilst featuring best practices in greenhouse gas reduction and water efficiency. The property is targeting LEED Platinum and Net Zero Carbon certification.

Sustainability Features: Salesforce Tower Dublin

- **Energy & Atmosphere:** The office campus will source 100 percent of its energy from renewable sources, including onsite solar panels that integrate battery storage. The campus will also run solely on electricity, further reducing its climate impact.

- **Sustainable Sites:** The property will feature a green roof that will reduce both storm water pollution and the property’s contribution to the heat island effect.

- **Open Office:** The property will be constructed according to the Ohana design standard, which focuses on promoting collaboration, occupant wellbeing, fun and sustainability. The office tower’s top floor will act as a gathering place set aside for nonprofit events, volunteer activities and more. In addition, the tower’s open flow will maximize daylighting and views of nature, further promoting occupant health and wellbeing.

- **Water Efficiency:** Green roofs will capture rainwater for reuse, reducing overall building water use and increasing efficiency.

- **Location & Transportation:** The campus will offer excellent mobility, featuring walking and biking paths that connect it to the city center. Additionally, Spencer Place will be located close to various bus stations, encouraging occupants to use public transit.
Case Study: Colony Industrial

Colony Industrial has integrated sustainability as a value driver into its investment process. By reducing utility costs, we can measurably increase net income and asset values, while reducing our environmental impact.

- **100%** Properties conducted lighting audit in 2018
- **4.9M ft²** Properties with efficient lighting (i.e. LED)
- **49%** Properties with green roofs
- **2.8M ft²** Properties with roof upgrades in 2018
- **84%** Properties that are ENERGY STAR benchmarked
- **100%** Properties conducted water audit in 2018
- **72%** Properties with efficient faucets
- **98%** Employee satisfaction rate
- **44%** Increase in tenant survey responses

LED LIGHTING UPGRADES IN 2018 RESULTED IN...

- 1,982,499 kWh Electricity saved
- 1,402 metric tons CO₂e GHG emissions avoided
- Equivalent to planting 23,181 trees
Case Study: Digital Colony Partners

Digital Colony Partners (“DCP”) is a global investment firm focused exclusively on the digital infrastructure sector. DCP seeks to support industry-leading management teams at operating companies around the world to enable the next generation of mobile and internet connectivity and accessibility. Launched in 2018, the firm brings together Digital Bridge’s industry, operational and investment expertise in the communications sector with Colony Capital’s 27 years of experience as a global investment manager. Since DCP invests in operating companies, the firm has focused on its policies, processes and people to integrate ESG management throughout the firm’s activities.

Policies
DCP’s Responsible Investment Policy includes commitments to do the following:

- Review material ESG factors in the firm’s due diligence process for all Fund investments.
- Monitor and address material ESG issues throughout the investment period.
- Seek investments where increased connectivity enables the deployment of technological advancements that will improve livelihoods by providing enhanced communications services to governmental, educational, entrepreneurial and medical facilities.

Processes
- The firm integrates ESG analysis into each potential transaction that merits third-party diligence and provides that analysis to the Investment Committee. When additional expertise is desired, the firm engages with BSR, a leading NGO focused on global sustainability issues, to provide an independent assessment of the ESG issues at the potential investment.
- DCP has reviewed reporting guidelines and standards from BSR, the Sustainability Accounting Standards Board, and the Principles for Responsible Investment to engage with existing portfolio companies to develop a bespoke set of ESG metrics that will be reported at the portfolio company board level.

People
- To keep our investment professionals aware of common and emerging ESG issues facing the digital infrastructure industry, the firm hosted its first ESG training with senior leaders from BSR.
- Formed an ESG Committee that includes senior investment professionals from each industry vertical.
  - The Committee will oversee the firm’s program and set the strategy for the development of ESG initiatives at the firm and across portfolio companies.
Case Study: Colony LatAm

In April 2019, Colony Capital acquired a private equity platform focused on mid-market opportunities in the Latin America region. Since its establishment in 2006, Colony LatAm Partners has raised US$726mm of equity through a series of regional funds and has made 22 investments across Latin America.

ESG and Impact at Colony LatAm Partners

At Colony LatAm Partners, we are committed to responsible investing. For over 12 years, consideration of ESG matters has been one of the pillars which guides the way in which we manage our investments.

Our approach to ESG is founded on the dual concepts of value preservation and value enhancement. We strongly believe that good ESG practices are vital to preserving shareholder value by lowering risks and liabilities. Furthermore, we are convinced that enhanced ESG performance has the power to unlock business potential that can yield benefits for shareholders and to the wider community.

Colony LatAm Partners aims to ensure that ESG risks and opportunities are managed across every stage of the investment cycle, from screening through to exit. We have developed bespoke tools and procedures, which are firmly integrated into the investment process and are designed to guide investment professionals in assessing ESG considerations and enable a more comprehensive investment analysis and decision making.

Portfolio Companies are required to commit to our ESG Business Principles and to implement ESG corrective and improvement actions to address gaps and value addition.
Case Study: QBCo | Colombia (Colony LatAm)

Case Study: QBCo – Colombia
QBCo is a multicategory, private-label food manufacturing company. Colony LatAm’s investment in 2017 has propelled QBCo’s transformation by expanding the portfolio of product categories.

ESG Improvements Since Investment
The ESG assessment conducted prior to investment positively highlighted QBCo’s quality standards, a valuable advantage in the fragmented private-label food manufacturing industry. However, potential non-compliance with environmental regulation was identified as the main risk to be managed. A Corrective Action Plan was established to address gaps and support the value creation strategy. Improvements to date include:

- An environmental engineer was hired to lead and strengthen environmental management. As part of the improvement process, KPIs have been defined (in alignment with the Global Reporting Initiative, GRI) and are monitored to manage environmental impact.
- A new wastewater treatment plant was installed. Increased capacity for the treatment of effluents allowed for the expansion of product lines. Effluent parameters are in line with local regulation, and improvements in the quality of wastewater are ongoing.
- The waste management program was strengthened for better classification of industrial waste at the source. The generation of nonhazardous waste during 2018 was reduced by 16%. Additionally, the company has joined a sectorial initiative to collect and manage post-consumer waste through reverse logistics.
- Technological reconversion of an industrial boiler resulted in lower CO₂ and NOx emissions. The use of a cleaner fuel eliminated the release of particulate matter and sulfur dioxide.
- Enhanced facilities, including the relocation of a number of production lines to a new plant, facilitated the attainment of the IFS Food Certification. QBCo can now offer higher-quality products to existing clients. Furthermore, the certification has enabled sales to more rigorous markets, resulting in more than a twofold increase in exports during 2018.

2018 Highlights

- 33% decrease in greenhouse gas emissions
- 16% less waste generated
- 391 employees trained on ESG related topics
Social

Our goal is to create a positive impact for our stakeholders and community through meaningful engagement, contribution and volunteerism.
Tenant Engagement

Through information, events and incentives, Colony Capital continually works to empower tenants to become greener and more efficient while living and working in our properties. Colony Capital promotes healthy, productive, and sustainable workplaces through multiple tenant engagement initiatives year-round.

E-Waste Drive
Several Colony Capital properties hold regular e-cycling events to address the growing challenges associated with electronic waste (“e-waste”). These events divert hazardous waste away from landfill, where toxic substances can leach into the soil.

Training
Colony Capital values empowering employees to support us in achieving our sustainability mission and vision. We offer free educational webinars to help our employees become more informed on topics like waste management, indoor air quality, water use, and energy efficiency. In addition, we offer free LEED Green Associate training for employees interested in learning about the LEED certification program for buildings.

Green Tenant Guide
Colony Capital has developed a Green Tenant Guide to share low-cost strategies to save energy, reduce waste, commute sustainably, and work healthier. The guide provides tips on sustainable practices such as using reusable mugs and dishware, going paperless, proper recycling, and carpooling.

Green Lease
Colony Capital has added green leasing provisions to our standard lease terms, including requirements or incentives to participate in data and cost sharing. Green leases improve environmental data reporting and transparency by enabling tenants and landlords to measure performance against agreed-upon goals. Last year, in addition to our existing green clauses, we added clauses encouraging energy and water reduction measures, recycling, and minimization of indoor air pollution, among other items.
Social Responsibility

Our employees serve as the ambassadors of Colony Capital’s social responsibility values, which they share through volunteering and charitable giving. We support the communities in which our employees live and work by participating in local and national causes.

Union Rescue Mission

Colony Capital is proud to continue our support of the Union Rescue Mission in downtown Los Angeles, hosting quarterly volunteer days to serve meals to those in need. The team also gathered over 100 toys for the shelter’s children and had a chance to share lunch and spend time with various residents and staff. As one of the largest homeless shelters in the United States and the oldest in Los Angeles, URM serves an average of 3,000 meals per day and houses nearly 1,000 men, women and children each night.

Children’s Hospital Adopt A Family

In December 2018, employees in Colony’s Boston office participated in the “Adopt a Family” program through Boston Children’s Hospital for the fifth year. The Colony team adopted a family in need who are fighting ailments and unable to buy different items they need to enjoy the holiday season. This year, our “family” had two children being treated for different blood disorders, and gifts ranged from simple toys to warm clothing for all members of the family. The donations are driven to the family’s home a few days before the holiday, and the family is able to have some joy during the holidays. Colony looks forward to continuing our participation in this worthwhile program.

2018 Stair Climb for Los Angeles

In September 2018, over 30 Colony Capital employees participated to climb 1,664 stairs at the second tallest building in Los Angeles. This was Colony Capital’s third year participating in the Stair Climb for Los Angeles, benefiting the Ketchum-Downtown YMCA. The annual event helps raise funds to support essential community programs supporting children, teens, families, and seniors in some of the most under-resourced neighborhoods in the city.

Employee Charitable Gift Matching

Colony Capital partners with Benevity, a global leader in corporate social responsibility and employee engagement, to support our corporate donations program. Colony Capital is proud to match employee donations to eligible charitable organizations on a dollar-for-dollar basis up to an annual maximum of $450,000 per year.

Colony Capital achieved the following in 2018 through our Employee Charitable Gift Matching program*:

- $415,000 total contributions
- $217,000 total EE contributions
- $198,000 total company match
- 203 total charities supported
- 97 total number of employees participating

*These figures are limited to US charities and participants only
Employee Engagement

Employee Benefits (U.S.)

We strive to reward our employees for their hard work and dedication. As such, all U.S. full-time employees are eligible for the following and more.

- Paid holidays, vacation, personal & sick days
- Competitive medical, dental & vision plans
- Flexible spending accounts & life assistance
- Charitable gift matching
- Life & disability insurance
- Company match on employee 401k contributions
- Student loan paydown assistance
- Competitive medical, dental & vision plans

Employee & Organization Development

Career Mentoring & Leadership/Management Development

Colony Capital is committed to helping our employees plan for their future. We provide opportunities for leaders to connect with seasoned professionals in order to develop their skills in our Mentoring and Leadership/Management Development programs. In these programs, employees learn key tools and goals to improve management capabilities and enhance personal and professional capabilities.

Summer Internships

The purpose of CLNY’s internship program is to provide an opportunity for undergraduate students to gain valuable career experience at CLNY while providing the company a potential opportunity to recruit future talent and to expand our diversity initiatives. CLNY has committed to hiring at least one student referred by each of the following partners:

Highlighted Partnerships

- The Robert Toigo Foundation’s mission is to foster the career advancement and leadership development of underrepresented students.
- Sponsors for Educational Opportunity (SEO) provides superior educational and career programs to young people from underserved and underrepresented communities to maximize their opportunities for college and career success.

Diversity and Inclusion

At Colony Capital we believe that our people are our most important asset, and a diverse and inclusive work environment leads to the strongest results. In 2018 our senior executives participated in a review of diversity and inclusion initiatives and reaffirmed our commitment to sourcing talent from diverse backgrounds and skills.
As an industry leader, we understand we can’t reach where we want to go alone. Colony Capital partners with several organizations and initiatives that help us strengthen our sustainability commitment, measure our performance, and find ways to continually improve.

**Partnerships and Programs**

### ENERGY STAR Portfolio Manager

Colony Capital has created profiles for the entire industrial portfolio and is moving towards benchmarking all assets in the EPA’s ENERGY STAR Portfolio Manager® tool in order to measure, manage, and reduce our energy and water consumption. Additionally, we use the tool to identify improvement opportunities and to recognize high-performing assets.

### U.S. Green Building Council

As a member of the USGBC, we have access to educational resources, expert advice, and international notoriety in support of greening our buildings using the LEED rating systems.

### Global Real Estate Sustainability Benchmark

Colony Capital is a member of GRESB, an industry-driven organization committed to assessing the sustainability performance of real estate portfolios around the globe.

### National Association of Real Estate Investment Trusts

As a NAREIT Member and participant in NAREIT’s Annual ESG Forum, Colony Capital is at the forefront of sustainability in the U.S. and collaborates with industry leaders to exchange sustainability insights and expertise.

### Verdani Partners

Colony Capital engages Verdani Partners, a full-service sustainability consulting firm, to help manage our portfolio-wide corporate sustainability programs. The Verdani team supports our properties with data management, stakeholder engagement, health and wellbeing, green building certifications and reporting.
Governance

We believe that achieving long-term value for our stakeholders begins with robust governance practices and oversight.
Governance Framework

Colony Capital has implemented a best-in-class corporate governance framework, which embodies our commitment to conducting our business in accordance with the highest principles of business ethics and conduct.

We have established the following policies, among others, that foster our culture of compliance and integrity, all with the goal of preserving and enhancing long-term value for our stockholders:

**Code of Business Conduct and Ethics**
Our Code of Business Conduct and Ethics requires our officers, directors and employees to act in an honest and ethical manner. The Code also provides guidance on matters such as conflicts of interest, compliance with applicable laws, rules and regulations, including the US Foreign Corrupt Practices Act, and ensuring full, fair, accurate, timely and understandable disclosure in SEC reports and other public communications. Bribery, kickbacks or other improper payments, direct or indirect, to any person in order to obtain a contract, some other commercial benefit or government action have no place in our business and are strictly prohibited.

We provide a variety of ways to report existing or potential violations, including a confidential and anonymous whistleblower hotline. Our Complaint Procedures for Accounting and Audit Matters also provides employees or other interested parties with specific guidance on how to report any good faith complaint or concern regarding accounting, internal accounting controls and auditing matters related to the company.

All of our directors, officers and other employees sign an acknowledgement and certification of our Code of Business Conduct and Ethics.

**Anti-Money Laundering Policy**
We are committed to preventing misuse of our facilities by those who seek to launder money or violate sanctions established by the Office of Foreign Assets Control. We have adopted an Anti-Money Laundering Policy to help us detect money laundering and to prevent its occurrence, to comply with US sanctions laws and regulations, as well as meet the expectations of our investors.

**Insider Trading Policy**
Our Insider Trading Policy ensures awareness of the legal responsibilities in connection with being in possession of non-public information. The policy also establishes clear procedures for trading in our company's securities, and each company with publicly-traded securities that we manage has a substantially similar policy and procedures.

**Related Party Transaction Policy**
Our Related Party Transaction Policy was adopted to ensure that related party transactions, as defined by applicable SEC rules, are properly reviewed and fully disclosed.

**Global Compliance**
As a registered investment adviser, we are subject to numerous laws and regulations, and consider ourselves stewards of our clients' capital - a responsibility we take very seriously. In order to maintain our culture of compliance, we have implemented a global compliance program applicable to all employees, with comprehensive compliance training upon hire and on an annual basis thereafter.

**Cybersecurity**
Colony Capital considers its information and information systems to be valuable and vital assets, and has a robust General IT and Security Policy designed to protect all Colony information with particular focus given to protecting personal identifying information, unpublished financial results and other data deemed proprietary to Colony.
Board Oversight

Colony Capital’s Board of Directors has robust oversight of the company’s strategy and risk.

Our Board At a Glance:

92%

independent (11 of 12 directors)

Diversity

in background and experience, with two female board members, one of whom serves as the lead independent director

Non-classified

with a majority voting standard for election of directors

Risk Committee

In recognition of the importance and relevance of risk oversight, management and controls, our Board of Directors established a Risk Committee comprised solely of independent directors that engages regularly with our Chief Risk Officer, Audit Committee, Board of Directors, and executive management to identify and mitigate all risks that might affect our business and stakeholders.

Internal and Third-Party Audits

The Audit Committee of our Board of Directors oversees the integrity of our financial reporting process, compliance with legal and regulatory requirements, and performance of our internal audit function and independent auditors.

Executive Compensation

The Compensation Committee of our Board of Directors designed the structure of our executive compensation program to strengthen the alignment of interest between our management and our stockholders, with a focus on pay-for-performance alignment.
Reporting and Disclosure

About the Report
This annual ESG report details Colony Capital’s (CLNY) corporate responsibility programs, goals, and performance in the context of the three principles: Environmental, Social, and Governance. This report has been compiled in accordance with the Global Reporting Initiative (GRI) 2016 Standards—a framework which fosters consistency, comparability, and transparency. CLNY has identified GRI as a trusted and recognized standard for reporting ESG performance. Please refer to the GRI Index for a complete list of GRI disclosures covered.

Scope
This report covers the operations and performance of our portfolio of owned assets for the year ending December 31, 2018, including certain assets acquired subsequent to year end. Data is tracked in the U.S. EPA's ENERGY STAR Portfolio Manager® tool and using Yardi Systems’ E2 Insight and UEM platform. All performance indicators and metrics mentioned in this report include data from calendar year 2018 and are consistent with the values reported in the GRESB Real Estate Assessment. Our stakeholders include investors, tenants, clients, employees, and the communities in which we operate.

External Reporting
Colony Capital is a member of Global Real Estate Sustainability Benchmark (GRESB), a global ESG benchmark providing investors with actionable information and tools to accurately monitor and manage sustainability risks of their assets. GRESB results provide opportunities to identify organizational strengths alongside areas for ESG performance improvement, both in absolute terms and relative to peers. Colony Capital has participated in GRESB assessments since 2016 in the debt, industrial, and diversified office/industrial sectors.

About GRI
This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. On the next page is the corresponding GRI Content Index based on the 2016 Standards.

The Global Reporting Initiative (GRI) is a not-for-profit international organization that promotes the use of sustainability reporting as a way for organizations to disclose the environmental, social, and governance impacts of their operations. GRI facilitates greater transparency through its sustainability reporting framework, which includes the 2016 Standards. The Standards were developed through a global multi-stakeholder process and offer reporting principles, standard disclosures, and an implementation manual for preparation of sustainability reports.

For more information about this report, please contact:

Ryan McManus  
Senior Vice President  
rmcmanus@clny.com

Shubha Maheshwari  
Director, Sustainability  
smaheshwari@clny.com
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