



CORPORATE SUSTAINABILITY REPORT

2021

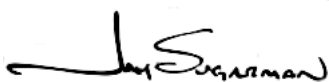
A Message from Our CEO

Throughout iStar's almost 30-year history, we have proven that solutions to big problems are best developed by a collaborative team that is empowered to break through boundaries. Finding better solutions requires an innovative mindset and can benefit a wide range of stakeholders. Currently, we are hard at work delivering a better, more efficient way for owners to capitalize commercial real estate properties using Safehold's modernized ground lease.

In this, our third Corporate Sustainability Report, I am proud to share the strategic and forward-thinking steps we've taken in Environmental, Social and Governance (ESG) practices that are most relevant to our business and stakeholders both now and into the future:

- **Environmental:** This year's report outlines our process and data-driven approach to integrating climate risk considerations into Safehold's naturally long investment horizon. While we believe that Safehold's highly diversified, nationwide portfolio protects against many individual risks, we're still proactive about identifying ways we can help offset the impacts of climate change. Tenant engagement is a growing focus, with numerous approaches being taken to promote more environmentally friendly building practices. Lastly, we're making progress on assessing and reporting our GHG emissions - we are targeting a 20% emissions reduction by 2025 and are proudly committing to carbon neutrality by then as well.
- **Social:** Like other companies in 2021, our team faced the ups and downs of COVID-19 re-openings and shut-downs. We learned a great deal about ourselves through these moments, and they ultimately strengthened our resolve to provide a culture that is both inclusive and responsive to our team members' rapidly changing needs. Through it all, we maintained a highly engaged workforce and launched a new coaching and mentorship platform for professional development focusing on mid-level positions and diverse talent. We achieved many of our DEI goals, which notably included expanding our diverse hiring strategy, creating a program to support and grow our spending with diverse vendors, and establishing a company-wide link between inclusivity and compensation.
- **Governance:** We require diverse candidate pools for new hires. This requirement has been expanded to include future Board appointments as well. Additionally, we published our Vendor Code of Conduct in 2021, updated our Corporate Code of Conduct, and formalized an auditable employee training program to support ongoing adherence with our governance policies.

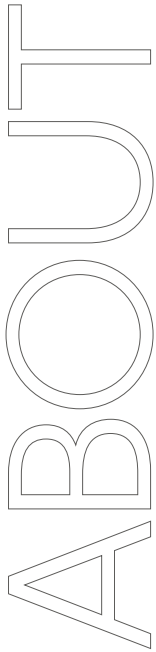
We remain excited as well as focused and appreciate your taking the opportunity to read about both our recent ESG efforts and upcoming goals. We truly believe the best is yet to come – stay tuned!



Jay Sugarman

Chairman & Chief Executive Officer

About iStar and this Report



iStar is a consistent innovator in the real estate industry - we have a history of identifying and scaling new opportunities in the real estate industry, as supported by completing more than \$40 billion of transactions throughout our nearly 30-year history. We pioneered mezzanine capital in the mid-1990's and were subsequently one of the earliest companies focusing on the then-emergent net lease segment.

Now, as the founder, investment manager and largest shareholder of Safehold - the creator of the modern ground lease industry - iStar is helping create a more efficient approach to the way real estate is owned. The iStar team continues to use our historic strengths in customer-first finance to expand this one-of-a-kind platform.

iStar is headquartered in New York with three regional offices in California, Connecticut, and Georgia. Our 144 employees (as of 2/22/22) work both in the office and remotely. iStar has a strong culture of retaining talent and promoting from within, as represented by the average employee tenure of just under 10 years. Separately, our 2021 employee turnover (10.4%) trended downward for a third straight year and is now less than half of what it was just two years ago in 2019 (2020 - 13.9%; 2019 - 23.3%; 2018 - 24.7%; 2017 - 15.3%).

This report was influenced by standards such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) and informed by peer benchmarking and engagement with a cross-functional group of internal stakeholders. The reporting period is January 1, 2021, through December 31, 2021. Unless otherwise stated, the entirety of this report - with respect to employees and the ground lease business - applies to Safehold as well given that Safehold has no employees of its own and iStar is its third-party manager.

The terms "material" and "materiality" as used in the context of this report and in our materiality assessment relating to this report on page 7 are different from such terms as used in the context of filings with the Securities and Exchange Commission ("SEC"). Issues deemed material for purposes of this report should not necessarily be considered material for SEC reporting purposes.

ESG Guides Our Approach

We strive to do right by our stakeholders, including our employees, investors, customers/tenants, vendors, and the Board. We approach both our work - creating innovative real estate finance solutions - and the way we do it with equal care. Throughout our history, we've built a culture of integrity that's supported by our five key business principles:

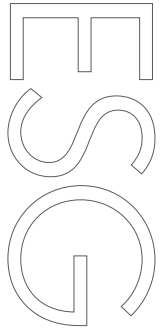
1. Innovation

2. Leadership

3. Trust

4. Commitment to investors

5. Passion for what we do



As we focus on the ground lease market and continue to manage our legacy development assets, we are guided by both our business principles and how three unique qualities align and guide our ESG approach: a 99-year investment horizon, our experience and insight into the real estate industry, and our commitment to report ESG topics that are important to our organization.

Our Unique 99-Year Investment Horizon

Ground leases are commonly structured with a 99-year term, giving it the distinction of the longest-term capital in the real estate market. The combination of iStar and Safehold's long-term approach and a strong governance structure provides the foundation to evaluate risks and opportunities almost a century ahead. iStar is uniquely focused on the environmental aspects of the assets and of the communities in which it invests. We are taking steps with our own capital and other ESG-focused initiatives to educate and provide opportunities for our customers/tenants to do the same. Safehold's customers and tenants are often the same party - Safehold's customers are building owners and operators, who are concurrently tenants for the term of their ground lease.

Experience Matters

During our history, we've consistently demonstrated the ability to tap unseen opportunities and create value for our customers and shareholders in ways that never existed. We demonstrate active engagement, strong listening, and creative collaboration to keep us on the leading edge of customer-first finance solutions. The trust we've built with our customers is a result of our commitment to understanding their needs and tailoring a solution to help them accomplish their goals.



iStar is uniquely focused on the environmental aspects of the assets and of the communities in which it invests.

ESG Guides Our Approach (continued)

3D Approach to our Process & Progress

We've adopted a 3D approach - data, dialogue, and disclosure - to ESG, which promotes both accountability and continued progress in all ESG planning and goal areas.

- First, we look at key data behind environmental, social, and governance topics that are important to our business and stakeholders.
- Next, we use the data to have an intelligent, fact-based, stakeholder dialogue that promotes best practices, policies, and process.
- Lastly, we transparently disclose the topics, goals, and progress each year through our Corporate Sustainability Report.

Given that this report only publishes once annually, we further provide interim updates on ESG matters via our Corporate Sustainability Policy Summary, which can be found at <https://www.istar.com/sustainability/>



ESG Guides Our Approach (continued)

2021 Key ESG Highlights

 Corporate Achievements	Appointed Head of ESG	Actively engaged key ESG ratings groups & organizations	Completed cloud-based data migration and increased security protocols
 Environmental Sustainability	Baseline GHG emissions inventory	Created SAFEplanet program to promote our environmental objectives (including green building initiatives)	Published initial Climate Change Disclosure
 Social Responsibility	Expanded diversity initiatives through recruiting programs and completion of Supplier Diversity Survey	Introduced coaching and mentorship platform for professional development	Maintained “highly engaged” employee engagement score
 Corporate Governance	Published Vendor Code of Conduct; updated Corporate Code of Conduct	Formalized an auditable employee training program to support governance policies	Committed to diverse candidate pools and selection panels for future Board appointments

ESG Guides Our Approach (continued)

iStar Material Topics

iStar's key stakeholders include its employees, Board, investors, customers/tenants, and vendors. The success of all these stakeholders is interconnected with ours, and each of their feedback is valuable. The frequency of our interactions with each group depends on a particular topic's (1) importance to stakeholders and (2) impact on iStar's business success and sustainability. The core tenets of our engagement efforts center around transparent communication and education, providing an opportunity for feedback, and demonstrating a commitment to continued progress - all of which are critical to building both long-lasting relationships and continued business success.

In 2021, we updated our materiality matrix through an expanded approach to stakeholder engagement. Each of the 20 topics included below are deemed priority focus areas, and their segmentation into three tiers helps us determine the relative resources given to each in alignment with our business.

2021 MATERIALITY MATRIX



ESG Guides Our Approach (continued)

Additionally, the following charts summarize both (i) topics we engage individual stakeholders on most regularly and (ii) common engagement methods for each stakeholder group.

KEY ENGAGEMENT TOPICS	OUR EMPLOYEES	OUR BOARD	OUR INVESTORS	OUR CUSTOMERS & TENANTS	OUR VENDORS
Climate Change Risk Mgmt		•		•	•
Customer Satisfaction	•		•	•	
Diversity, Equity & Inclusion	•	•	•		•
Employee Engagement	•	•			
Ethics, Integrity & Human Rights	•	•	•	•	•
Financial Performance	•	•	•		
Governance & Leadership Structure		•	•		
Organizational Resource Mgmt		•	•		
Privacy & Data Security	•	•		•	•
Product Innovation & Education	•		•	•	
Compensation & Benefits	•	•	•		
Employee Health & Well-Being	•				•
ESG Leadership & Oversight	•	•	•		
Green Building Investments		•	•	•	
Talent Development	•	•			
Tenant Engagement	•			•	
Training, Policy & Process Refinement	•	•	•	•	•
Community Engagment & Philanthropy				•	•
Environmental Resource Mgmt	•	•		•	•
Occupational Safety	•			•	•



NOTABLE ENGAGEMENT METHODS	
OUR EMPLOYEES	Formal and anonymous misconduct reporting hotline; mid-year and year-end manager review process; monthly virtual town hall meetings; one-on-one engagement and satisfaction surveys; peer reviews; professional coaching and mentorship platform for employee development; regularized, auditable employee training and ethics program; self-directed continuing education offerings
OUR BOARD	Annual SEC filings; annual shareholder meeting; functional team/department presentations; open dialogue on best practices; proxy voting; quarterly Board meeting updates
OUR INVESTORS	One-on-one dialogue with current and prospective investors; periodic email distributions; personally sharing major reporting (e.g. Annual Report and CSR); presenting at & attending investor conferences; institutional & retail investor surveys; industry & trade association interactions (e.g. Nareit)
OUR CUSTOMERS & TENANTS*	Active one-on-one discussions with Investments & Asset Management teams; weekly team calls to provide responsive and timely customer feedback; individual & team calls to discuss products & best practices; discussions to facilitate product education; engagement & product feedback surveys; occupier/tenant satisfaction surveys; periodic email distributions; risk management review
OUR VENDORS	Code of conduct distribution; diverse supplier certification support; one-on-one dialogue with individual vendors; policy setting discussions; vendor surveys

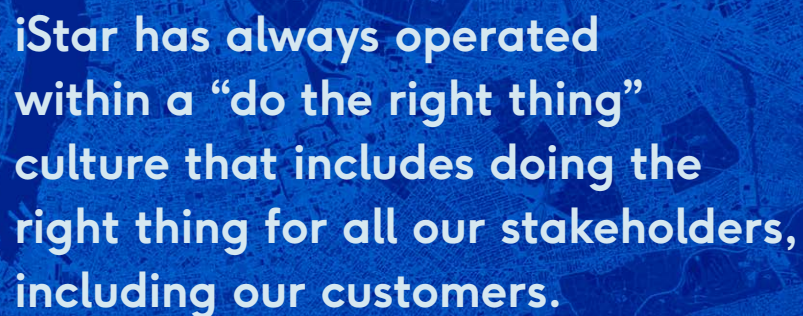
**Note: Safehold's customers and tenants are often the same party - Safehold's customers are building owners and operators, who are concurrently tenants for the term of their ground lease.*

Product Innovation & Customer/Tenant Engagement

iStar has always operated within a “do the right thing” culture that includes doing the right thing for all our stakeholders, including our customers. Five years ago, as we began developing Safehold’s ground lease strategy, we knew that our culture of innovation and customer-centricity would be a differentiator for the organization. We’re a leader in putting our customers first and this customer-centric approach creates incremental value by allowing them to be more capital efficient, reduce their risks, and enhance the returns of their investment activity.

We have built up both the size and resources of our in-house legal team over the past two years. Their first in class service helps us deliver the level of product customization, innovation, education, and responsiveness necessary for a truly customer-first experience. The impact of this change is evident in the evolving quality of our documents and processes. The legal team also contributed to the numerous new products that we launched to better serve the emerging needs of our customers.

Beyond the iterative process we undertake to speak with customers and consistently deliver products that meet their needs, we bring additional value to customers via our growing network of leasehold lenders and insurance providers. These relationships provide opportunities for our customers to work with best-of-breed partners, which ultimately supports their business and increases our customers’ overall satisfaction.



iStar has always operated within a “do the right thing” culture that includes doing the right thing for all our stakeholders, including our customers.

ESG Guides Our Approach (continued)

PRODUCTS

By design, ground leases allow for the separation of land and building ownership. This structure allows building owners to reallocate capital from buying the land under their building and direct it more efficiently towards the higher-yielding components - the physical building and its ongoing operations. Safehold's ground lease position vests day-to-day control over asset operations to our tenants through the duration of the lease term, which allows us to provide greater product innovation and customer/tenant engagement.

In 2021, we streamlined and expanded our customer/tenant outreach efforts to better focus on their needs and valuable feedback, which ultimately facilitated our ability to develop innovative financing solutions that provide clear value and benefit to them. The impact of these efforts was clear - 57% of Safehold's business in 2021 was from repeat customers as compared to 41% of Safehold's business in 2020. As the ground lease market grows, we're committed to constantly evolving Safehold's suite of products to maintain our leadership position with customer-first finance solutions.

Ground Lease Plus

Applying Safehold's modern ground lease structure to development transactions has unlocked new potential and allows Safehold to participate in earlier stages of a property's life cycle. The Ground Lease Plus program gives Safehold the opportunity to purchase ground leases that underlie projects currently in the pre-development stage once they reach the shovel-ready stage. The inherent new construction nature of this product promotes green building given that many of the developments will be built to environmentally responsible building standards.

SAFE x STAR

The SAFE x STAR program offers a powerful combination of a Safehold ground lease and either leasehold mortgage or leasehold equity capital from iStar within the same streamlined transaction. Customers benefit from a customized, one-stop capital solution with lower costs, reduced maturity risk, and flexible structuring options in comparison to other alternatives. We believe there are meaningful opportunities for iStar to deploy capital synergistically with Safehold in proprietary off-market transactions.

ESG Guides Our Approach (continued)

SAFE x SWAP

Many building owners are living with legacy ground leases that lack the innovative, modernized structure of Safehold's customer friendly structure. The SAFE x SWAP program enables Safehold to work with property owners to convert their outdated and problematic ground leases into a new and value enhancing Safehold ground lease.

SAFE x SELL

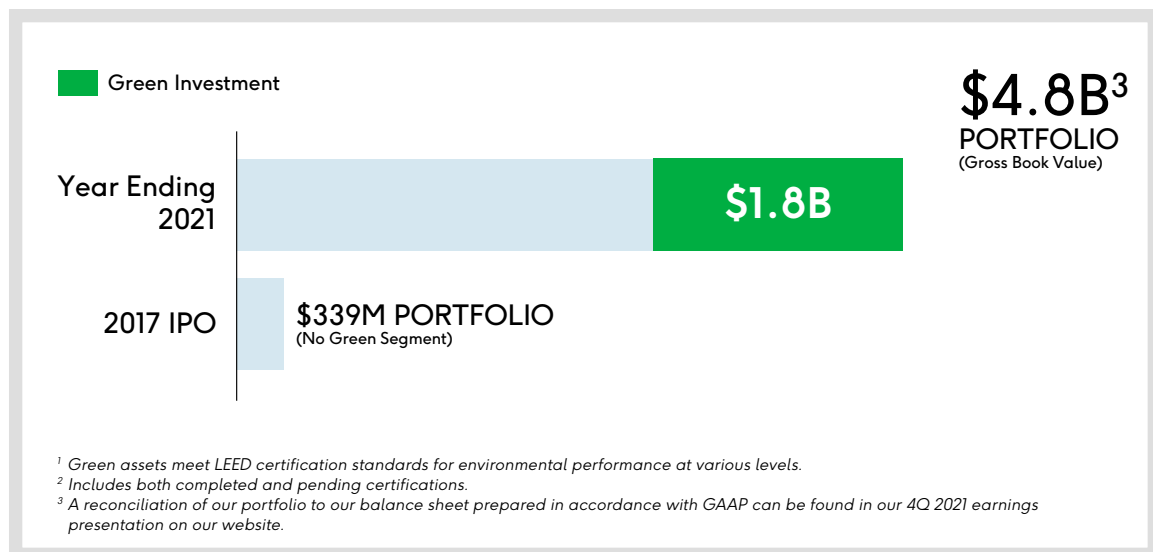
The SAFE x SELL program expands Safehold's mission to unlock value at all stages of an asset's life cycle by helping customers sell their properties more efficiently. Much like Safehold ground leases unlock value upon acquisition, recapitalization, and development of a property, they can also increase overall value when building owners sell their property - the combination of a Safehold ground lease and accompanying leasehold can generate more sale proceeds than selling the property outright.

Green Portfolio Exposure & Tenant Engagement Efforts

As of 12/31/21, Safehold's green portfolio exposure - the share of ground leases with completed or pending LEED certified buildings atop them - totaled \$1.8 billion, representing 38% of the overall \$4.8 billion portfolio. For reference, this is up from zero at the time of our 2017 IPO, highlighting our success in growing the green investment component of our portfolio.

SAFEHOLD GREEN PORTFOLIO BREAKDOWN

Green assets¹ comprise 38%² of Safehold's portfolio (as of 12/31/21)



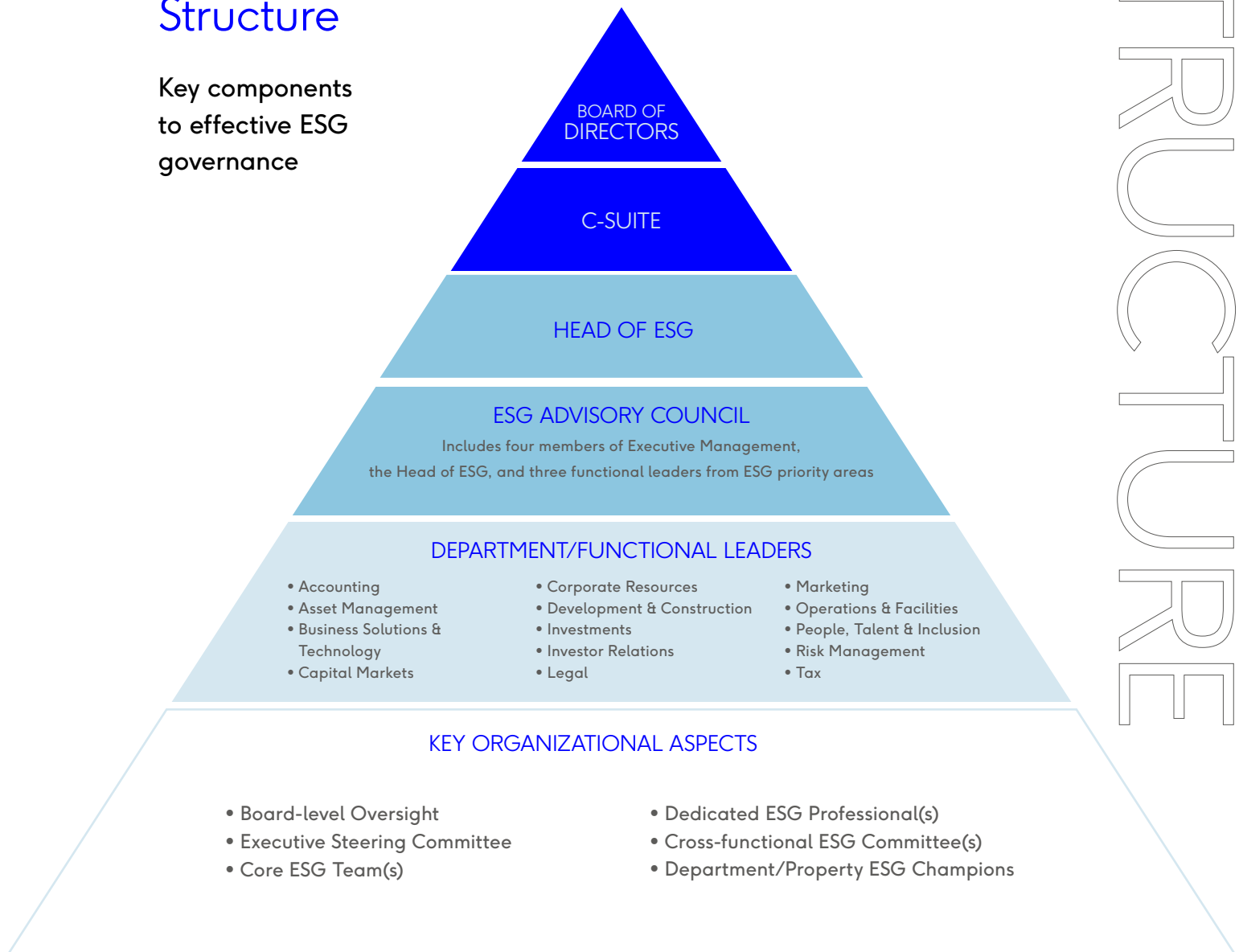
While Safehold's ground lease position vests day-to-day control over asset operations to our tenants through the duration of the lease term, we're increasing our tenant engagement efforts to promote more environmentally friendly building practices. As part of this effort, we conceived SAFEplanet in 2021 to promote initiatives that support green building.

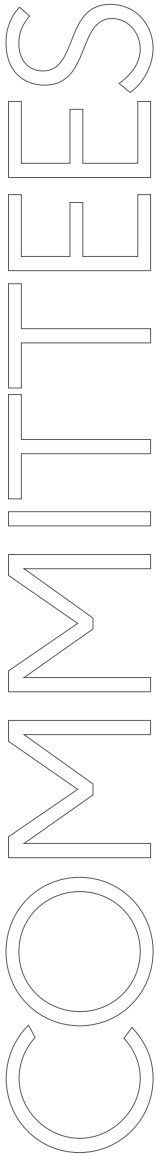


ESG Governance

ESG Organizational Structure

Key components
to effective ESG
governance





Board of Director ESG Responsibilities

Our full Board of Directors is responsible for overseeing ESG factors as part of its risk management (including climate-related risks and opportunities) and strategic business planning responsibilities. The Board is updated a minimum of three times per year by iStar's Head of ESG or an ESG Executive Sponsor.

Additionally, there are three board committees made up of entirely independent directors, who each have responsibilities that align to specific environmental, social, and governance topics.

1. The Audit Committee has oversight of:

- Risk assessment and risk management policies
- The functions of our compliance and ethics organization
- Financial, operational, IT, cybersecurity, and compliance risks

2. The Compensation Committee has oversight of:

- Determining, from time to time, the remuneration for our non-executive directors
- Our equity-based compensation plan and programs
- Risks to our equity compensation plans and arrangements

3. The Nominating and Corporate Governance Committee has oversight of:

- Reviewing and, if appropriate, recommending to the Board of Directors changes to, our corporate governance policies and procedures
- Programs, policies and practices relating to charitable, political, social and environmental issues, impacts and strategies
- Reputational and corporate governance risks, including the independence of members of our Board of Directors

C-Suite ESG Responsibilities

All members of our executive leadership team are actively engaged in how iStar approaches and manages ESG risks and opportunities. Additionally, four members of our Executive Management team sit on our ESG Advisory Council, including our Chief People Officer, Chief Administrative Officer, Chief Legal Officer, and General Counsel. The Chief People Officer also oversees the Company's annual review and compensation process, which notably began including a link between individuals' inclusivity performance and compensation in 2021.

ESG Leadership and ESG Advisory Council

In 2021, iStar took an important step to further embed ESG into its culture by creating a formal Head of ESG. This role is responsible for guiding ESG data gathering, strategy, disclosures, and communication, in addition to ensuring that ESG matters are thoughtfully integrated into the organization's decision making.

The ESG Advisory Council, established in 2020 with representation from Executive Management and other key areas in the organization, typically meets every other month; the Head of ESG further meets with individual members as needed. The group serves as both an oversight body and an advisory body to the C-Suite and the Board of Directors, to ensure that we are appropriately considering and taking actions aligned with our ESG risks and opportunities, business strategy, policies, and initiatives. Executive Management members approve individual actions and suggest new areas for the team to explore. Findings and progress are reported to the Board of Directors at least three times each year in its regular quarterly meetings.

Supporting Our ESG Strategy Through Policies and Action

iStar takes a proactive approach to create and administer policies that are foundational to our ESG strategy and governance, including employees and vendors. The Company's Head of ESG and Chief People Officer partner with individuals across iStar to (1) ensure that ESG-related training and communication is completed as noted below, (2) track and audit metrics to assess performance, and (3) identify opportunities for improving our ESG initiatives.

In 2021, we created an approach to ensuring our policies and programs align with our most important ESG topics. We also updated our annual training to incorporate new ESG topics. Our training includes:

- **Corporate Code of Conduct:** annual employee review of the code and written acknowledgement/sign-off, with a town hall discussion on items that changed in the prior year.
- **Human Rights:** annual training to reaffirm the principles and standards set out in both our Corporate Sustainability Policy Summary and Vendor Code of Conduct. A particular emphasis is placed on the most salient human rights risks, including raising awareness and prevention of harassment, discrimination, and exploitation, notably forced labor and human trafficking.

ESG Governance (continued)

- **Vendor Code of Conduct:** annual electronic distribution, notably emphasizing human and labor rights.
- **Diversity, Equity & Inclusion:** annual third-party training
- **Sexual Harassment:** annual third-party training
- **Cybersecurity:** annual third-party training
- **Anti-Money Laundering (AML) and Know Your Customer (KYC):** annual training for employees who either (1) manage flow of money in or out of the organization, or (2) interact directly with customers' personally identifiable information (PII)
- **Anonymous Ethics Hotline:** twice annual email distribution reiterating the Company's anonymous ethics hotline and whistleblower program, with an emphasis on non-retaliation for any filed complaints.
- **Document Management & Retention Policy:** periodic system and policy training to promote strong adherence with cybersecurity best practices.

The results of training participation and policy update recommendations are reported to the C-Suite. Additionally, a third-party audit is completed once every three years to further support best practice review and confirm continued compliance with the Company's training and ethical policy standards.



In 2021, we created an approach to ensuring our policies and programs align with our most important ESG focus areas.

TRAINING



Our Policies Supporting ESG

Corporate Code of Conduct

iStar's policy is to conduct business in accordance with the highest moral, legal, and ethical standards. Our reputation for integrity is the cornerstone of individuals' trust in iStar; it is what provides us an opportunity to serve our investors, customers, and other stakeholders. Therefore, our Corporate Code of Conduct includes Conflicts of Interest; Prohibition Against Bribery & Facilitation Payments; Personal Financial & Outside Business Interests; Corporate Boards; Corporate Opportunities; Use and Protection of Company Assets; Confidentiality; Dealing with the Press & Communication with the Public; and Accounting Matters.

An established Compliance Committee administers the overall compliance program, including our Corporate Code of Conduct. The Committee consists of our Chief Legal Officer, General Counsel, and Chief People Officer.

Anti-Corruption & Anti-Bribery Policies

iStar takes illicit business activity seriously and works diligently to prevent both money laundering and financing of terrorism. We comply with all applicable Anti-Money Laundering (AML) laws and will not knowingly participate in arrangements to launder money, nor will we do business with anyone suspected of involvement with such criminal activity, terrorist activity, or who is subject to applicable trade sanctions. We employ appropriate Know Your Customer (KYC) measures (e.g., industry-leading background checks via an independent third-party provider) to ensure that we satisfactorily know our clients and customers - with the goal of reducing the likelihood that we could be implicated in a nefarious scheme.

ESG Governance (continued)

iStar expressly prohibits all forms of bribery/corruption and facilitation payments. In terms of this policy, these items are more clearly defined as follows:

- Bribery is defined as the act of improperly promising, offering, giving, soliciting, asking, agreeing, receiving, or accepting something of value for an advantage, or to induce or influence an action or decision.
- A bribe is defined as any payment, gift, inducement, reward, service, or item of value promised or provided - either directly or indirectly - to a recipient with the intent to improperly influence any act or decision of such person or organization.
- Facilitation payments are defined as unofficial payments made to public or government officials or authorities to secure or expedite the performance of routine duties, services, or procedures of non-discretionary nature to which they are already bound to perform. The payment is not intended to influence the outcome of the official's action, but rather to influence its timing.

This policy applies to anyone acting in any capacity on iStar's behalf, including employees, agents, or intermediaries.

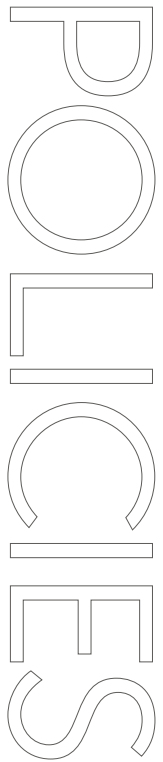
Whistleblower Policy

Our employees may report - either directly or anonymously - any suspected misconduct concerns or violations of iStar's Code of Conduct. NAVEX Global provides EthicsPoint service to all employees. This is an independent and confidential 24/7 hotline created to help employees and management work together to address fraud, abuse, and other misconduct in the workplace, while cultivating a positive work environment. We prohibit retaliation against employees who report actual or suspected violations. Anyone who attempts to retaliate will be subject to disciplinary action, up to and including termination.

Political Contributions & Lobbying

iStar does not use corporate funds towards direct political advocacy (e.g., campaign contributions and lobbying). We are members of trade groups (e.g., Nareit) who participate in broad legislative activity related to the real estate industry.

iStar does not infringe on an individual employee's right to vote, to financially support a candidate or party of their choice, to keep informed and/or involved in political matters, to serve within civic bodies, or to hold political office at any level of government. We separately provide employees paid time off for voting.



ESG Governance (continued)

Corporate Sustainability Policy Summary

iStar publishes and regularly updates its Corporate Sustainability Policy Summary, which outlines iStar's governing ESG principles. It complements both our Annual Corporate Sustainability Report and Proxy Statement, and is intended to provide greater detail on the policies, procedures, and best practices that guide our work, including:

- **Social Policies:** Anti-Money Laundering (AML) & Know Your Customer (KYC), Corporate Code of Conduct, Diversity, Equity and Inclusion, Human & Labor Rights, Political Contributions & Lobbying, Safe & Healthy Workplace and Vendor Code of Conduct
- **Environmental Policies:** Corporate Environmental Policy, Environmental Management, Climate Change, Operational Waste & Energy Management
- **Oversight Policies:** Stakeholder Engagement, Compliance & Reporting Concern

Given that our Corporate Sustainability Report publishes annually, we provide interim updates on ESG matters via our Corporate Sustainability Policy Summary, which can be found at <https://www.istar.com/sustainability/>

Corporate Environmental Policy & Environmental Management

Our environmental policy and management efforts are steered by a combination of the ESG Advisory Council and Executive Management across numerous departments, including, but not limited to, Operations & Facilities, Risk Management, Asset Management, Development & Construction, Legal, and Business Solutions & Technology. As noted earlier, these activities are subject to oversight and review by our full Board of Directors. We seek to identify operational areas of environmental risk and opportunities for positive impact. This provides us with a cross-functional approach to recognizing where our operations can have a direct and indirect impact on the world around us, including:

- Ensuring our operations comply with applicable local laws and understanding areas for positive impact derived from future possible laws.
- Seeking to limit the carbon impact of our employees in the workplace.





- Assessing our GHG emissions so we can meet our 2025 expectation for both targeted reductions and carbon neutrality (see subsequent Climate Change Disclosure for further detail).
- Considering issues like water quality and scarcity, biodiversity, alternative transportation, and energy efficiency for flagship properties within our control.
- Evaluating climate-related risks of both new and existing Safehold assets, as it relates to both the financial impacts and opportunities of our business (see subsequent Climate Change Disclosure for further detail).
- Requiring vendors to conduct aspects of their business in an environmentally responsible manner.
- Providing employees with education, training, and tools that allow them to reduce their own environmental impact.
- When possible, requesting that building owners and operators provide us with emissions activity reports procured during the ordinary course of business.
- Ensuring building owners keep their properties in compliance with applicable, governing environmental and energy efficiency laws.

ESG Governance (continued)

We implemented several environmentally friendly actions in recent years at our few remaining master developments and within our internal operations, including:

- Tree planting, stormwater management, electric vehicle charging, and stream restoration at our operationally controlled development assets.
- Roughly 64,000 kWh of energy savings each year via migrating our server infrastructure to the cloud and providing employees with more energy-efficient laptops.
- Reduced waste impact in corporate operations via going plastic-free in our offices and rolling out a new online data warehouse to reduce paper printing.

All these earlier initiatives remain in place and continue to provide positive environmental impact.

Vendor Code of Conduct

iStar provides our Vendor Code of Conduct to existing vendors, and to new vendors as part of our evaluation and onboarding process. We reserve the right to audit vendor compliance with this Code, review the overall business relationship, and/or terminate the relationship if we determined that a vendor has breached this code. The Vendor Code of Conduct includes:

- Child Labor; Forced Labor & Human Trafficking; Working Hours; Freedom of Association and Collective Bargaining
- Environmental Management
- Supplier Diversity & Economic Inclusion

Information Technology and Cybersecurity

We have a strong Cybersecurity Incident Response Team and IT security processes in place. Mandatory cyber awareness training sessions are held each year for all employees, the timing of which is aligned with seasonal increases in attempted security hacks. Periodic penetration and phishing tests are performed as well. Employees who perform below expected standards are required to take remedial training.



Mandatory cyber awareness training sessions are held each year for all employees.



Environmental

Climate Change Disclosure - Our Approach on Climate Change

Note: This segment is prepared with consideration to both iStar, for its manager role, and Safehold, for the relative importance of its portfolio size. With iStar's \$3.1 billion Net Lease business sale now completed, Safehold's \$4.8 billion portfolio (as of 12/31/21) represents a substantial majority of iStar's assets under management via its manager role.



We're increasing our tenant engagement efforts to promote more environmentally friendly building practices.

Governance

The Company appointed a Head of ESG in 2021, and elements of climate-related planning are now worked into numerous facets of the organization, including, but not limited to, the investment process, risk management, underwriting, legal, asset management, stakeholder engagement efforts, green product innovation, and both employee and vendor relations. Executive Management and the Board continue to consider climate-related risks and opportunities on the Company's strategy, operational decisions, and performance.

Strategy

iStar's role as Safehold's manager demands that we take a longer perspective than others - 99 years - when assessing the range of risks and opportunities presented by climate change. Our evaluation of risks and opportunities consider a combination of the positive and negative impacts of both (i) the impact of our business on the changing world and (ii) the changing world's impact on our business. Our unique 99-year investment horizon affords us the opportunity to approach strategic and financial planning through a truly different lens. While our goal is to deliver customer-first finance solutions, we recognize the importance of considering sustainability and climate change in thoughtful, cross-functional decision making.

iStar and Safehold very seldom have day-to-day decision-making rights at the physical asset level. Tenant engagement efforts are then a key part of our strategy, with the goal in mind of promoting environmentally conscious actions and green building practices. Safehold's tenant engagement program includes a combination of outreach efforts and SAFEplanet, a cross-functional effort to promote initiatives that support green building.

Environmental (continued)

Beyond tenant engagement, our strategy further includes identifying risks and incorporating them into our environmental management efforts, with a focus on risk mitigation measures. Both physical and transition risk factors can impact our business, strategy, and financial planning. For physical climate risk, we seek to assess and mitigate the impacts that changing acute and chronic weather conditions may have on our business. For transition climate risk, we seek to better understand risks related to the transition to a lower-carbon economy, notably from possible changes in market dynamics, technology, policy/regulation, and reputation.

CLIMATE-RELATED RISKS & OPPORTUNITIES

TIME PERIOD	PHYSICAL CLIMATE RISK	TRANSITION CLIMATE RISK	CLIMATE OPPORTUNITIES
Short Term (Through 2030)	<ul style="list-style-type: none"> • Growing frequency of extreme, acute weather-related events such as floods, hurricanes, and wildfires • Early impacts of water stress 	<ul style="list-style-type: none"> • Growing emissions-reporting obligations • Mandates to transition to lower emissions technology • Changing customer behavior 	<ul style="list-style-type: none"> • Increased adoption/expansion of Safehold's SAFEplanet programs supporting green development
Medium Term (2030 – 2050)	<ul style="list-style-type: none"> • Growing severity of extreme, acute weather-related events • Continuing impacts of chronic water stress in the form of more frequent and severe droughts 	<ul style="list-style-type: none"> • Increased stakeholder concern • Litigation for failing to meet energy-efficiency requirements • Prohibitive GHG emissions pricing • Stigmatization of real estate sector 	<ul style="list-style-type: none"> • Clearer recognition of the benefit Safehold's diversified nationwide portfolio provides against the impacts of climate change on individual assets/markets
Long Term (Beyond 2050)	<ul style="list-style-type: none"> • Chronically increasing average and extreme temperatures create more regions and severity of heat stress • Impacts of sea level rise begin being felt 	<ul style="list-style-type: none"> • Fundamental shift in the utility and associated value of certain real estate markets and/or property types 	<ul style="list-style-type: none"> • Contractual lease requirements preserve the continued usefulness of assets and promote enduring value in the face of unforeseen changes

Note: iStar and Safehold are most commonly involved in real estate transactions strictly as a finance provider (e.g., lender or ground lessor). This key structural fact limits or mitigates some of the above-noted risks, though may still impact each company's business considering their impact on customers/tenants.

Risk Management

Our risk management process seeks to identify and mitigate any outsized risks to our business - both now and into the future. We seek to better understand, and share with stakeholders, the potential impacts of climate change on our business, markets, and economic performance. We undertook a process in 2021 to expand the robustness of our physical climate risk assessment, with the goal of first applying the expanded methodology to Safehold's growing ground lease portfolio. Both the prior Climate-Related Risks & Opportunities chart and the following Physical Climate Risk Summary chart are underpinned by Moody's Four Twenty Seven ESG product, a data-driven platform that leverages public and private databases to generate over 25 underlying risk indicators which ultimately derive physical risk scores for six defined climate hazards (floods, heat stress, hurricanes, sea level rise, water stress, and wildfires) and a seventh commonly considered physical risk - earthquakes.

While our scenario planning predominantly focuses on temperatures ultimately reaching 1.5° to 2.0°C above pre-industrial levels (consistent with the 2015 Paris Agreement), Moody's climate scenario ESG tool utilizes the Representative Concentration Pathway 8.5 Scenario (RCP8.5) from the UN's Intergovernmental Panel on Climate Change (IPCC), the leading standard for climate modeling. This scenario represents a trajectory of sustained high energy demands, causing high greenhouse gas concentration, and forcing an increase in global mean temperatures of approximately 4.0°C by the end of the century (2100). The RCP8.5 Scenario is the high-end scenario out of seven scenarios commonly assessed for climate projections and decision-making climate change scenarios. We expect to complete more detailed scenario analysis for our business in alignment with both the Task Force on Climate Related Financial Disclosures (TCFD) guidance and the Science Based Targets initiative (SBTi) and look forward to sharing more on our efforts and findings in the years ahead.

IMPACTS

We seek to better understand, and share with stakeholders, the potential impacts of climate change on our business, markets, and economic performance.

Environmental (continued)

RISK CLIMATE

Moody's ESG platform categorizes properties' physical risk into the following 5 levels: No Risk (not exposed); Low Risk (not significantly exposed to historical or projected risks); Medium Risk (exposed to some historical and/or projected risks); High Risk (exposed today and exposure level is increasing); Red Flag (highly exposed to historical and/or projected risks, indicating high potential for negative impacts). This 5-level risk categorization scale assesses both the absolute degree of exposure to climate hazards and the relative change in exposure as projected by climate models. The thresholds between levels are based on the overall distribution of climate risk exposure calculated in Moody's ESG's investable scoring universe and are intended to correspond to the following potential degree of impact: No Risk (not exposed); Low Risk (less than 33rd percentile); Medium Risk (33rd to 67th percentile); High Risk (67th to 95th percentile); Red Flag (greater than 95th percentile risk).

Per the following chart, the physical climate risk categorization of Safehold's 100+ property, diversified nationwide portfolio is in-line with the average risk measured throughout the United States (defined as the average exposure scores of the roughly 1 million real assets nationwide that comprise Moody's investable scoring universe). While individual risk scores vary nominally between Safehold's portfolio and the average U.S. figures, the overall risk category is the same for all seven physical risks. Furthermore, it bears noting that Safehold's risk position is further cushioned by the relatively low risk inherent with our ground lease's typical positioning in the capital structure - often at 35-40% of the overall property value. While Safehold's customers/tenants are day-to-day decision makers and recognize the earliest impact of risks (e.g., lower revenues and/or higher costs) in their position as building owners, we recognize the associated impact it can have on Safehold (e.g., lower rent coverage multiple). We commonly manage these and other physical risks through a combination of portfolio diversification, risk management oversight, insurance requirements, rebuild provisions, and will-serve water supply letters, among other items.

SAFEHOLD PHYSICAL CLIMATE RISK SUMMARY

Portfolio \$ Weighted (as of 12/31/21)

PHYSICAL RISK	EARTHQUAKES	FLOODS	HEAT STRESS	HURRICANES	SEA LEVEL RISE	WATER STRESS	WILDFIRE
Safehold Portfolio Risk Category	Low Risk	Low Risk	Medium Risk	Low Risk	No Risk	Medium Risk	Medium Risk
Average U.S. Risk Category	Low Risk	Low Risk	Medium Risk	Low Risk	No Risk	Medium Risk	Medium Risk

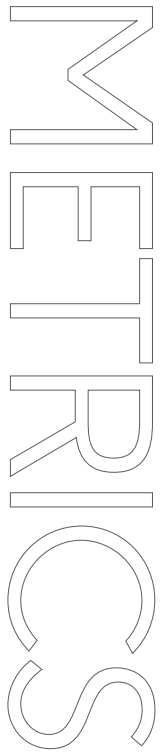
Source & Notes: Risk categories for both Safehold's portfolio and U.S. averages sourced from Moody's ESG platform, a leading provider of market intelligence on the economic risk of climate change (notably physical risks associated with climate-related hazards and other environmental issues).

Environmental (continued)

We generally perceive transition risk to have a greater possibility of long-term impacts, particularly considering our unique 99-year investment horizon. We perceive the highest risk to be the possibility of certain markets and/or property types being permanently impaired decades from now due to a combination of declining revenues and/or the cost of complying with increasingly strict environmental mandates. We seek to mitigate this risk by building a highly diversified, nationwide portfolio that diminishes the impact of any individual exposures. Safehold can also sell any individual ground lease at any given time if unfolding dynamics in a particular market/geography suggest it would be prudent.

Metrics & Targets

In 2021, we undertook the process of establishing iStar's carbon emissions baseline - for 2019 given the disruptions of COVID in 2020 and 2021. The figures below represent the GHG emissions of iStar's physical business operations for our 2019 baseline year. We calculate our greenhouse gas emissions inventory in accordance with the GHG Protocol Corporate Accounting Standard - adopting their operational control boundary method. The GHG Protocol defines the operational control approach to include operations where we have the full authority to introduce and implement operating policies. With the recent sale of iStar's Net Lease business, we're now in the process of gathering supplemental emissions data - primarily Scope 1 in nature - for the few remaining assets that iStar has operational control over. This data will be added to our analysis in the future to provide a comprehensive view of iStar's GHG emissions. We're already working to reduce our GHG emissions, with a targeted reduction of 20% by 2025 (relative to our 2019 baseline). We then expect to consider purchasing carbon offsets for our remaining emissions impact as part of our commitment to carbon neutrality commitment by 2025.



**We're already working to reduce
our GHG emissions, with a targeted
reduction of 20% by 2025.***

**Relative to our 2019 baseline*

Environmental (continued)

2019 GHG EMISSIONS METRICS FROM ISTAR'S PHYSICAL BUSINESS OPERATIONS

Co2e FOOTPRINT TOTAL		
EMISSION TYPE	SOURCE	mT
Scope 1	Natural Gas	0
	Heating Oil	0
	Propane	0
	Gasoline	0
	Diesel	0
	Steam	0
Scope 2	Electricity	277
	Servers	50
Scope 3	Hotel	7
	Paper	25
	Air Travel	389
	Rental Cars	30
	Automobile Commute	192
	Bus Commute	51
	Trains/Metro/Lightrail Commute	9
	Shipping	6
Total		1,036

STANISLAW

Environmental (continued)

TIMELINE & TARGETS

2019	<ul style="list-style-type: none">• Inaugural CSR year (published in April 2020)• Baseline GHG emissions year
2020	<ul style="list-style-type: none">• ESG Advisory Council established
2021	<ul style="list-style-type: none">• Head of ESG appointed• SAFEplanet green improvement program created• Determined GHG baseline from physical operations
2022	<ul style="list-style-type: none">• Gather GHG emissions for operationally controlled assets• Identify opportunities for reducing GHG emissions
2023	<ul style="list-style-type: none">• Interim update on GHG emissions reduction efforts (2019-2022)
2025	<ul style="list-style-type: none">• Company is committed to carbon neutrality in 2025



Social

“I really enjoy coming to work every day for a couple of reasons - the people, having a clarity of purpose, and broadly speaking, our team and the whole company. We have fun doing what we do. We’re constantly pushing the limits and innovating. We care about each other, our business, and how we do business. It’s rare that I call it work.”

Social (continued)

iStar's team is made up of nearly 150 employees who move the Company forward each day - innovating, being customer-centric, and operating with integrity. They do this because leadership listens, cares, and has built a culture of fairness that applies to all our stakeholders.

Our social responsibility policies, including Human & Labor Rights; Diversity, Equity and Inclusion; Vendor Code of Conduct; and Supplier Diversity are foundational to the success of our employees and our operations. A copy of each of these policies is included in our Corporate Sustainability Policy Summary available at <https://www.istar.com/sustainability/>

With our focus on transforming real estate finance through our ground lease business, we are committed to attracting and retaining the best talent. We are building a culture focused on our employees feeling included and represented.

We simply want to be the best place to work.

Cultivating Engagement and Inclusivity

iStar uses a third-party tool, Emplify, to measure and improve employee engagement. The Emplify platform enables iStar to solicit feedback from employees across 16 different dimensions that contribute to engagement, allowing us establish benchmarks and inclusion-related goals. We survey employees three times each year, and our engagement results are measured and tied to our performance metrics and incentives. Emplify provides each leader a report on their team's engagement; leaders then identify one high impact action per year that will positively move the needle in their team. In 2021, we incorporated peer feedback on employees' inclusivity performance into the annual review and compensation process. This clear link - with nearly a 10% overall weighting - between inclusivity and pay promotes an environment of awareness and accountability, which better facilitates the nature of workplace and collegueship that we wish to demonstrate and promote.

Employee Engagement Score

Our 2021 Engagement Surveys had a 99% survey response rate. Our Engagement Score of 80% meets the criterion for a Highly Engaged workforce and is several points higher than the average score among our financial services and real estate investment peer group.

Using Engagement to Shape How We Work

One of the keys to effective engagement isn't just listening but acting. During 2021, we continued to navigate COVID and made plans to bring our employees back to the office in a purposeful and thoughtful way. Using our engagement survey, we quickly ascertained that a more flexible work arrangement would be necessary. With the appropriate accommodations, a company-wide hybrid model was created, employees were re-surveyed, and the feedback was positive. Reimagining how we think about work and the traditional work model was successful because of the trust we have built, our continuous feedback loop, and our commitment to take action.

Diversity, Equity & Inclusion (DEI)

iStar is committed to understanding and focusing attention on the lived experience of all our colleagues deserves our focused attention. We are vested in creating a culture where people can be themselves and bring their best. At iStar, we're committed to doing that, not only because it is right but because it is the only way to create a high-performance culture that both gets the best from its people and creates the strongest business outcomes. Ultimately, we're focused on creating a company and a culture we're all proud to work within, one with high aspirations for ourselves and society.

Cultural Equity Council

iStar values every individual team member and the multifaceted experiences they bring to our Company. The Company believes that embracing our unique differences leads to better problem solving, better decision making, and better business outcomes. Our Cultural Equity Council (CEC) was formed in 2020 and is charged with helping iStar sustain and evolve our culture so that we are as equitable and inclusive as we can be.

The CEC includes involvement by members of Executive Management, including our President and Chief Investment Officer and Chief Legal Officer, and is led by our Chief People Officer. Ongoing progress is reported to iStar's Board of Directors. In addition, in 2021, our Chairman and Chief Executive Officer, Jay Sugarman, joined CEO Action for Diversity & Inclusion™, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

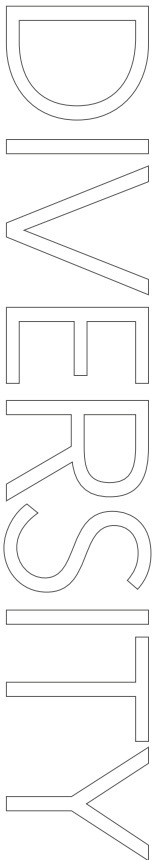
We are proud to have achieved many of our 2021 DEI goals, outlined below, while charting a path forward to further integrate diversity, equity, and inclusion principles and processes into the fabric of our organization.

Internal Recruiting/Talent Management

- 100% of iStar job searches in 2021 consisted of diverse candidate pools by race and gender and diverse interview panels by race and gender; half of new hires were women or minorities
- We developed and supported employees in reaching their professional goals (details are included in this report in the Employee Training section)

External Vendors

- Conducted an analysis to compile relevant diversity ownership data of current vendors
- Identified percent of overall spend with diverse-owned businesses



Social (continued)

Internal Surveys

- Completed two company-wide DEI surveys
- Identified areas of improvement within DEI scores
- Completed three Employee Engagement Surveys to gauge culture

Management Training

- Provided resources for Inclusive Leadership
- Delivered Part I of Microinequities Training to the Company
- Provided targeted coaching and support, and leadership development

Internal Reporting

- Published six CEC Journal DEI e-newsletters
- Presented quarterly DEI updates to the Board of Directors
- Built an internal website dedicated to DEI progress and resources
- Created mechanism to receive concerns, ideas, and issues, and for the platform to follow through

External Reporting

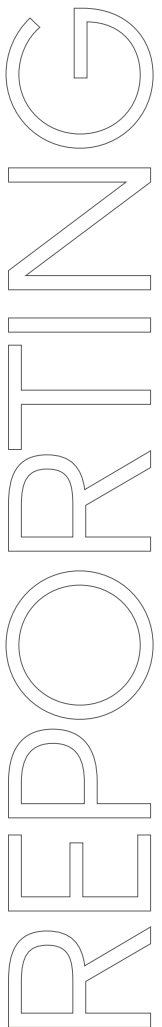
- Included DEI data in Corporate Sustainability Report
- Showcased a broader range of leaders on iStar's website

Internal Policies and Programs

- Implemented initial policy changes to maternity, paternity and personal time-off (PTO)
- Implemented 12-week, 100% paid maternity/paternity leave
- Completed CEC review of HR policies to identify inequities

Equitable Pay and Promotions

- Evaluated pay trends, pay gaps and internal talent movement at iStar across identity groups



Performing well as an inclusive leader and/or colleague contributes to a potentially higher overall rating and increased compensation.

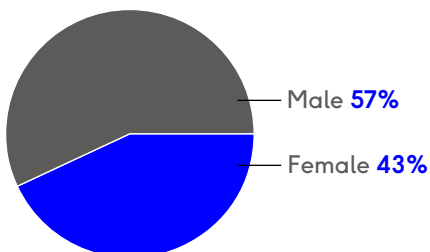
Measuring Inclusive Leadership and Inclusive Colleagueship

Inclusivity is vital to iStar's culture, which is why we sought out a way to measure and act on it. We implemented the following system in 2021 to anonymously measure inclusive leadership and inclusive colleagueship:

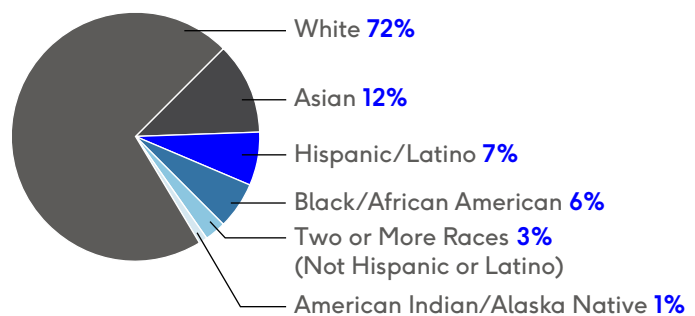
- Individuals with 5 or more direct reports receive Inclusive Leader ratings from their team, rating each leader's personal inclusivity behavior towards their direct reports.
- Individuals with less than 5 direct reports receive Inclusive Colleague ratings, rating each employee's personal inclusivity behavior amongst his or her co-workers.

Inclusivity Performance Ratings are part of our compensation formula as well. Performing well as an inclusive leader and/or colleague contributes to a potentially higher overall rating and increased compensation.

GENDER DIVERSITY



RACIAL & ETHNIC DIVERSITY



As of 12/31/21.

We foster a community of learners. It is how we stay ahead of industry trends, understand the needs of our clients, and how we can work better as an organization towards our individual and collective goals.

Employee Development

We foster a community of learners. It is how we stay ahead of industry trends, understand the needs of our clients, and how we can work better as an organization towards our individual and collective goals. As part of our performance management, every iStar employee sets two annual learning goals.

We continue to make a wide range of training available for our employees. In addition to LinkedIn Learning, we invested in a new, highly personalized approach in 2021. We partnered with a best-in-class company to provide formal career training, development, and coaching/mentorship. Our first program cohort included 44 employees at all levels within the Company except the C-Suite (~30% of our employee population), who were diverse by race, gender, level and role, and geographical location.

Cohort participants chose from a set of personal and professional development goals. Each participant was matched with an external coach, based on who they deemed best for themselves, and subsequently participated in coordinated coaching sessions over a span of nearly four months. The range of available goals included developing self, developing others, managing conflict, emotional intelligence, diversity and inclusion, collaboration, performance conversations, commercial acumen, trust and relationships, and operating in the corporate environment.

Cohort results:

- 91% of participants attended 4 or more sessions (lasting nearly an hour each); average participant attended ~9 sessions
- A total of 385 sessions were completed; 82% of the sessions rated 5/5 on coach quality
- On average, participants had a coaching session every 9.3 days

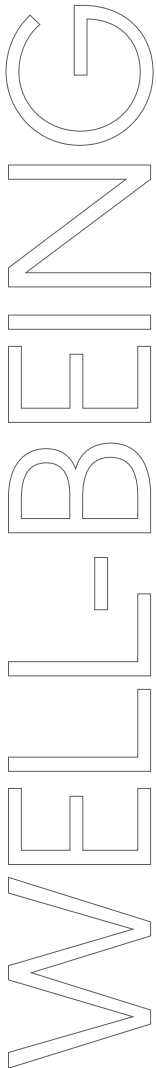
Employee Benefits and Well-Being

Based on continuous conversations with our employees and the need to adapt to life and work due to COVID, we have developed programs to help our employees feel and function at their best.

Every other month, we send an email to all employees with reminders of their benefits, which include:

- **iStar Cares:** iStar pays for each employee and their families to have access to a concierge medical service, providing quick access to doctor appointments.
- **Employee Hardship Loan Program:** iStar offers a no-questions-asked, interest free \$5,000 loan to assist employees and their families with financial stability. The application is completely anonymous and 15% of employees participated in 2021.
- **iStar Wellness Program:** iStar reimburses employees up to \$300 annually for a wide variety of personal wellness-related expenses. Eligible expenses include, but are not limited to, gym memberships, fitness classes, wellness-related subscriptions, meditation apps, workout equipment, personal growth and learning apps, therapy sessions, physical therapy sessions, massages, and spa treatments.
- **Comprehensive EAP:** Our employee assistance program assists individuals with personal problems and/or work-related problems that may impact their job performance, health, mental, or emotional well-being.

iStar employees also receive a number of non-health benefits, including group, supplemental, and dependent life insurance; group short- and long-term disability insurance; 401(k) matching and Section 125 plans; supplemental accidental death and dismemberment (AD&D) insurance; paid vacation, sick days and company holidays; paid bereavement leave; paid parental leave for either parent; tuition reimbursement; and matching donations for charitable gift giving.



IT and Cybersecurity

iStar's Technology and Business Solutions department implemented many initiatives in 2021 as we progressed toward being a completely cloud-based organization. Using a data-driven approach to this migration, iStar created a Document Retention Policy that allows us to reduce the number of documents migrated to the cloud, positively impacting storage-related energy consumption and expenses.

Pre-COVID, iStar employees operated in a laptop-environment. Coupled with the cloud-based data migration in 2021, work-from-home capabilities were made available to all employees. This operational functionality allowed us to more efficiently mitigate business continuity risks associated with the effects of COVID and other potential weather-related business disruptions. Migrating functional systems into enterprise resource platforms enhanced our IT security, increased employee efficiency and productivity, and provided clear cost savings.

How We Help Others

Philanthropy

iStar matches up to \$5,000 of charitable gift giving from employees to 501(c)(3) organizations. The Company matched 136 employee donations in 2021 totaling \$101,889.

Supporting Diverse Suppliers

In 2021, we surveyed our existing vendors to identify women, minority, and veteran-owned companies. This information is now part of our onboarding process for all new vendors. When possible, we seek to provide business to these groups, and we encourage all our vendors to equally emphasize fairness and equality in their own businesses.

We are taking steps to enhance the supplier diversity of iStar. For example, when we identify diverse-owned vendors that aren't yet certified, we will cover the cost for their certification, including paying for a consultant to help them through the certification process. We have seen that most diverse-owned businesses are small- to mid-sized, and both the time and cost of certification can then be significant. This certification assistance program promotes a key DEI objective of ours, namely expanding both our own and others' support of diverse-owned businesses.

An aerial photograph of a city, likely New York City, showing a river (the Hudson River) flowing through the urban landscape. The image is overlaid with a semi-transparent blue rectangle containing white text.

Forward-looking statement

This report contains certain forward-looking statements based on iStar Inc. (“iStar”) management’s current assumptions and expectations, including statements regarding our sustainability targets, goals, commitments and programs and other business plans, initiatives and objectives. These statements are typically accompanied by the words “could,” “hope,” “believe,” “estimate,” “plan,” “aspire” or similar words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties and factors. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K filed with the SEC, as well as, with respect to our sustainability targets, goals, and commitments outlined in this report or elsewhere, the challenges, assumptions, risks, uncertainties and factors identified in this report. You should consider the forward-looking statements in this report in conjunction with our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. iStar urges you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. iStar cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.



In consideration of the environment, this report will not be printed. The report is available digitally at istar.com/sustainability.

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