

Stratus Properties Inc.

Environmental Policy

Background

Stratus Properties Inc. and its subsidiaries (collectively, “Stratus”) views environmental sustainability, ecosystems stewardship, and health and well-being as essential to achieving our performance goals. We recognize that a healthy environment helps our communities prosper and, in turn, improves the projects we develop in those communities. We acknowledge the importance of understanding how our business decisions affect the environment, including contributions to climate change. We have incorporated environmental sustainability in our development projects and commit to continuing to incorporate environmental sustainability as a visible driver of our strategy, recognizing that it underscores our long-term growth and value creation objectives. We will seek to continually improve our business practices to minimize our impact on the environment by conserving energy, water, and other natural resources; reducing waste through reuse, recycling and composting; identifying opportunities to reduce our carbon footprint; and carefully sourcing materials to avoid products that harm our environment.

Scope and Application

Our Environmental Policy is overseen by our Nominating and Corporate Governance Committee and was approved by the Committee and our Board of Directors. Its scope includes Stratus Properties, Inc. and the entities we control. This Environmental Policy outlines our objectives, management processes, and standard technical practices, and will be reviewed on a periodic basis. We are fully committed to do our part, and will encourage our business associates, partners and vendors to make similar commitments.

Guiding Principles

Our commitment to environmental sustainability, ecosystem stewardship and health and well-being is guided by several guiding principles, including:

- Meeting or exceeding all applicable laws and regulations
- Continuing to incorporate sustainable development and building practices in our projects
- Striving to innovate and be a leader in sustainable development and building practices
- Maintaining an active dialogue with our stakeholders to increase awareness on environmental matters important to them
- Continually reviewing and improving our practices

Environmental Sustainability Management Process

Our process to better understand our environment, and to minimize our impact and mitigate

risk, includes the following:

- *Planning:* We engage in a robust planning process with our experienced team, composed of both Stratus employees and third-party consultants, to incorporate individualized optimal environmental sustainability practices for each project.
- *Investments:* We budget our capital expenditure and maintenance funds to achieve improvements in the sustainability, efficiency, healthfulness and resilience of our properties.
- *Management:* We employ experienced and skilled people and partner with third-party experts to develop and implement sustainability strategies aligned with this Environmental Policy for our development projects.
- *Validation:* Once our projects are complete, we evaluate the success of implementing our sustainability plans for them. As we plan future projects, we consider lessons learned, and reflect on changes to our Company, the regulatory environment, and the communities in which our projects are located in order to enhance our sustainability plans and practices for new projects.

Environmental Sustainability Practices and Procedures

We seek to achieve a high level of environmental and health performance in our development projects. Specific areas of focus include environmental health and well-being, sustainable consumption and production, resource efficiency and carbon reduction, and resiliency and adaptation.

Environmental Health and Well-Being

- *Air Quality Management:* Encourage healthful air quality in our properties through the use of materials with low volatile organic compounds (VOCs).
- *Thermal Comfort:* Install thermostats with digital controls that feature occupancy sensors and temperature set-back programs.
- *Green Materials Sourcing:* Utilize building materials and equipment that have been evaluated for their environmental and health impacts, where appropriate.

Sustainable Sourcing and Production

- *Responsible Procurement:* Engage with third-party partners to promote sustainable and diverse procurement across our supply chain.
- *Digital Transformation:* Transition to paperless office procedures, where applicable, to eliminate paper waste.

Efficient Use of Resources and Carbon Reduction

- *Energy-efficient Lighting:* Install energy-efficient lighting coordinated with

daylight.

- *Waste, Recycling and Composting:* Reduce waste disposed to landfills and maximize recycling and composting.
- *Transportation:* Encourage low-carbon alternatives for commuting to work including pedestrian, bicycle and public transportation, as well as work-from-home options.
- *Energy-efficient Heating, Ventilation, Air Conditioning, and Refrigeration (HVAC&R) equipment:* Select heating and cooling equipment to meet performance targets, reduce energy use and related carbon emissions, and use climate-friendly refrigerants.

Adaptation and Resiliency

- *Water Stewardship:* Procure high performance, low flush/flow rate plumbing fixtures, install landscapes planted with native/adapted species using high-efficiency irrigation equipment, and assess opportunities to reuse captured condensate, rainwater and other reclaimed water sources.
- *Climate Change Adaptation:* Embed resiliency in our development projects to withstand the physical impacts of climate change, including changes in precipitation patterns and extreme variability in weather patterns, and increased severity of extreme weather events such as tornadoes, floods and temperature extremes.
- *GHG Emissions and Management:* Consider low carbon and climate-friendly technologies, products and materials to reduce emissions that can also lead to cost savings.

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Stratus' Nominating and Corporate Governance Committee and Board of Directors approved this Environmental Policy on December 15, 2022.