

Avanath Responsible Contractor Policy

Introduction

Avanath Capital Management (“Avanath”) is committed to building and maintaining a portfolio that serves our communities, investors, residents, and the environment. As a leader in the affordable housing industry, we believe prioritizing social equality, responsible investing, and the environment supports greater prosperity. Our communities would not function without our most critical asset: our employees. Our commitment to employee health, wellness, and safety extends to the vendors, suppliers, and contractors (collectively “contractors”) hired by Avanath. This Responsible Contracting Policy (“the Policy”) details Avanath’s commitment to fair wages, fair benefits, and appropriate working conditions for all contractors who help us create high-quality communities for all our residents.

DEFINITION OF RESPONSIBLE CONTRACTOR

A “Responsible Contractor” is a vendor, supplier, or contractor who pays workers fair wages and fair benefits, as evidenced by payroll and employee records. “Fair wages” and “fair benefits” are dependent upon wages and benefits paid on comparable real estate projects, local market factors, the nature of the project (e.g., residential or commercial; public or private), job or trade classifications, and the scope and complexity of services provided.

POLICY REQUIREMENTS

Avanath will ensure contractors are selected based on the following guidelines:

- + Contractors shall be selected through a competitive bidding process to ensure fair competition and criteria such as cost, safety record, and experience.
 - + Priority shall be given to minority and women-owned contractors.
- + Contractors shall comply with local and federal laws including environmental safety and compliance, child labor, and labor standards and working conditions.
- + Contractors shall monitor the health and safety of their employees to ensure they can perform their work safely and efficiently.
- + Contractors shall utilize products and materials that have a third-party environmental certification, where feasible.

POLICY ADMINISTRATION & ENFORCEMENT

Avanath will implement and monitor the Policy through the following:

- + The Policy applies to all contracts that are at a minimum \$5,000. For projects that do not meet this threshold, Avanath will make a reasonable effort to comply with this Policy.
- + All contractors shall review and commit to following the Policy prior to bidding on work. Contractors shall reaffirm annually they are in compliance with the Policy.
- + Existing contracts will not be affected by the Policy, but renewal, extension, replacements, and new contracts shall include the Policy.
- + Any violations of the Policy shall be brought to Avanath’s attention. A contract may be terminated at any time if Avanath determines the contractor is in violation of the Policy.

The terms “fair wages” and “fair benefits” used in the Policy may not be comparable across all markets; rather, “fair wages” and “fair benefits” vary regarding type of trade, type of project, local practices, and market conditions. Therefore, implementation of the Policy will be flexible depending on these factors.

NEUTRALITY

Avanath recognizes employees’ rights to seek representation, and we support and encourage this position of neutrality in the event of a lawful attempt to organize workers employed in construction, maintenance, operations, and other services at Avanath-owned communities.