



+Amplify  
ESG

# Table of contents

---

1	A letter from our CEO	10	<b>Elevating the environment</b>
2	Avanath is amplifying ESG	11	Environmental objectives
3	Our ESG partnerships	12	Demonstrating progress
4	<b>WHAT WE HAVE DONE</b>	13	GHG emissions
8	<b>WHAT WE ARE DOING</b>	14	Energy management
9	<b>WHERE WE ARE HEADED</b>	15	Water conservation
		16	Waste reduction
		17	A roadmap to our 2030 goals
		18	Addressing environmental issues
		19	Looking forward
		20	<b>Social is our strength</b>
		21	Social objectives
		22	Resident engagement
		27	Employees
		29	Community
		31	Looking forward
		32	<b>Guided by good governance</b>
		33	Governance objectives
		34	Avanath's leadership team
		35	Our ESG Council and Advisory Committee
		36	Stakeholder engagement
		37	Demonstrating leadership
		38	Reporting and affiliations
		39	Looking forward



# A letter from our CEO



## Dear Investors, Colleagues, and Friends,

Today, Avanath owns and/or manages over 15,000 apartments throughout the United States and I am humbled that over 35,000 people call an Avanath community their “home”. This is not a responsibility I nor my team take lightly; providing a safe, healthy, clean, and affordable place to live is our main priority as an organization. People have always been at the core of Avanath’s mission. From our residents to our employees, we have long held the belief that investing holistically in our communities creates safer neighborhoods, healthier residents, and, ultimately, better returns for our investors. Throughout this second annual environmental, social, and governance (ESG) report, you will read about how we have amplified our ESG efforts and remained a premier housing provider.

At Avanath, we are active in the communities we manage and believe our resident programs are second to none in the industry. In 2022, we ran over 250 resident events, hosted over 5,000 kids in our after-school programs, saw 1,100 seniors participate in health and wellness activities, and recorded a total of over 10,000 participants across our variety of social programs.

I often get asked, “How can you mix investing and social services?” And I like to respond, “How can you separate the two?” Investing in the “S” of ESG is not optional; it is core to our success.

While we spend significant effort investing in our social programs, we are equally proud of our environmental and governance efforts. Below are just a few highlights of our 2022-2023 ESG accomplishments:

- Earned Global Real Estate Sustainability Benchmark (GRESB) scores of over 80 for all three of our funds (Fund III – 80, Fund IV – 84, Renaissance Fund – 80)
- Named an Energy Star® Partner of the Year, the only affordable housing company to be awarded such an honor
- Continued to boast diversity at every level of the organization
- Certified our portfolio of wholly owned properties under the WELL Health and Safety Rating
- Obtained the prestigious Certified Organization for Resident Engagement & Services (CORES) Certification for our social programming

In 2020, we set ambitious goals to reduce our whole building carbon emissions by 50% by 2030 and to be Net Zero by 2050. While these goals are ambitious, we believe we are on track to meet these targets. Within this report is a comprehensive roadmap to 2030 that outlines our strategy to achieve our carbon reduction targets.

We are extremely proud of our progress in 2022 and 2023 and are even more optimistic about 2024 and beyond. We believe Avanath to be a standard-bearer of ESG in the multifamily industry and are excited to continue to build on our success.

Sincerely,

**Daryl Carter**  
*Founder, Chairman and CEO*





## Avanath is amplifying ESG

Avanath Capital Management is a leader in the affordable housing industry, and we believe in prioritizing social equality, responsible investing, and environmental stewardship to support the prosperity of our people, investors, and the planet. We drive ESG strategies and policies into our decision-making processes through our [Amplify ESG](#) program, which guides our Mission Statement and operations.

### OUR MISSION

To provide a *Lifestyle Within Reach* by amplifying our ESG impact for the shared benefit of our residents, employees, investors, communities, and the environment.

### OUR ESG STRATEGY

ESG considerations are incorporated throughout the lifecycle of each of our assets where we have developed initiatives to:

- Set robust ESG targets, including an ambitious 50% carbon reduction goal by 2030 and net zero emissions by 2050
- Increase data coverage, tracking, and reporting of energy, water, and waste consumption
- Execute property-level efficiency projects and train property management teams on maintenance best practices
- Track participation and improve the efficacy and impact of our resident social programs
- Report on our ESG performance through voluntary participation in the GRESB and the United Nations Principles for Responsible Investing (UN PRI)
- Work towards certifications and awards in ESG, such as WELL Health and Safety and ENERGY STAR® Partner of the Year
- Assess progress and continue to innovate our *Amplify ESG* program
- Utilize various federal, state, and local rebate programs to offset costs associated with efficiency projects

*Our ESG commitment and policy are publicly available for employees, residents, and stakeholders on our website.*

# Our ESG partnerships & engagements

Avanath engages a range of experts and organizations to ensure Amplify ESG is a robust, best-practice-backed program that will make real progress toward our ESG targets and goals. We sign commitments and serve as board members to organizations who shape and benchmark our industry to advance the best practices we institute across our portfolio. Avanath is proud to work with the following organizations to help strategize and propel our efforts and the industry forward:

## OUR ESG PARTNERSHIPS

 <p>retech A LEGENCE Company</p>	 <p>Transparent Energy Services</p>	 <p>alvéole</p>	 <p>BLACK BEAR ENERGY A LEGENCE Company</p>	 <p>EcoSense Solutions</p>
 <p>SOMAH</p>	 <p>MULTIFAMILY IMPACT COUNCIL</p>	 <p>smartrain™</p>	 <p>GRESB</p>	 <p>ULI</p>
 <p>SUNRUN</p>	 <p>YARDI</p>	 <p>CORES</p>	<p><i>our proud partnerships</i></p>	

**GRESB HIGHLIGHTS ACHIEVEMENT<sup>1</sup>**

Our GRESB results continue to demonstrate our progress and success. In three short years of reporting to GRESB, the real estate sector’s global standard assessment for ESG reporting, our scores have increased over 25 points for each of our three funds from the previous year; Avanath Affordable Housing Fund III, Avanath Affordable Housing Fund IV, and the Avanath Affordable Housing Renaissance Fund. In our 2022 reporting year submission, Avanath earned an average score of 81.3, and we are proud to announce that we earned a 3-green star rating in two of our three funds and an impressive 4-green star rating for the Avanath Affordable Housing Fund IV.

Avanath continues to lead the affordable housing sector and ranks 4th, 5th, and 6th out of the 40 total global submissions through its III, IV, and Renaissance Funds respectively. As a leader and GRESB advocate, Avanath understands the importance of reporting to GRESB while acknowledging the limitations with its scoring methodology, especially how it measures multifamily and affordable operators. As a leader in the industry, Avanath appeared on several panels and online webinars advocating the merits of submitting to GRESB and the need to update and align scoring frameworks to the unique nature of operating affordable properties. Older, outdated buildings pose a unique challenge when instituting efficiency efforts. In this position, much of Avanath’s work to improve building performance must be done through upgrades and retrofits at the property level.



**GRESB** is a voluntary, annual, industry standard, ESG reporting framework for real estate that allows us to measure our ESG performance, compare assets against our peers, and identify areas for improvement in our ESG strategies.

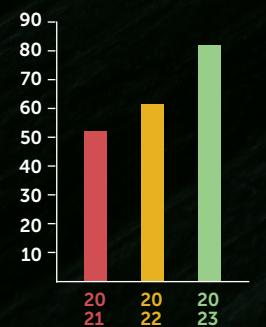
81.3

**2023 GRESB SCORE**

*averaged across our portfolios*

**AVERAGE SCORING HISTORY**

2021	52.5/100
2022	62.3/100
2023	81.3/100



<sup>1</sup>Avanath pays \$5,500 per fund each year and an annual fee of \$2,700 to disclose governance practices and policies, stakeholder engagement information, and property performance data to GRESB. Property performance data submitted in 2023 covered calendar years 2021 and 2022.

# WHAT WE HAVE DONE 2022-2023 ESG successes

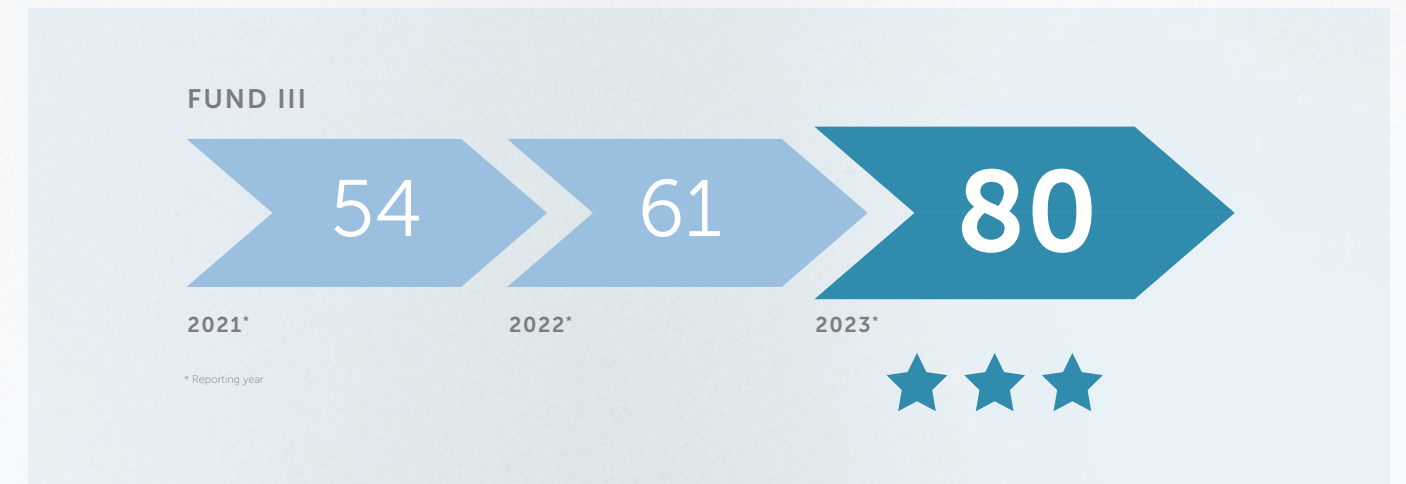
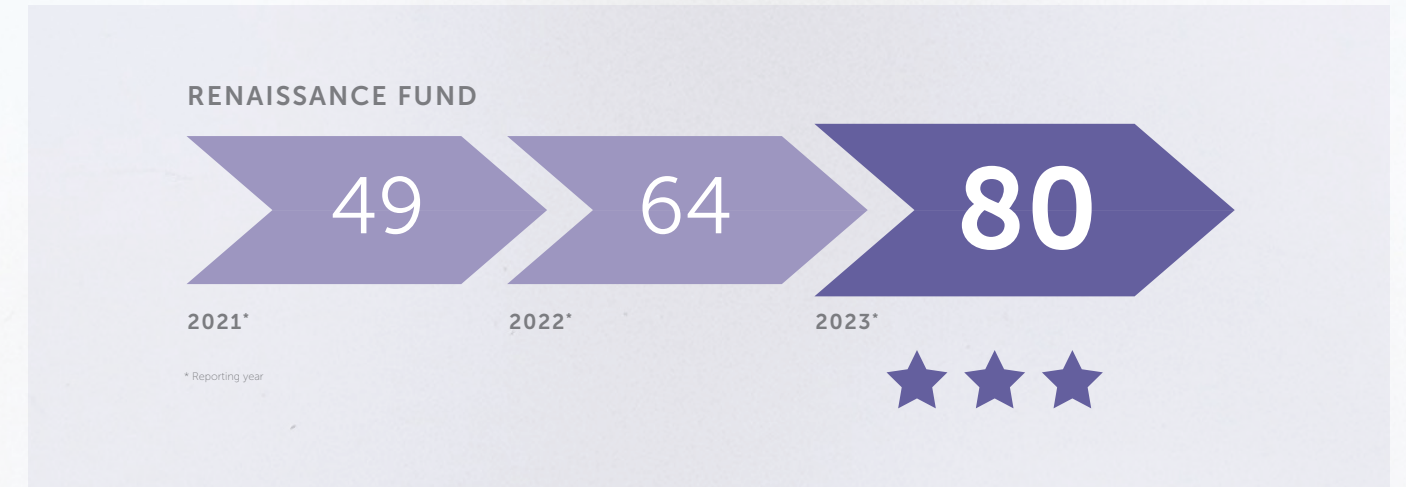
## WHY GRESB IS SO IMPORTANT

GRESB scoring validates our ESG performance and has become a prominent indicator of our success and a roadmap to identifying areas of ESG in which we could improve. Avanath continuously analyzes consumption data and operational efficiency to pinpoint gaps in performance. We look to capitalize on these improvement opportunities to secure better performance and subsequently raise our GRESB score. While we have reached our scoring goal two years ahead of schedule, we will continue to focus on reducing our greenhouse gas (GHG) emissions to further improve our GRESB scores across all of our funds.

## PEER GROUP INFO

GRESB SCORING GROUP	FUND III	FUND IV	RENAISSANCE
USA Residential	39 <sup>th</sup> /135	18 <sup>th</sup> /135	35 <sup>th</sup> /135
Global Social/Affordable	6 <sup>th</sup> /40	4 <sup>th</sup> /40	5 <sup>th</sup> /40
USA Residential Low-Rise		4 <sup>th</sup> /19	6 <sup>th</sup> /19
USA Residential Social/Affordable	4 <sup>th</sup> /6		

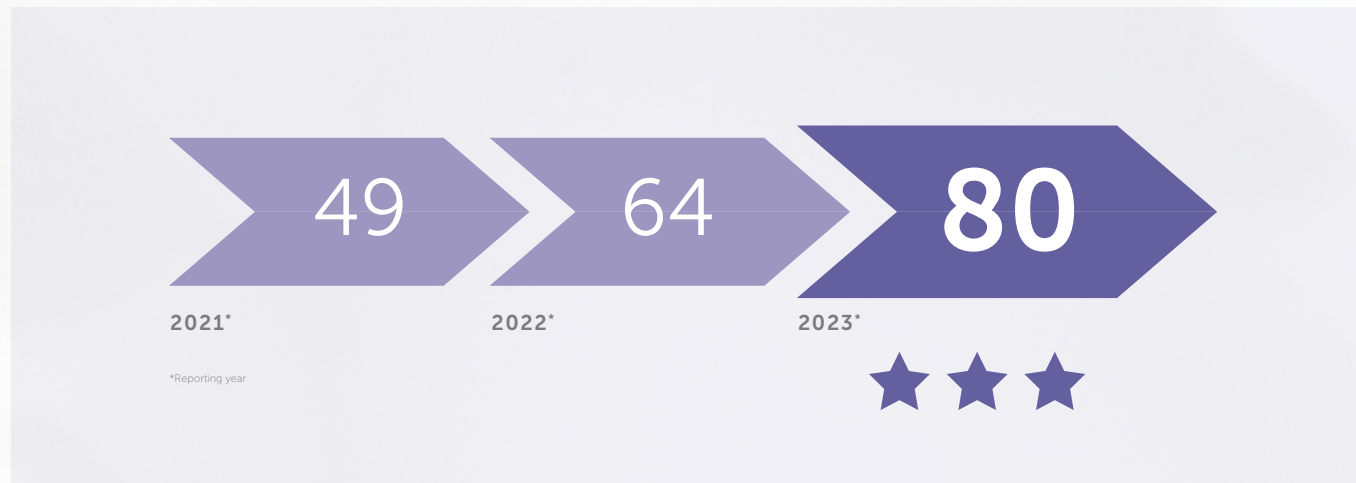
## GRESB RESULTS



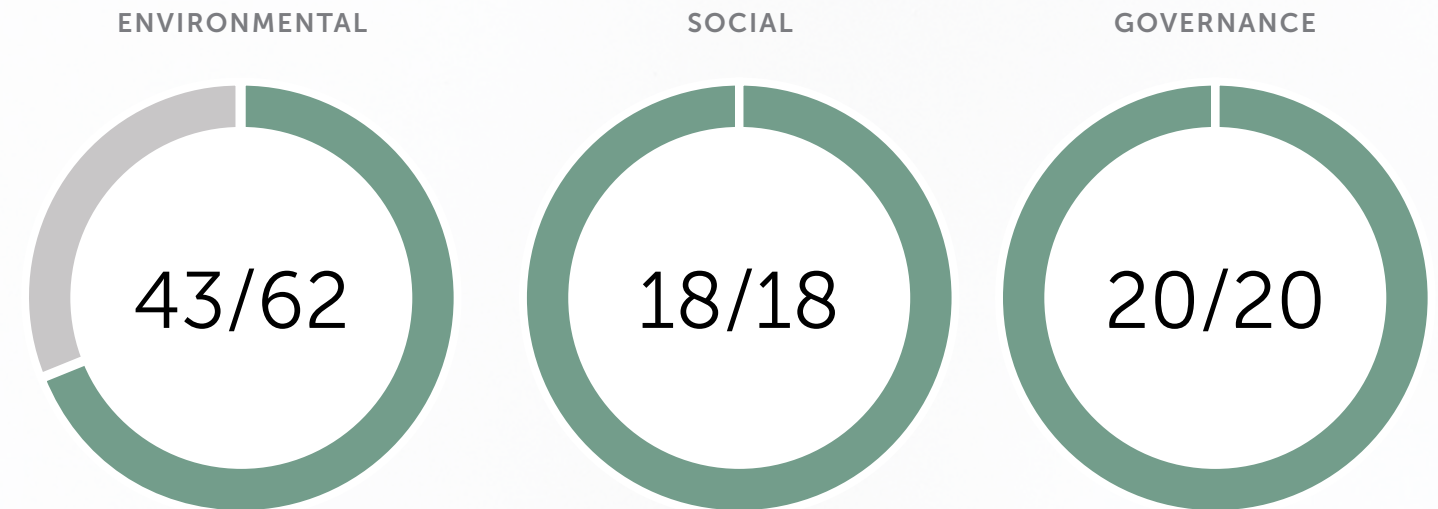
## WHAT WE HAVE DONE Avanath Renaissance Fund

The Avanath Renaissance Fund scored an 80 in its 2023 GRESB filing, reaching maximum points in both Social and Governance topics. Avanath also achieved an above-average score on Environmental topics in this latest submission. To round out that topical area, energy-, water-, and GHG emissions-reducing projects are and will continue to be implemented across the portfolio when the projects benefit our residents and investors.

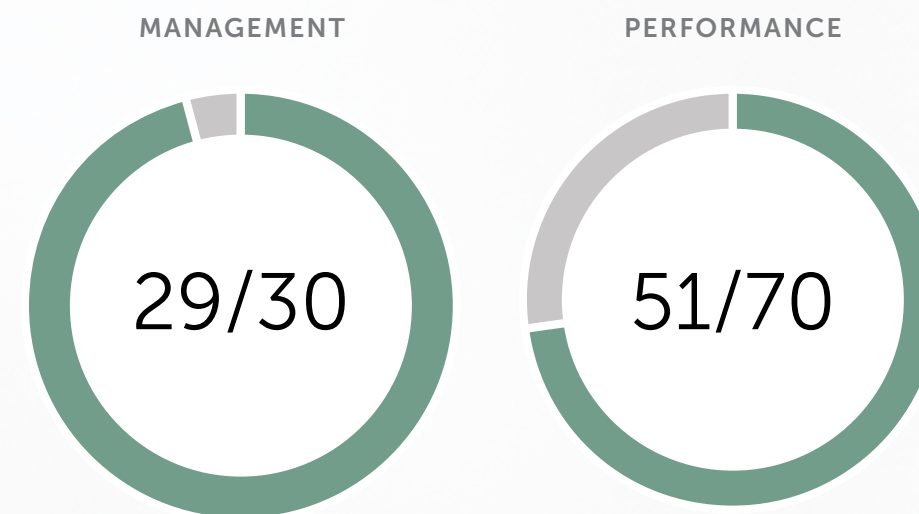
### GRESB RESULTS



### ESG SCORING BREAKDOWN



### SCORING BREAKDOWN





## WHAT WE HAVE DONE 2022-2023 ESG successes

### AVANATH IS A 2023 ENERGY STAR® PARTNER OF THE YEAR<sup>2</sup>

Through the company's collective efforts, Avanath has become the first dedicated affordable housing operator to receive the prestigious Partner of the Year status from the U.S. Department of Energy's ENERGY STAR® program. Avanath earned such recognition by certifying seven properties in 2022, establishing a robust energy management program, and attaining ENERGY STAR scores for 68 properties. Learn more about our ENERGY STAR certified properties and energy efficiency tactics on pages 12 and 14.



### AVANATH IS CORES CERTIFIED<sup>3</sup>

Avanath's resident engagement programs and initiatives have always put people first, and we are proud to have received recognition for our efforts to create communities where people not only live but prosper. The CORES Certification, which has a detailed and selective certification process, recognized Avanath's commitment and competency in providing resident services coordination. Learn more about CORES and our resident engagement strategies on page 24.



<sup>2</sup> ENERGY STAR Partner of the Year is a free recognition offered by the United States Environmental Protection Agency. Partner of the Year status is awarded annually based on a review of an application demonstrating adherence and innovation according to the ENERGY STAR mission in the current calendar year.

<sup>3</sup> Avanath paid \$5,000 for CORES Certification, which is valid for the next five years.

## WHAT WE ARE DOING ESG Initiatives in Progress

At Avanath, we progress toward our ESG goals every day, refining our work and setting our sights on making an impact on our residents, communities, employees, investors, partners, and the planet. The projects and initiatives we are advancing across our properties include:

### INCREASED DATA QUALITY AND COVERAGE WITH ENERGY STAR® PORTFOLIO MANAGER®

We have seen a jump in the quality of data we receive as well as the number of properties or meters we monitor since our last report. We remain diligent in increasing coverage and quality assurance as we train more of our property teams to use ENERGY STAR® Portfolio Manager®. The data captured is essential to benchmark our progress and set targets for our continued success.



### RESIDENT ESG PROGRAM ENGAGEMENT

To foster a sense of mutual respect and care among residents, Avanath has devoted more time and resources to our resident education programs, engagement initiatives, challenges, and campaigns to increase opportunities for the people who call our communities home to get together. Initiatives like food programs and family events are put on where our residents play a role in caring for their community in a unique environment where they get to connect with their neighbors.

Avanath has created a proprietary system to track our social programming to ensure its efficacy and intend to use satisfaction and engagement metrics to improve upon our efforts.



### ACCESSING CAPITAL THROUGH REBATES AND GOVERNMENT INCENTIVES

To continue our efforts to achieve energy and GHG emissions reduction goals, we are exploring ways to secure funds provided by state and federal rebates to help us fund property-level efficiency programs.

Avanath works with a number of state and local rebate programs and entered into strategic partnerships to access such funds. As an example, in California, we are working with Solar on Multifamily Affordable Housing (SOMAH) to install solar panels, MFES (Multifamily Energy Saving Program), Tech Incentives, Energy Smart Homes, and the MCE Program to secure funding for energy efficiency and renewable energy projects.

As the Senior Vice President of Sustainability, David Natt has worked with Avanath’s executive team to create and execute a strategy that remains true to Avanath’s mission and vision.



**David M. Natt**  
Senior Vice President  
of Sustainability

**“At Avanath, everything we do is for the betterment of our residents who call our properties home, the environment from which we pull precious resources, and our investors which we provide long-term value through a resilient portfolio.”**

Avanath focused on our portfolio-wide strategy as a foundation for our ESG efforts. We identified efficiency projects, social impact initiatives, and governance strategies to make progress toward ESG targets and goals. Our efforts were validated by the GRESB benchmark as a way to ensure we are on our way to achieving our 2030 goals and we are using best practices that are in alignment with our reporting needs. Reflective of the strides we’ve made to increase GRESB scoring, Avanath is emphasizing a focus on reducing energy consumption and associated GHG emissions at the property level. This focuses our efforts to help meet the goals outlined in the 2015 Paris Agreement.

As owners of multifamily properties, Avanath bears responsibility for, on average, approximately 15% of consumption at the property level. In order to influence the remaining percentage of consumption that our residents control, we look to engage and encourage our residents and property managers to play a role in improving energy efficiency and reducing consumption. We are building on the foundation we have in place, which has reduced energy consumption and increased efficiency across our property’s common areas and residential units.

Partnership and community buy-in is key. We have and will continue to engage stakeholders through management processes and policies, and seek out strategic partnerships to ensure we are using best practices and latest technology to accurately capture data and reduce energy consumption.

We are committed to our 2030 GHG emissions goals and have developed a plan to help us accomplish them. Our plan starts with a roadmap to 2030 which outlines our emissions reduction efforts and describes our environmental strategy. Everything we are doing is for the prosperity and resilience of our business which works to improve the lives of our residents, the performance of our funds, and the viability of our climate and planet.”

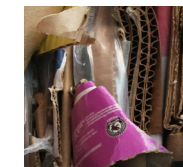
**PARTNERSHIPS AT PLAY**



Contracted to install solar at 20 of our California properties with the assistance of Sunrun and SOMAH



Deployed technology to reduce water use for landscaping  
*Read more on page 15*



Entered a national contract with a waste hauler to streamline and benchmark waste generation across our portfolio  
*Read more on page 16*



Installed low-flow equipment on our toilets to reduce water use  
*Read more on page 15*

**ROADMAP TO 2030**

*See more on page 17*



ELEVATING *the* ENVIRONMENT

At Avanath, we understand that the health and well being of the natural world underpins the longevity of our Mission Statement and the durability of our properties. We are committed to fostering a healthy and resilient environment by assessing and mitigating our properties' impacts on the planet. We have set data-driven, science-based goals and policies to increase both efficiency and the bottom line.

*health, safety, and well-being*

## REDUCING

- + Energy and water consumption
- + Greenhouse gas emissions (GHG)
- + Use of fossil fuels

## INCREASING

- + Waste diversion
- + Water efficiency
- + Renewable energy access and green energy procurement

## PERFORMING

- + Energy audits and technical assessments
- + Electrification upgrades and retrofits

## TRACKING

- + Energy, GHG, water, and waste data
- + Outcomes of ongoing conservation measures

## OBTAINING

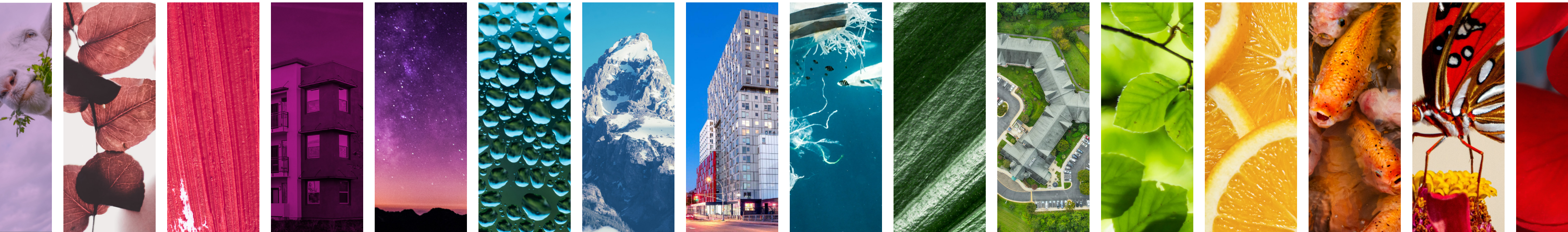
- + Higher average ENERGY STAR® scores
- + Green building certifications
- + High GRESB performance scores



# Demonstrating progress

Most of what we do to reduce our environmental impact occurs at the property level. Our property teams are trained and equipped to improve our portfolio's overall environmental performance through retrofits, efficiency upgrades, and data management strategies. We currently track 100% of our portfolio in ENERGY STAR® Portfolio Manager® capturing available GHG, Energy, Water, and Waste data.

*reducing our environmental impact*



#### HIGHLIGHTS

- PROPERTIES WITH ENERGY STAR SCORES TO DATE<sup>4</sup> 68
- AVERAGE ENERGY STAR SCORE FOR THOSE PROPERTIES CERTIFIED BETWEEN 2022-2023 92
- ENERGY STAR® CERTIFICATIONS ATTAINED IN 2022 7
- CERTIFICATIONS ATTAINED IN 2023 SO FAR 23
- CERTIFICATIONS IN PROGRESS 4

<sup>4</sup>The figure shown displays portfolio property scores as of November 2023. There is no fee associated with ENERGY STAR Scores.

# Demonstrating progress

## GHG EMISSIONS

GHG emissions at our properties are produced from the electricity and gas used in our buildings. We track and manage these emissions using the Environmental Protection Agency's (EPA) emissions factors and have set emissions reductions goals aligned with the Paris Agreement.

### TARGET

# 50%

Reduction in GHG emissions intensity by 2030 and Net Zero GHG emissions by 2050 based on a 2021 baseline



### TACTICS

- Completing a 2022 GHG inventory including scope 1, 2, and 3 emissions
- Creating a 2030 roadmap to set a path to achieve our GHG emissions goal
- Developing and administering an energy conservation measure survey (ECM) across the 100+ Avanath multifamily properties
- Setting a procurement strategy for green sourced electricity, on- and off-site energy generation, and bundled renewable energy credits (RECs)
- Determining carbon and base year recalculation policies
- Implementing a GHG emission reduction strategy into job specific trainings
- Producing on-site solar energy where feasible at our properties

### 2022 ABSOLUTE MARKET-BASED EMISSIONS\* BY SCOPE

Total 39,945 MTCO<sub>2</sub>e (market based)

SCOPE 1: 1,643 MTCO<sub>2</sub>e (4% of total emissions)

SCOPE 2: 2,952 MTCO<sub>2</sub>e (7% of total emissions)

SCOPE 3: 35,250 MTCO<sub>2</sub>e (89% of total emissions)

### 2022 EMISSIONS INTENSITY\*\*

1.53 MTCO<sub>2</sub>e/bedroom unit

### PROGRESS

- Avanath has completed a solar readiness assessment with a third-party solar expert to understand where solar is most feasible across our portfolio and is in the early stages of installing solar at 20 of our properties in California at no cost to Avanath, through state rebate programs
- Avanath recalculated its 2021 GHG Inventory as a result of additional insight into our portfolio's data coverage
- Avanath's emissions intensity decreased 6.5% from the previous year

\* Emissions are direct (scope 1 common area energy use) and indirect (scope 2 and scope 3 emissions from resident energy use) and include carbon dioxide (CO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), and methane (CH<sub>4</sub>). Data includes both actual and estimated emissions for our operations.

\*\*Intensity metrics are based on the total bedroom count of owned properties across Avanath's portfolio in 2022.

# Demonstrating progress

## ENERGY MANAGEMENT

We track and set resource reduction targets by monitoring and measuring energy efficiency at each of our properties.



### SHORT-TERM TARGET ACHIEVED

**Goal:** Reduce Portfolio-wide Energy Consumption by 10% by 2025.

✓ GOAL ACHIEVED IN 2021



### TACTICS

- Partnering with ENERGY STAR® to install ENERGY STAR® certified appliances at our properties
- Retrofitting properties with LED lighting
- Requiring third-party energy supply to be produced from green sources
- Training property management and facilities personnel on energy management best practices
- Installing solar energy capacity, heat pumps, and efficiency retrofits and upgrades

### PROGRESS

- Avanath achieved its portfolio-wide energy consumption goal in 2021, reaching a 10% reduction in total energy consumption. We continue to work on keeping relative consumption low as our portfolio increases in size with new acquisitions

162,909 MWh\*

Total Energy Consumed in 2022

\* Since our 2020 baseline, Avanath's portfolio has changed in size and location due to acquiring and selling of properties. Total energy data coverage area for 2022 represented 76.2% of the portfolio. These numbers were externally verified using AA1000AS, an internationally recognized assurance methodology for sustainability metrics. The value included represents a combination of available data and estimated figures.



# Demonstrating progress

## WATER CONSERVATION

Across our portfolio, Avanath uses water-saving strategies, fixtures, and technologies to drive efficiency and optimize cost savings.

### SHORT-TERM TARGET ACHIEVED

Goal: Reduce Portfolio-wide water consumption by 10% by 2025

✓ GOAL ACHIEVED IN 2021



### TACTICS

- Installing drip-smart irrigation or planting drought-resistant vegetation using Smart Rain technology
- Deploying aerators, low-flow toilets, and showerheads at select properties

### PROGRESS

- Avanath exceeded its target to reduce its portfolio wide water consumption by 17.8%\* over the 2021-2022 period

### Collaboration with Smart Rain Technologies

Smart Rain measures the moisture in the ground and only waters when the moisture level falls below a set value. This precision helps to reduce unnecessary water usage across our southwest properties, a water-stressed region of the United States. We are looking to extend the partnership nationwide, deploying Smart Rain across our entire portfolio.



28% of portfolio (based on total units) has installed Smart Rain Technology

Equating to an annual estimated savings of:

- 98,000 gallons of water
- \$98,220

23,779 gallons/bedroom\*

Total Water Consumed in 2022

\* Intensity metrics are based on the total bedroom count of owned properties across Avanath's portfolio in 2022.

# Demonstrating progress

## WASTE REDUCTION

At our properties, we work to reduce the amount of waste sent to landfills by increasing our diversion rate and implementing waste management strategies.



### TACTICS

- Educating and building resident awareness around waste tracking and reduction
- Utilizing recycling and composting opportunities and encouraging residents to do the same
- Requiring measurable landfill weight contributions for all trash contracts with private vendors
- Tracking waste in ENERGY STAR Portfolio Manager

### PROGRESS

- 3% of waste diverted from landfill
- Attained a nationwide trash hauler to streamline and better manage waste

### Waste Management Partnership

Avanath has secured a national contract with Waste Management to help us manage and track our contributions to landfills wherever we operate. At such a scale, this partnership helps us gain key insights into the amount of waste we produce and how it is disposed. Working with municipal and private trash haulers who service our properties across the U.S. has been no small feat. While Waste Management works to haul our trash, where possible, we anticipate gaining vital insights into the waste we produce as this partnership matures. At current, here is what we are tracking with Waste Management:

Waste is currently tracked across 79 properties (as of October 2023)

- Representing 76% of the portfolio

Total waste generated: 2,400 tons (as of October 2023)

# A roadmap to our 2030 goals

Avanath has a positive outlook that includes reaching our ESG goals and propelling our industry forward. Below is our roadmap to 2030 that visualizes the path we have charted to amplify our programs and achieve our goals in alignment with the Paris Agreement.

## 1. Formed an ESG Council

- a. This council is responsible for developing ESG policies, initiatives, and overall strategy to forward Avanath's +Amplify ESG program, launched in 2020

## 2. Developed the Avanath Carbon Strategy Policy and established a goal of a 50% reduction in carbon emissions by 2030 aligned with the Carbon Risk Real Estate Monitor (CRREM) tool and the goals of the Paris Agreement

- a. Completed GHG Inventory
- b. Conducted 100+ ECM surveys at properties with 100% portfolio data coverage
- c. Purchased RECs and green procurement electric contracts

## 3. Increased data coverage across our portfolio

- a. 76.2% of our portfolio is currently reporting whole-building energy data

## 4. Explored the feasibility of renewable energy opportunities across our properties

- a. Engaged external consultants to create a portfolio-wide solar strategy
- b. Deployed onsite solar generation capacity at three properties

## 5. Partnered with ENERGY STAR®

- a. Attained 23 ENERGY STAR Certifications (as of December 2023)
- b. Became the first affordable housing provider to earn Partner of the Year recognition

## 6. Categorized and measured physical climate risks using Moody's Climate on Demand and Munich RE databases

- a. Prioritized property-level improvements for risk mitigation
- b. Incorporated climate risk assessments into our portfolio management and due diligence processes

## 7. Classified and measured transitional risks of municipal and state energy performance regulations

- a. Incorporated identified energy conservation measures to meet regulations and avoid financial hazards

## 8. Improved GRESB scores by 30 points in three years

- a. Earned 3 and 4 green stars in 2023

## 9. Implementing energy efficiency projects

- a. Using ECM survey results to identify projects that will maximize efficiency
- b. Utilizing federal, state, and local incentives to fund projects

## 10. Deploying solar arrays across our portfolio

- a. Piloting feasibility at California properties
- b. Passing benefits of solar installation along to residents, where possible, to reduce energy consumption and tenant energy bills

## 11. Utilizing offsets and RECs

- a. Offsetting all remaining emissions outside of our operational and procurement control

*reflecting on our past*

*looking forward to our future*

YOU ARE HERE

20  
30  
& beyond

# Addressing environmental issues

---

Extreme heat, weather, and drought have impacted communities across the globe. Avanath is mindful of climate change's impact on more powerful natural disasters. Across our properties, we are instituting strategies and initiatives to help our communities build resilience to these extremes. Over the last few years, we've worked hard to establish a foundation of policies and procedures that can propel our environmental efforts through a cradle-to-grave approach.

## **OUR FOUNDATION FOR MANAGING EXTREMES**

- GHG emission and energy management targets aligned with the Paris Agreement
- Contracts for green energy procurement
- Resource-efficient fixtures, appliances, and technology
- Comprehensive policies to promote sustainable supply chains
- Due diligence of climate risk assessments through Moody's 427 and Munich Re databases for all existing properties and future acquisitions
- Emergency policies to prepare properties for potential natural disasters and accidents
- Sustainable landscaping practices that are responsive and resilient to wildfires



## Looking forward

---

As we navigate future uncertainties, Avanath's environmental impact remains tied to our property-level efforts to reduce utility consumption, cut GHG emissions, and plan for extremes.

### INITIATIVES ON THE HORIZON INCLUDE:

- + Programs to fund projects identified in ECM surveys
- + Progressing along our ESG Roadmap to achieve the goals set up in the Paris Agreement
- + Using insights from our GHG inventory to assess targeted GHG reduction goals
- + Utilizing carbon offsets and RECs
- + Entering into more contracts for green energy procurement in deregulated states
- + Training residents on efficiency measures and utility conservation
- + Completing installation of the roof top solar panels for the 20 California properties

*opportunities for learning, engagement, and assistance*

**SOCIAL** *is* **OUR STRENGTH**

At Avanath, we understand the role of safe, affordable housing in the social fabric of our communities. That is why we have always prioritized social programming and policies that uplift and support the people who call our communities home. We promote positive social change with programs for our residents and communities that offer methods to stay active, opportunities for learning, ways to participate and engage in their community, and inclusive services and assistance for those who need it most. Avanath fosters relationships with our residents and organizations around our community to create a shared sense of compassion and mutual respect.

# Social objectives

## INCREASING

- + Efficacy of our efforts through sound reporting
- + Community building with programs and community initiatives
- + Partnerships with local non-profits, agencies, and churches

## PERFORMING

- + Biennial Resident Satisfaction Survey
- + Resident services that are valuable for all stakeholders

## TRACKING





- + Attendance and participation in our programs
- + Portfolio engagement
- + Resident Services impact on property operations
- + Resident satisfaction
- + Community partnerships
- + Charitable giving

## OBTAINING

- + Third-party validation through certification of our buildings
- + An international credential and reputation for social responsibility

# Resident engagement

Avanath has a robust resident engagement program that offers a variety of programming and services to help our residents stay active, learn, and engage with each other and the greater community. We look out for those who need it most with services and assistance to ensure everyone can actively participate in our engagement activities. Over the past year, we have worked to measure the impact of our services and set goals to further amplify the Avanath experience. To ensure our programming is impactful for our residents, we've centered our efforts around 4 main pillars:

<b>ENVIRONMENTAL SUSTAINABILITY</b>	<b>FAMILY EMPOWERMENT</b>	<b>HEALTH + WELLNESS</b>	<b>COMMUNITY ENGAGEMENT</b>
<p>Focuses on creating healthier living environments for our residents, managing our properties with the highest consideration for environmental protection, sustainability awareness and education, and providing programs that improve the overall health and safety of current and future residents.</p> <ul style="list-style-type: none"> <li>• Sustainability Challenges</li> <li>• Resident ESG Educational Initiatives</li> <li>• Workshops and Presentations</li> <li>• Earth Day Recognition</li> <li>• Environment Awareness Month</li> <li>• Community Gardening</li> </ul> 	<p>Focuses on minimizing food deserts in our communities, and educating and empowering residents as a means of breaking the cycle of poverty. Accomplished through sustaining the family unit, ensuring housing stability, promoting long-term achievement, and empowering economic resilience.</p> <ul style="list-style-type: none"> <li>• Financial Wellness and Support</li> <li>• Resident Support</li> <li>• Food Programs</li> <li>• Resource Navigation</li> <li>• Language Translation Services</li> <li>• After School Programs and Youth Enrichment Services</li> </ul> 	<p>Focuses on promoting activities and lifestyles centered around all dimensions of wellness, that lead to physical, psychological, and emotional well being for individuals, and that maintain independent-living lifestyles for seniors so they may age gracefully in our residences.</p> <ul style="list-style-type: none"> <li>• On-site Wellness Activities</li> <li>• Wellbeats Fitness App</li> <li>• Fitness Classes</li> <li>• Healthy Meal Programs</li> <li>• Mental Health Services</li> <li>• Senior Wellness Program</li> <li>• Transportation Services</li> </ul> 	<p>Focuses on creating a community culture that makes residents feel safe, at home, and connected.</p> <ul style="list-style-type: none"> <li>• Resident Socials (with added service component)</li> <li>• Civic Engagement Initiatives</li> <li>• Community Meetings</li> <li>• Resident-led Activities</li> <li>• Community Partnerships</li> </ul> 



# Social impact at a glance

RESIDENT EVENTS	1k RESIDENT SOCIALS & ACTIVITIES	2k GIVEAWAYS/DONATIONS (SCHOOL SUPPLIES, TOYS, CLOTHING, ETC.)	16k YOUTH PROGRAM PARTICIPANTS
CREDIT REPORTING	841 NEW CREDIT SCORES ESTABLISHED	66% OF RESIDENTS IMPROVED THEIR CREDIT SCORES	\$212k RENT RELIEF
RESIDENT IMPACT	+33% POSITIVE MOVE-OUTS	8/10 RESIDENT SATISFACTION SCORES	8k RESIDENTS SERVED VIA RESOURCES & REFERRALS

## A One-on-One with Avanath's Resident Services Director, Kaniesha Washington



**Kaniesha Washington**  
Director, Resident Services

At Avanath, our success is championed by our dedicated and compassionate leaders. Kaniesha Washington, our Resident Services Director, has been the driving force behind our resident experience. Avanath achieved CORES Certification this past year, a distinction reserved for affordable housing providers with exceptional resident service coordination with recordable results. In building our programming and securing CORES Certification, Avanath's community impact is set up to be measured, mapped, and multiplied across our portfolio. Kaniesha shares the benefits of CORES Certification and how Avanath continues to track, scale, and systemize the resident experience to better serve each and every person who walks through our doors.

### Why did Avanath pursue CORES Certification?

"This Certification serves as proof of Avanath's commitment to providing our residents with more than just stable, affordable housing. We truly go above and beyond to exemplify our company's vision of empowering residents to achieve their desired lifestyle. Attaining CORES Certification assures our leadership position in providing best-practice resident services and oversight. Avanath's desire to attain this prestigious Certification forced us to rethink our engagement strategies, service coordination, training, evaluation methods, and assessment approaches for the better."

### What value does CORES Certification provide to Avanath?

"CORES Certification opens doors to more accountable and collaborative partnerships and deepens the impact and understanding of our resident services. Beyond a seal of approval, CORES is also a resource we tap into to access funding and partnerships such as Fannie Mae™ Healthy Housing Rewards—Enhanced Resident Services™, a financing incentive to help pay for Resident Services. Overall, CORES supports our industry reputation for having a commitment to quality. With CORES, we became more intentional. Our due diligence around determining site-specific resident service plans shifted. Community scans, a review of resident demographics, and needs assessments are now mandatory before rolling out any service or programming because we want to ensure we offer services that reflect each community's unique needs and desires. There is also a bottom-line benefit to CORES Certification. We save the company money and reduce expenses when we get ahead of barriers that may be preventing residents from paying their rent and can quickly address turnover due to a negative experience, preventing such instances in the future. With CORES Certification, we are able to serve our residents with more tailored services."

### How does Avanath intend to maintain CORES Certification?

"Maintaining CORES Certification is vital to our efforts to remain competitive and support our Mission to provide *Lifestyle Within Reach*. We will continue building relationships with our residents to ensure they feel heard and to gain feedback to determine how best to fulfill their needs on an ongoing basis. Building relationships is key and ensures we can put on programming and secure resources to truly impact our residents' lives. We will also focus on training our staff to utilize the tools and resources that support service coordination while establishing community partnerships that bring experts and comprehensive support services to our residents' doorsteps. At the end of the day, resident buy-in, or their level of engagement in our initiatives, is essential to CORES Certification. We are integrating best practices and securing more funding wherever possible to deliver value and engage every single one of our residents in a way that supports their individual needs."

## ENGAGEMENT AT AVANATH Case Study: Our services at play at The Grove

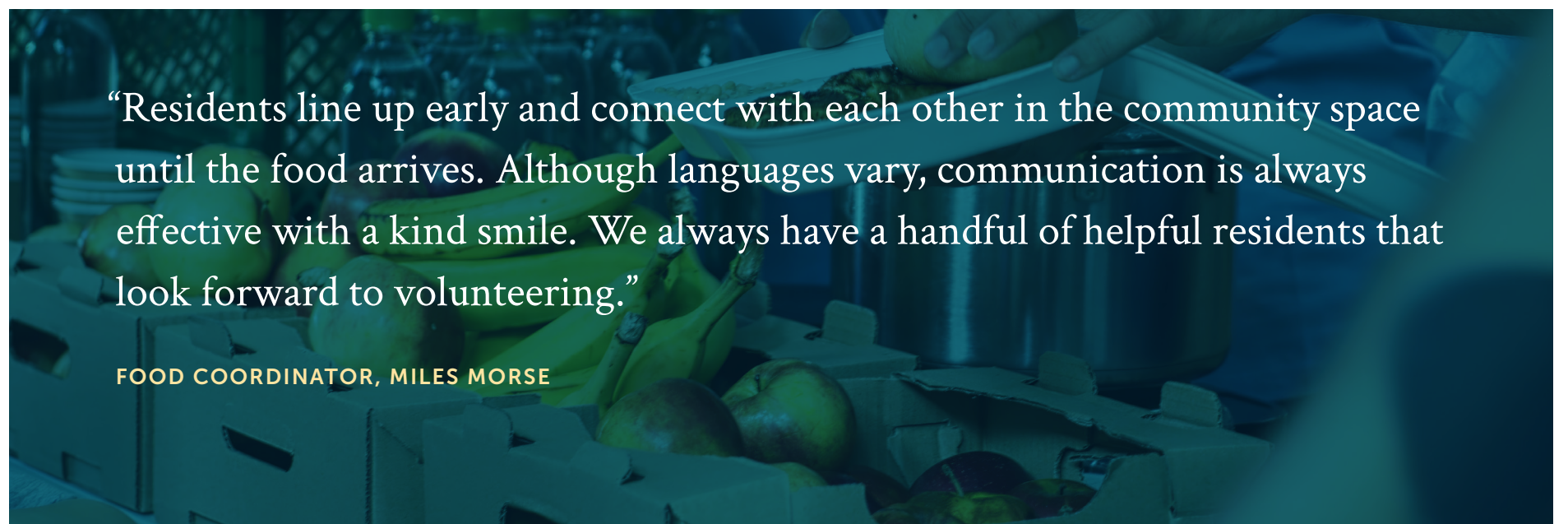
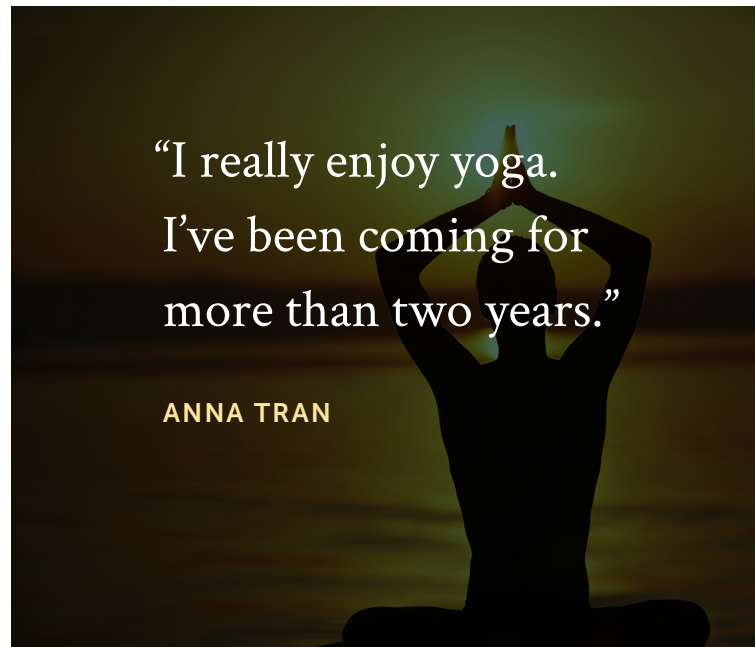
The Grove, located in Garden Grove, California, is a senior, affordable housing property that has benefited from our resident engagement services in multiple ways. Through a partnership with EngAGE, an organization focused on bringing learning, wellness, and creativity to affordable housing communities through professional on-site programming, The Grove is providing residents with exceptional resources and opportunities to live well and thrive.

### WELLNESS, CREATIVITY, AND COMMUNITY

Residents at The Grove enjoy programs such as yoga, gardening, community parties, and food delivery services. Those who participate in EngAGE events speak highly of the program and see benefits including improved agility and balance at yoga, and connections with neighbors at leisure activities like gardening.

### FOSTERING PURPOSE AND FOOD SECURITY

With the help of EngAGE, residents at The Grove received over 34,000 lbs. of food from the Orange County Food Bank and Second Harvest. These generous donations went toward prepping 28,000+ meals, nourishing countless residents and their families. Some residents even play a role in the partnership, volunteering to distribute the food.



**CREATING LASTING BENEFITS AND FINANCIAL STABILITY WITH ESUSU**

We currently partner with Esusu to help our residents improve their credit rating, get access to credit, and avoid eviction. As of July 2023, the Esusu platform was made available to 100% of our residents. In addition to the financial stability created by rent reporting, Avanath residents had access to Rent Relief powered by Esusu. The program allows residents behind on rent to apply for up to three months of rental assistance at 0% interest, paid directly to their property. This service has saved countless residents from enduring added financial hardship tied to rent.

**Residents who improved their credit score with Esusu saw on average a 38-point improvement of their score.**



**LEADING RESIDENTS TO LIVE ACTIVE LIFESTYLES WITH WELLBEATS**

Avanath residents have access to over 1,200 on-demand fitness, mindfulness, and nutrition classes through the Wellbeats program which helps them stay healthy and active with live HIIT and yoga classes or cooking demos.

**As of August 2023, 100% of residents had access to Wellbeats which has an average class rating of 4.9/5.**



# Employees

Our employees are the backbone of our operations, and we do our part to support their health, well being, and personal and professional success.

## ENGAGEMENT

Talking with our employees and measuring their satisfaction is important to us. Employee satisfaction surveys are sent out each year to ensure we remain diligent regarding any concerns or feedback our employees have, and surveys allow us to identify any trends that should be highlighted or resolved. We also hold Town Hall meetings to hear from our employees and engage in more two-way communication.

## DIVERSITY, EQUITY, AND INCLUSION

At Avanath, we foster, cultivate, and preserve a culture of diversity, equity, and inclusion (DEI). **Our leadership team represents this culture with 59% of our senior leadership team identifying as either female or a minority.**

This commitment and representation in our culture help us better serve our properties' diverse resident population. Our diversity initiatives include practices and policies related to recruitment and selection, compensation and benefits, and training and professional development.



## EMPLOYEE TRAINING

Avanath employees have access to Avanath University, an online platform with over 180 training modules on topics ranging from ESG to Section 8 housing. The platform uses a formal performance evaluation and goal-setting process to help them progress in their careers and gain useful knowledge of our unique sector.

### Growing the next generation of professionals

#### UNIVERSITY OF CALIFORNIA, IRVINE

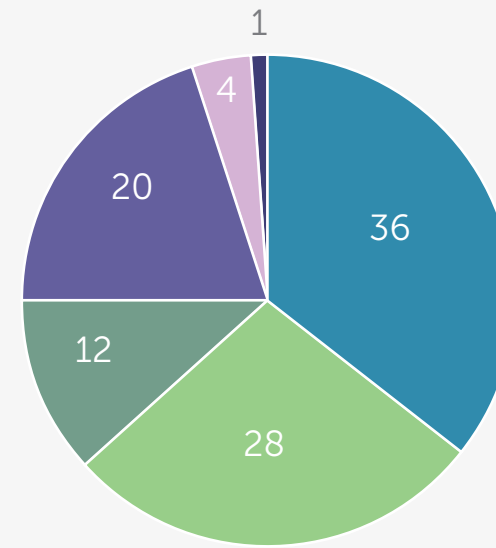
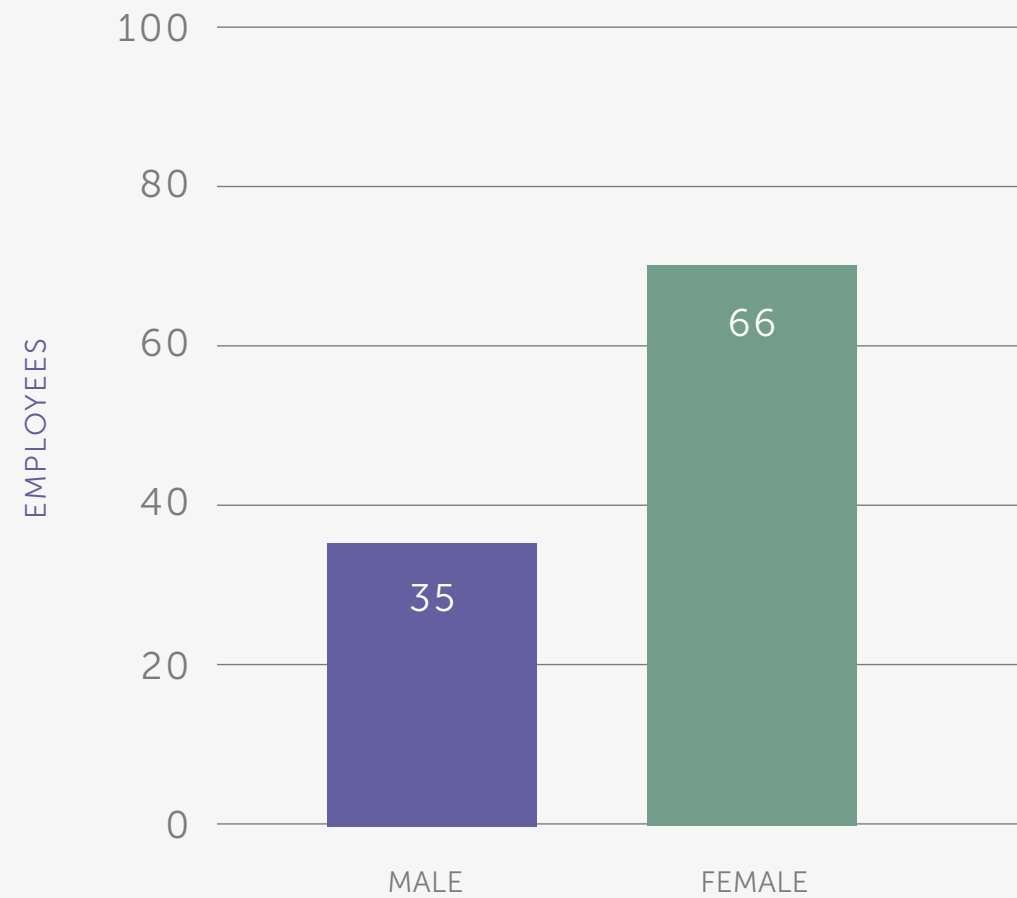
In partnership with the University of California Irvine, Avanath worked closely with two groups of students pursuing a master's in business analytics over four months as they completed their capstone projects. The groups worked with real data to identify risk factors and leading indicators that influence property performance, and used demographic trending data to identify potential new markets for Avanath to invest in. At the conclusion of the project, the teams presented their findings with custom, interactive Tableau dashboards to the company and the executive team.

#### URBAN ALLIANCE

Avanath helps high school students realize careers in property management and real estate through a partnership with Urban Alliance. As an Urban Alliance Property Management Pathway employer, Avanath has hosted six interns in our Chicago and Greater DC locations. Through this program, Avanath provides students with hands-on experience, and in turn, benefits from fresh perspectives and insights that students have to offer.

# Demographics

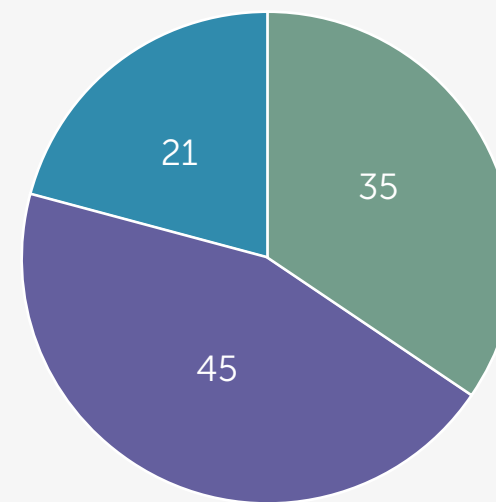
WORKFORCE GENDER DISTRIBUTION



WORKFORCE ETHNICITY DISTRIBUTION

- WHITE
- BLACK OR AFRICAN AMERICAN
- ASIAN
- HISPANIC OR LATINO
- TWO OR MORE RACES (NOT HISPANIC OR LATINO)
- NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER

WORKFORCE AGE DISTRIBUTION



- 18-34
- 35-54
- 55+

# Community

Avanath is invested in our communities, and we provide residents and community members alike with access to resources such as engagement forums and youth sports to foster camaraderie and partnerships. Through these initiatives, we create value for our employees and residents in and outside our properties.

## COMMUNITY PARTNERSHIPS

Avanath partners with a combination of local businesses, organizations, municipalities, civic leaders, agencies, and institutions, in both the public and private sector to deliver services and opportunities to our residents and surrounding communities.

- |  |                                      |  |
|--|--------------------------------------|--|
| Access Point                                   | Feeding America                      | Primary Healthcare Associates                        |
| American Heart Association                     | First Orlando Church                 | Poway Unified School District                        |
| Anne Arundel County Department of Aging        | Galilee Baptist Church               | Restoration Church                                   |
| Anne Arundel County Public Schools             | Goodwill                             | River City Food Bank                                 |
| April Parker Foundation                        | Health Education Council             | Sacramento Public Library                            |
| Arapahoe County Library                        | House of Haven                       | SacRT Paratransit GO                                 |
| Assembly Member Mike Gibson                    | House of Ida                         | San Juan Unified School District                     |
| Boulder Housing Partners                       | LA CARE                              | Second Harvest                                       |
| Boulder Shelter for the Homeless               | LA Metro                             | Seniors First  |
| Cal State Long Beach                           | Live Chair Health                    | Spectrum   |
| Capital Area Food Bank                         | Long Beach Economic Inclusion Center | The City of Escondido                                |
| Chick-Fil-a                                    | Long Beach Health Department         | The Disabled Resource Center                         |
| City of Boulder                                | Mission of Love Charities            | The Office of California State Senator Lena Gonzalez |
| City of Roseville Transit                      | New York Life                        | United Healthcare                                    |
| City of Roseville Transit: Arrow City of Youth | Nourishing Hope                      | University of Maryland                               |
| Collins Neighborhood Association               | Nuevo Comienzos Ministry             | Verizon  |
| Comcast  | Orange County Government Florida     | Veterans Affairs                                     |
| Community Action                               | Orange County Food Bank              | Women Infant Children Food Program                   |
| Community House                                | Operation Hope                       | Walmart  |
| Cornerstone Community Church                   | Orange County Post Office            | Xfinity  |
| Councilman AL Austin Office                    | Orange County Public Library         |  |
| Crenshaw Family YMCA                           | Pan American Behavior Health         |  |
| Emergency Family Assistance Association        | Pan American Behavior                |  |
| Esporta  | Pennsylvania Health Care Association |  |
| Evelyns Desserts                               | Pickett Fences                       |  |



78

properties

HAVE COMMUNITY PARTNERSHIPS

# Community

## **BUILDING COMMUNITY WITH APARTMENT LIFE**

Avanath partners with Apartment Life and their expert coordinators to connect residents to meaningful relationships with businesses and professionals around their communities. Apartment Life provides resources including:

## **MEAL SERVICES**

At Vistas at Lake Largo, 100% of Avanath residents are eligible for free grocery delivery once a week, through a partnership with Mission of Love Charities.

## **COMMUNITY BUILDING AND FAMILY PROGRAMS**

80 events with over 1,000 attendees were held across Avanath properties, including a family farm day at Renwick Square which engaged a local organization, Farm2you, to bring farm animals to engage residents of all ages on different animals and their habitats.

## **WELLNESS AND LIFE SKILLS SEMINARS**

60 different programs engaged over 600 Avanath residents, including a healthcare presentation that identified ways our residents could cut down on medical costs and a fire safety demonstration from a local fire department.

## **FINANCIAL ASSISTANCE**

So far, many residents have received free, one-on-one budget counseling and access to financial education, helping relieve financial burden and improve financial literacy. We look forward to pushing this program forward to help more residents understand their financial situations.





# Looking forward

As we continue to make our residents, employees, and communities an integral part of our daily operations, we are poised to improve our programming and extend our impact wherever possible. As we build on our efforts, we look to:

- Improve resident programs and experiences based on metrics obtained with CORES
- Foster a safe, healthy, and inclusive workplace
- Increase our impact on local communities through charitable giving and volunteering
- Expand our community gardens to provide residents with fresh, healthy food
- Focus our efforts on resident support and financial wellness to improve and maintain family units
- Provide more services for mental health



A hand holding a glowing lantern against a dark background. The lantern is the central focus, emitting a warm, golden light. The background is dark and moody, with a person's face partially visible in silhouette on the right side. The overall tone is professional and focused.

GUIDED *by* GOOD GOVERNANCE

With an average of 30+ years of experience in real estate investment and operation, Avanath's diverse team of leaders is committed to integrating ESG into everyday processes and procedures to foster a workplace and business that is efficient, inclusive, highly trained, ethical, and serves the greater good.

*an inclusive, diverse, and highly trained workforce*

# Governance objectives

## FOSTERING

- + Diverse and inclusive communities
- + Partnerships with community partners and industry associations

## INCREASING

- + Diversity and unconscious bias training
- + GRESB scores across all our funds
- + Company and employee alignment with ESG goals and principles

## PERFORMING

- + Climate and transitional risk assessments
- + Biennial Employee Surveys

## TRACKING

- + Employee demographics and diversity
- + Employee training and development

# Avanath's leadership team

## PARTNERS



**DARYL J. CARTER**  
Chairman and CEO

*40+ years of experience*



**JOHN R. WILLIAMS**  
President, Chief Investment Officer,  
and Chief Operating Officer

*40+ years of experience*



**JUN SAKUMOTO**  
Chief Compliance Officer

*30+ years of experience*



**WESLEY WILSON**  
Chief Financial Officer

*15+ years of experience*

## SENIOR LEADERSHIP



**PATRICIA GAUDIN**  
EVP – Human Resources



**KEITH HARRIS**  
EVP – Investments



**ELLEN GUCCIONE**  
EVP – Chief Administrative Officer



**CARLY STEVENSON**  
EVP – Property Management



**ANDREW MACKAY**  
SVP – Investments



**MADELINE HALL**  
SVP – Investments



**SAUL MCDONALD**  
SVP – Investments



**KEN MCMACKIN**  
SVP – Portfolio Management



**KELLY MCBRIDE**  
SVP – Operations and Compliance



**DAVID NATT**  
SVP – Sustainability



**JESSE GRASER**  
SVP – Accounting



# Our ESG Council and Advisory Committee

Comprised of senior leaders from all departments and geographic regions, Avanath's ESG Council leads our ESG efforts and tracks progress against our Amplify ESG strategy. To ensure our strategy is applicable and implemented at the property level, the Council is assisted by an ESG Advisory Committee. This Committee is a rotating group of high-performing employees across departments, geographies, and seniority levels.

## Stakeholder Engagement

Avanath has identified the following key stakeholders and engagement strategies to ensure we are addressing material concerns and challenges faced by each group:



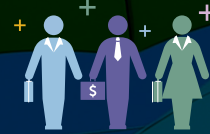
### EMPLOYEES

- Training and career development tools
- Town Hall meetings
- Employee satisfaction surveys



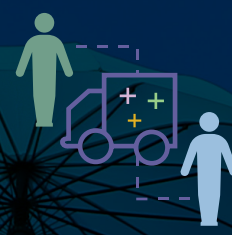
### RESIDENTS

- Satisfaction surveys
- Appreciation events
- Newsletters
- Support programs



### INVESTORS

- Annual and quarterly publications
- Meetings and reporting channels



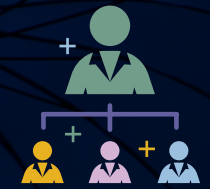
### SUPPLY CHAIN

- Code of conduct
- Responsible Contractor Policy
- Responsible Supplier Contract



### COMMUNITIES

- Community events
- Giving back program
- Employee volunteer efforts
- Social media



### BUSINESS PARTNERS

- Regular meetings
- Business agreements

# Demonstrating leadership

## OUR POLICIES

Avanath's *Amplify ESG* program represents a comprehensive ESG framework that guides our operations and helps integrate ESG best practices into our decision-making processes. The policies, publicly available on our [website](#), include:

- Diversity and Inclusion Policy
- Responsible Contractor Policy
- Avanath Privacy Policy
- Sustainability Risk Policy
- Remuneration Policy
- Appliance and Replacement Policy
- Avanath Green Power Procurement Policy
- Carbon Policy

### Expanding our Policies

#### ESG COMPENSATION POLICY

To achieve our ESG goals, Avanath has created a policy to tie company wide ESG performance to the compensation of leaders and Regional Managers whose work directly contributes to Avanath's ESG efforts.

#### RESPONSIBLE SUPPLIER POLICY

Avanath is conscious of the procurement and supply chain issues our industry faces. Our Responsible Supplier Policy, reflective of our UN PRI commitment, outlines specific requirements we set when engaging with suppliers and subcontractors. Avanath encourages our suppliers to collaborate with us when adhering to these expectations and provides classes to ensure compliance. Topics outlined in this policy include:

- Human, Child, and Labor Rights
- Working Hours and Environments
- Non-Discrimination and Diversity
- Environmental Legislation and Climate Impact
- Waste
- Data Protection
- Anti-corruption
- Conflict of Interest

### Multifamily Impact Council's Framework

As an advocacy group, the Multifamily Impact Council's (MIC) aim is to create an evidence-based investment strategy and framework for impact investing. As a founding member, Avanath has adopted the MIC's seven-principal framework and serves as a stakeholder in the decision-making process that continually improves this framework to ensure we are providing a voice for and representing the affordable housing sector.

#### THE FRAMEWORK INCLUDES THE FOLLOWING ESG TOPICS:

- Affordability
- Housing Stability
- Resident Engagement
- Climate and Resiliency
- DEI
- Health and Wellness
- Economic Health and Mobility



# Demonstrating leadership

## ADDRESSING CLIMATE RISK

To stay vigilant against climate risks, both transitional and physical, Avanath has launched a climate risk identification process that helps pinpoint the specific climate-related risks our properties face. Our ESG council is tasked with managing and evaluating climate-related risks and opportunities along with the Investment Committee, and both parties regularly discuss risks related to real assets.

Physical risks that may impact our assets include extreme weather events such as wildfires or floods, as well as chronic stressors such as heat stress and sea level rise.

Transition risks we have identified include changes in local-and state-level benchmarking ordinances, reporting requirements, increased cost of utilities, carbon pricing, stranding risk, and emerging technologies.

Avanath catalogs these risks over the short, medium, and long term to better manage our asset's vulnerability to risk and engage in management practices to mitigate or build resilience against risk where possible. Identifying and futureproofing our most vulnerable assets to climate-related risks is beneficial for our residents and helps us make informed investment decisions over time. We use risk modeling tools such as Munich RE and Moody's 427 Reports and methodologies set forth by the CRREM model to ensure that we are running all relevant risk scenarios and are aware of all physical and transition risks our portfolio may face.

## GREEN LEASING

Avanath has standard language in our leases that helps our tenants and residents and our overall portfolio improve efficiency and reduce utility consumption. We incorporate green lease language into our leases as a way to work with our tenants and residents to reduce resource use and therefore reduce costs. Avanath incorporates green leasing across our entire portfolio in all our residential and commercial leases. Doing so helps us move the needle on carbon reductions and will engage our tenants to play an active role in our endeavor to cut carbon emissions across our entire portfolio.

100%

OF OUR PROPERTIES HAVE COMPLETED A PHYSICAL RISK ASSESSMENT

100%

OF THE PORTFOLIO WILL UNDERGO A CLIMATE RISK ASSESSMENT EVERY FIVE YEARS

### Staying Ahead of Regulations and Risk

Avanath constantly tracks local and national regulations to ensure we stay ahead of rulings. As part of our due diligence process, we are budgeting for ESG initiatives in capital spending and practicing preventative maintenance to add resilience and long-term value to our properties. As we mitigate climate-related physical and transition risks, such as damage caused by wildfires or flooding and high insurance premiums or emissions fines, respectively, we are paving a path that sets our portfolio up for success. Being agile in our approach to ESG allows Avanath to pivot our strategy to address and mitigate impending risks.

# Reporting and affiliations

## UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT

We are a signatory of and report annually to UN PRI, a network of international investors working together to implement the principles of ESG throughout organizations.



## ENERGY STAR®

We are a proud partner of ENERGY STAR® and use ENERGY STAR® Portfolio Manager® to collect and track our energy and water data. As a 2023 ENERGY STAR® Partner of the Year, we are finding ways to further increase data management with ENERGY STAR® Portfolio Manager® and have submitted for Partner of the Year status again for 2024.



Avanath is also a member of the ENERGY STAR® Affordable Housing Leadership Working Group. This group meets quarterly with an EPA representative to workshop energy efficiency leadership in affordable housing, advocate for ENERGY STAR programs, and further ENERGY STAR's mission.

## SUSTAINABLE FINANCE DISCLOSURE REGULATION

The Sustainable Finance Disclosure Regulation (SFDR) is a mandatory requirement for ESG disclosure which looks to asset managers to provide transparency in relation to sustainability risks. To align with SFDR, asset managers must consider adverse sustainability impacts in their investment processes and provide sustainability-related information on financial products. Avanath filed the Renaissance Fund under Article 8 of SFDR.

## GRESB

GRESB is a voluntary, annual, industry standard ESG reporting framework for real estate that allows us to measure our ESG performance, compare performance against our peers, and identify areas for improvement in our ESG strategies. See pages 4-6 for our 2023 results.





## Looking forward

Our sights on the future remain clear. Guided by our ESG roadmap and ESG Council, Avanath is exploring more ways to shore up our governance approach in the face of climate risk, changing legislation, and stakeholder expectations. We look forward to:

- + Utilizing state and local funding and rebate programs to implement efficiency measures and drive resiliency across our portfolio
- + Identifying transition and stranding risks across our portfolio to fortify our assets and investment strategy against risk





“Through our holistic approach to responsible property management, we continue to build a best-in-class ESG program — delivering long-term value for our investors, the environment, and the communities in which we serve.”

DARYL CARTER, CHAIRMAN AND CEO

For more information visit:  
[avanath.com](https://avanath.com)

avanath+