



+Amplify  
ESG

# A Letter from Our CEO

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## Welcome Investors, Colleagues, and Friends to our fourth annual ESG Report.

It is my pleasure to share with you Avanath's latest efforts, milestones, and successes in our Amplify environmental, social, and governance (ESG) Program. From property-level efficiency efforts to social programming and industry involvement, we have been working hard over the last year, making great strides toward our objectives and mission to provide a *Lifestyle Within Reach*.

Mitigating risks remains a top priority for our organization. In this report, we aim to provide a deeper understanding of our processes for identifying, handling, and recovering from physical climate-related risks. We have remained diligent in assessing new acquisitions and analyzing our entire portfolio in accordance with our climate risk mitigation program. To stay on top of impending climate-related physical and transition risks, we strive to stay informed and work with experts to show us which efforts will amplify our impact. From technology solutions such as Moody's Climate On Demand Tool to nature-based solutions with brush-clearing goats, we are embracing a multifaceted strategy to address climate-related physical and transition risks for our respective properties..

As we work toward our environmental goals, I am proud of the partnerships we have formed with external organizations that share their sustainability expertise and technology with Avanath, allowing us to not only support our bottom line, but also enhance our resident experience. Through efficiency efforts, renewable energy procurement, and streamlined waste management, we are saving our residents dollars on their utility bills and providing resources for them to participate in our sustainability journey.

In the end, it always comes back to supporting our people. Our resident services program continues to produce one-of-a-kind, impactful experiences at our communities across the country that are helping support the economic mobility and well-being of our residents so that they receive access to opportunities to prosper. In addition, we continue to solicit candid feedback from our employees year after year to ensure their satisfaction. As much as we internalize our success, it is humbling to see our efforts highlighted on larger stages, and I am proud to share that we were named a Great Place to Work® Certified™ Company in both 2024 and 2025, thanks to the generous, positive feedback given by our esteemed colleagues.

Our involvement with industry memberships and associations helps us proliferate the value-driven decision-making involved with ESG integration, and we have routinely made clear the added resilience we have grown accustomed to through our Amplify ESG program to our peers and industry leaders. As in years past, our GRESB submission highlights just how well we perform on the pillars of environment, social, and governance (ESG), and we are glad to see a steady score of excellence for this latest submission. As we compare our scoring to that of our peers we are excited to see the efforts on ESG amplified across the industry.

This year, we are focused on amplifying our resilience. Resilience to climate-related risks, rising utility costs, and resident and employee satisfaction. Throughout this report, I invite you to recognize what we have consistently found: **ESG is a difference-maker and a value generator that prompts organizations like ours to think creatively and strategically about economic and social issues.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Daryl Carter', with a long horizontal flourish extending to the right.

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

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## Amplify ESG

Avanath has built a reputation as a leader in the affordable housing industry with a strong focus around sustainability. We strive to ensure all that we do gives back to both people and the planet. Through our +*Amplify ESG* program, we are enacting environmental, social, and governance strategies that promote long-term value and resilience of our assets.

### OUR MISSION

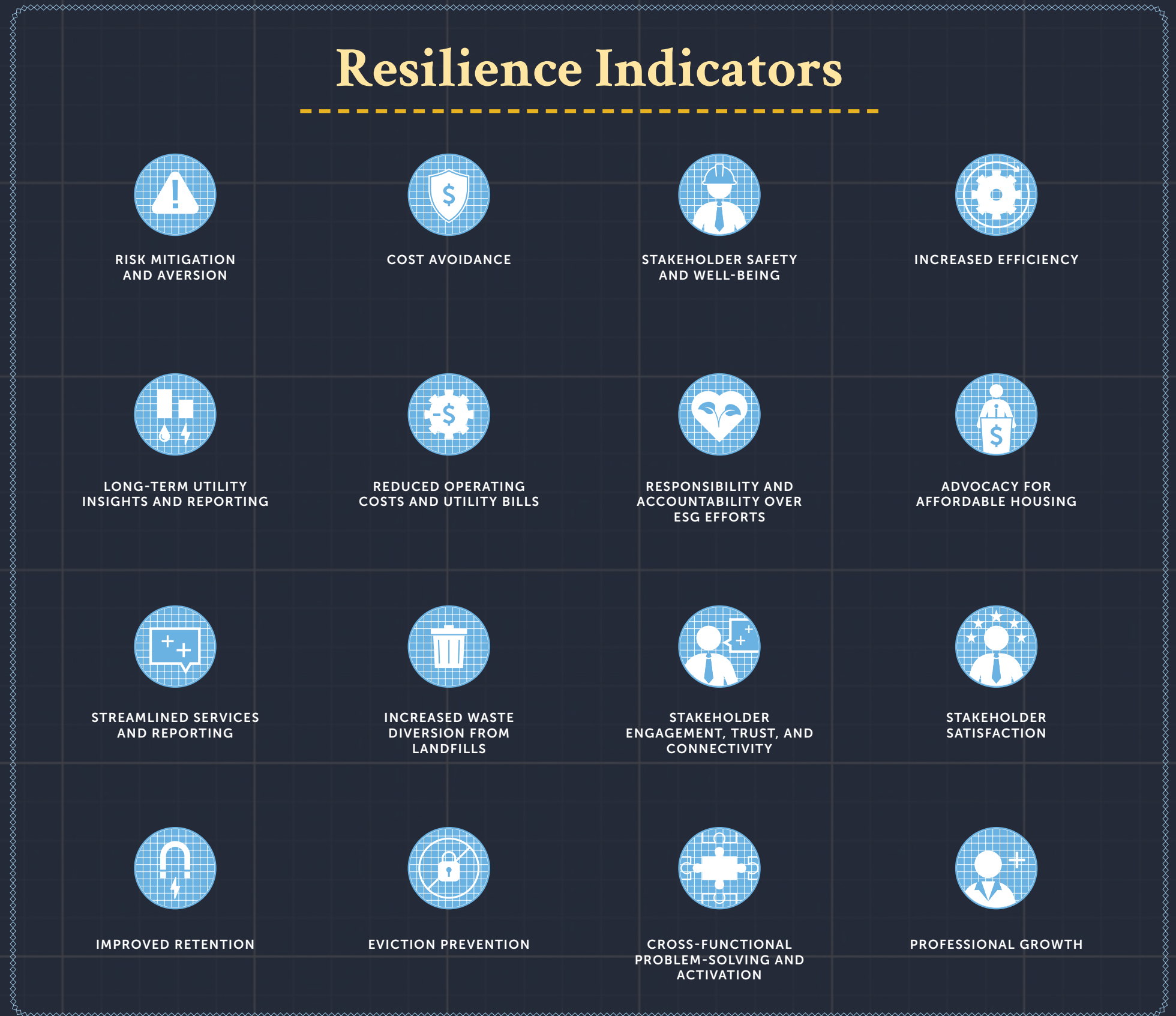
To provide a *Lifestyle Within Reach* by amplifying our ESG impact for the shared benefit of our residents, employees, investors, communities, and the environment.

# Building Resilience to Unlock Long-Term Value

Those who live and work with us, our residents, employees, and investors, are a driving force for our dedication to resilience. As the climate changes, exacerbating both environmental and social challenges, we have positioned ourselves to drive best practices at the property and corporate levels to mitigate risks, promote resource conservation with carbon emission reduction goals aligned to the Paris Climate Accord, encourage resident and employee success, and deliver strong policies to ensure performance and maximize financial returns long into the future.

## RESILIENCE IS BUILT INTO EVERYTHING WE DO

Resilience is the ability to bounce back from stressors. Through the +Amplify ESG program, we are fortifying our operations to recover from a range of challenges, including physical climate-related risks, utility and operational costs, resident and employee retention, and industry reputation, in order to remain a premier affordable housing provider. Throughout this report, we have identified '**Resilience Indicators**' to highlight how Avanath's strategies and actions are both realizing ESG objectives and building resilience within our portfolio.



## 2024-2025:

- Completed property-level risk mitigation efforts and risk action plans for climate resilience
- Earned a WELL Health-Safety Rating across our entire portfolio for the fourth consecutive year
- Named a Great Place to Work® Certified™ Company
- Completed installation of three solar projects in California and received or submitted for lender approval on 24 additional properties in our solar pipeline
- Improved overall resident satisfaction on the Kingsley Index
- Engaged in energy and water efficiency technology partnerships to improve building performance and reduce utility costs
- Maintained high GRESB benchmark performance and peer rankings
- Received the Pension Real Estate Association (PREA) Social Impact Award for the Renaissance Fund for the second consecutive year

## 2023:

- Completed a physical climate risk assessment on 100% of properties and established a cadence of review for the entire portfolio every five years for climate risk; in addition to any new acquisitions
- Obtained the prestigious Certified Organization for Resident Engagement & Services (CORES) Certification for our resident services efforts and strategy that is provided throughout our portfolio (5-year certification)
- Filed the Renaissance Fund under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR)
- Launched a nationwide partnership with Waste Management, enabling the ability to track waste data
- Signed leases for solar deployment across 30 of our properties in California

## 2022 and Prior:

- Formed ESG Council
- Developed a Carbon Strategy Policy and set targets to reduce whole building carbon emissions aligned with the Carbon Risk Real Estate Monitor (CRREM) tool and the goals of the Paris Climate Accord
- Completed first GRESB submission
- Achieved short-term energy and water reduction targets, reducing consumption by 10% four years ahead of schedule
- Conducted first GHG inventory
- Submitted to the United Nations Principles for Responsible Investment (UN PRI)
- Launched *+Amplify ESG* program
- Achieved 100% of properties benchmarked in ENERGY STAR® Portfolio Manager®

OUR FOUNDATION:

# Awards and Leadership Recognition



### PREA IMPACT AWARD

For the second year, Avanath's Renaissance Fund was awarded the Social Impact Award from PREA, recognizing our commitment to providing residents with resources and support to improve their quality of life and unlock new opportunities.



### WELL HEALTH - SAFETY RATING

For the fourth year in a row, Avanath received certification of our entire portfolio under the WELL Health-Safety Rating. As the first affordable operator to obtain this distinction, we are honored and proud of the work our people have done to ensure healthy and safe living accommodations for families across the country.



# GRESB Results

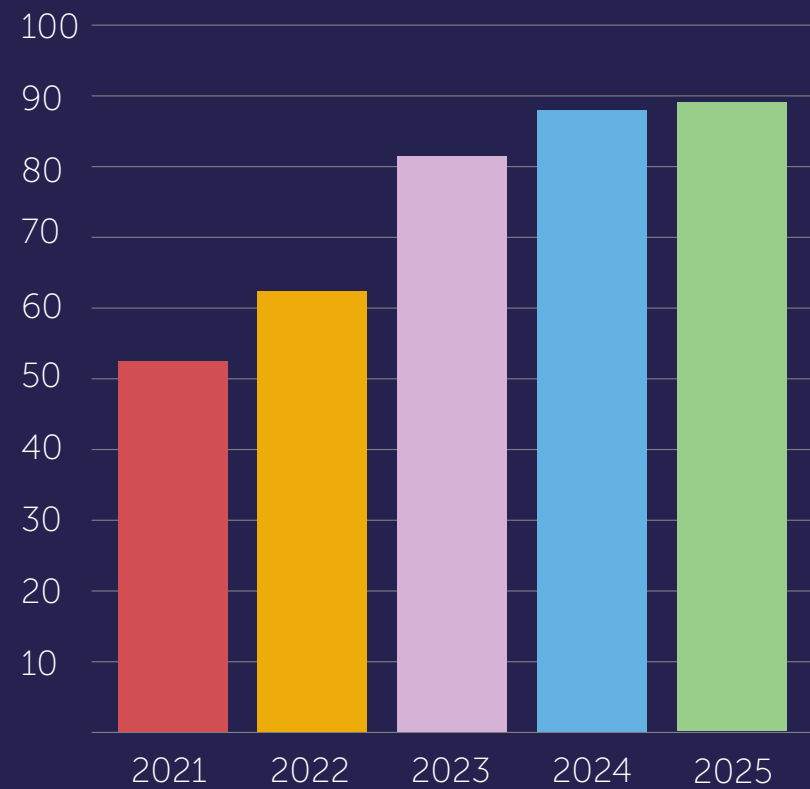
# 88

## 2025 GRESB SCORE\*

*averaged across our three portfolios*



**4.3 OUT OF 5 STARS\*\***



### SCORE HISTORY\*:

<b>2024</b>	<b>87/100</b>
<b>2023</b>	<b>81.3/100</b>
<b>2022</b>	<b>62.3/100</b>
<b>2021</b>	<b>52.5/100</b>

### THE VALUE OF GRESB REPORTING

GRESB scoring validates our ESG performance and has become a prominent indicator of our success, including how we stand up against our peers. We use performance as a blueprint to identify areas of ESG in which we can improve resilience. We aim to capitalize on these improvement opportunities to secure long-term value and subsequently raise our GRESB score.

### GRESB PERFORMANCE: TENANTS & COMMUNITY

On the Tenants and Community performance component of the GRESB submission, Avanath continued to max out points, showcasing our commitment to excellent resident and community relationships.

# 11/11 pts

# 100%

*(GRESB average 87.5%)*

### RESIDENTIAL COMPONENT SUBMISSION

In 2025, Avanath participated in GRESB's new Residential Component of the Real Estate Assessment, a sector-specific supplement designed to better assess the performance of residential portfolios. The new benchmark introduced six residential-dedicated indicators—enabling more meaningful peer comparisons and actionable insights.

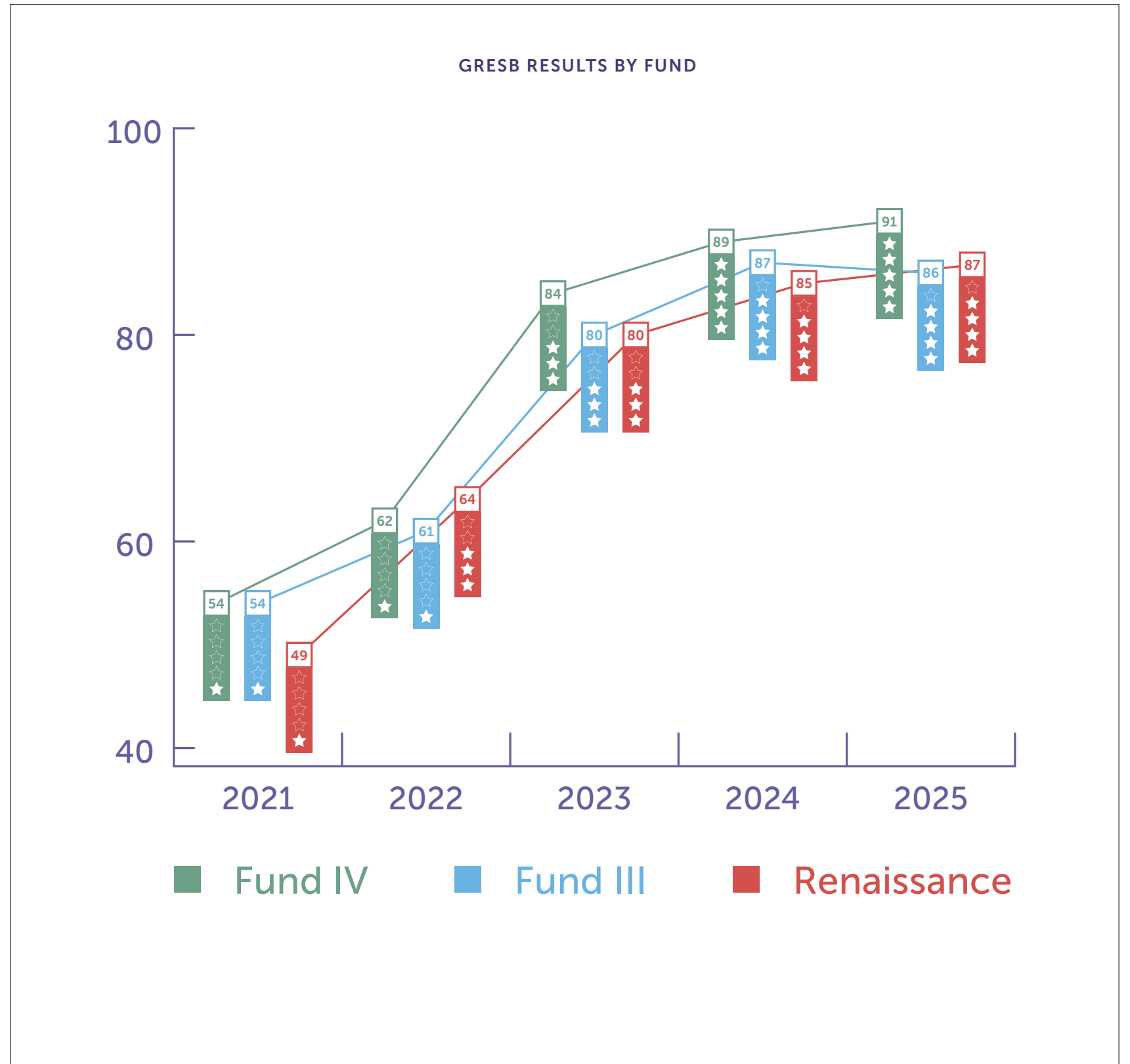
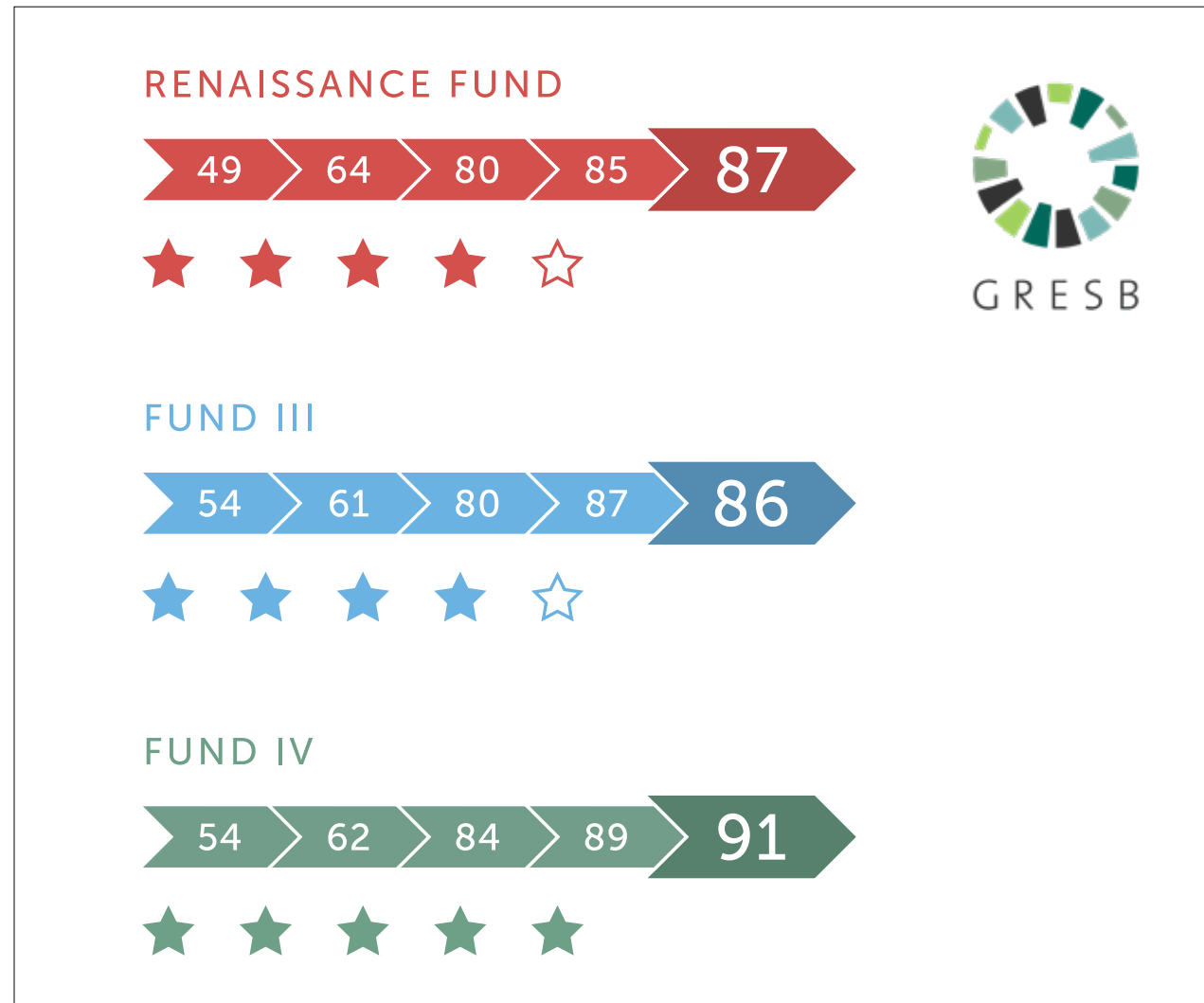
\*Averaged across our portfolio's three funds: Fund III, Fund IV, and Renaissance.

\*\* GRESB Rating is calculated relative to the global performance of reporting entities. It shows you exactly where you stand on a global scale. GRESB 5 Stars is the highest rating and recognition for being an industry leader. Each year, 20% of entities receive a GRESB 5 Star rating. This ranking represents the average Star rating across our portfolio.

# GRESB Results

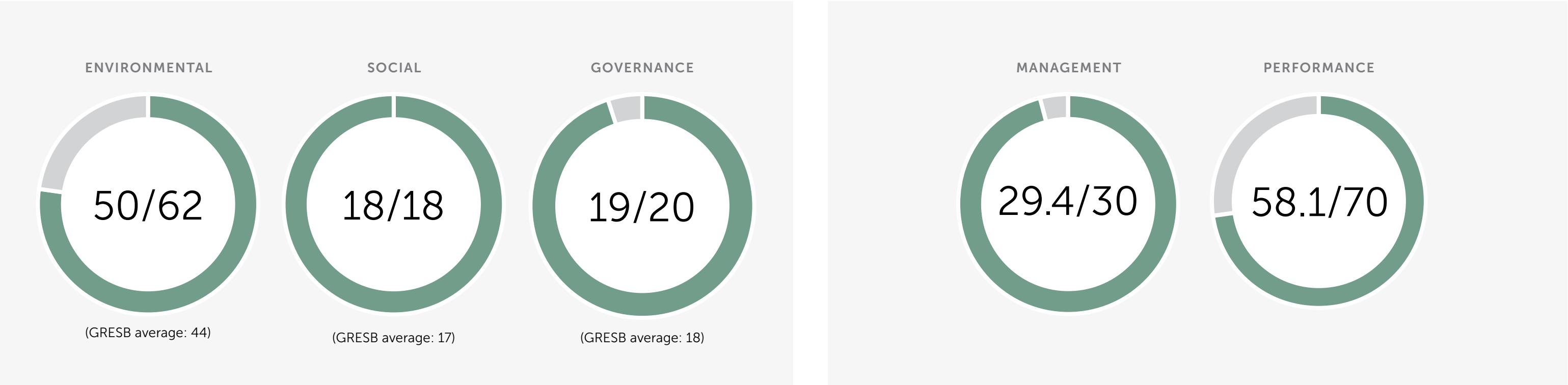
## PEER GROUP INFO

GRESB SCORING GROUP	FUND III	FUND IV	RENAISSANCE FUND
Residential/Americas	28 <sup>th</sup> /145	7 <sup>th</sup> /145	22 <sup>nd</sup> /145
Americas, Multi-Family Residential, Social/Affordable Housing (Avanath's Benchmark Peer Group)	5 <sup>th</sup> /9	2 <sup>nd</sup> /9	4 <sup>th</sup> /9
Americas, Residential, Social/Affordable	6 <sup>th</sup> /40	3 <sup>rd</sup> /40	5 <sup>th</sup> /40



# The Renaissance Fund

## SCORING BREAKDOWN



OUR BUILDING PLANS:

Avanath's +Amplify ESG Strategy

Our Path to Resilience

Our Blueprint for Environmental Performance

Our Architects for Social Impact

Our Infrastructure for Strong Governance and Leadership

Avanath is keenly aware of the impact climate change is having on our planet and, therefore, on our people and communities. Wildfires, droughts, floods, and other natural disasters are becoming more frequent and more severe. It is our priority to ensure Avanath communities remain resilient to such threats so that we may continue to fulfill our mission to provide a *Lifestyle Within Reach*.

**CLIMATE AND TRANSITION RISK PLANNING:**  
As part of our plan to mitigate risks to our portfolio and minimize our contributions to rising global temperatures, we have a dedicated risk identification process and have formulated strategies to increase resilience from natural disasters, address impending regulations around building performance, and deploy guidance to our property teams to ensure they have the tools and resources to respond to a range of scenarios. Read more about how we address climate-related risks on page 17.

A scenic landscape photograph of a mountain valley. In the foreground, a stone path leads through a lush green field towards a river. The background features rolling green hills and distant, misty mountains under a clear sky. The overall tone is peaceful and natural.

# Our Path

TO RESILIENCE

Avanath has deployed environmental strategies at the property level to help optimize building performance. These efforts drive efficiency, improve resident comfort and satisfaction, and help us realize capital savings.

**UTILITY CONSUMPTION:**


Upgrades to LED lighting, low-flow plumbing fixtures, and streamlined waste management help our buildings operate more efficiently, benefiting both our residents and our bottom line. We also ensure compliance with building performance standards by completing resource audits, where required. Read more on pages 33 and 36.

**RENEWABLE ENERGY PROCUREMENT:**

Deploying sources of renewable energy, such as solar energy, adds to the resilience of our communities as the world transitions to a low-carbon economy. It also provides reliable, affordable, clean energy across our portfolio, where both Avanath and our residents reap the benefits of lower utility bills. Read more on page 28.

# *Our Blueprint*

FOR ENVIRONMENTAL PERFORMANCE



People are the heart of our business, and Avanath is in the business of creating opportunities for everyone in and around our operations. We are proud to provide residents, employees, and local communities with a place where they can live, learn, and prosper.

**RESIDENT SERVICES:**

Our resident coordinators are continually working to uplift and improve residents' lives. From curated experiences that bring people together, to financial and wellness resources that ensure the health and safety of those who live in our communities, we strive to deliver opportunities that positively impact our residents' lives. To ensure thriving communities and resident retention, we are tracking a range of metrics relevant to our social services to inform strategic decisions in the future. Read more on page 46.

**EMPLOYEE BENEFITS:**

Our employees make our mission possible. We are proud to support their success and ensure their continued professional and personal development with safe and diverse workplaces, comprehensive benefits, and open communication. Read more on page 52.

**COMMUNITY SUPPORT:**

Both through donated time and monetary support, Avanath has a vested interest in giving back to our local community. We take an active role in our community to support causes and organizations dear to our residents and employees. Read more on page 56.

# *Our Architects*

FOR SOCIAL IMPACT

Tenured leaders and strong polices hold us accountable for long-term value. At Avanath, we're fortunate to have a team of leaders who understand that integrating ESG into everything we do will benefit our people and our company now and in the future.

**AWARDS AND RECOGNITION:**

Avanath's financial and operational efforts remained in a leadership class, and we are excited to celebrate the achievements of both through industry awards and accolades. Read more on page 6.

**INDUSTRY PARTICIPATION:**

Sharing knowledge and insights across our industry is immensely important to our industry's overall advancement. Avanath is actively engaged in industry memberships, conferences, and leadership forums, where we interact with other decision-makers to learn, grow, and enhance our skills and services. Read more on page 64.

**REPORTING AND TRANSPARENCY:**

Each year, our annual investor conference shares the latest details of our operational efforts with our stakeholders, while annual reports, such as this ESG Report, and our submissions to industry benchmarks, including GRESB and the United Nations Principles for Responsible Investment (UNPRI), keep us accountable for year-over-year improvements. Read more on page 68.



# *Our Infrastructure*

FOR STRONG GOVERNANCE AND LEADERSHIP



DAVID M. NATT  
SENIOR VICE PRESIDENT  
OF SUSTAINABILITY

The value of ESG is evident through various indicators. From improved building efficiency that yields greater profitability to higher occupancy and retention rates that keep our residents healthy and happy in their homes, it is our mission to serve our residents. When we incorporate ESG practices into our everyday business decisions, we do so knowing that it impacts our properties in two ways: it reduces our consumption of water, energy, and landfill contributions, which will positively impact the environment, and it also reduces our utility expenses, helping us drive profitability across the entire portfolio. ESG may fall out of style as an acronym, but we will never shy away from the value potential we know is possible through increased energy efficiency that will generate greater profitability, robust social programs that lead to greater upward social mobility for our residents, and strong, ethical policies that lead to better decision-making and greater governance. Where there is value, there is effort, and Avanath's efforts are steered toward resilience.

# Our Path to Addressing Climate-Related Risks

Risk is a component of any business, and while Avanath has protocols and practices in place to guard against common, historic business risks such as fraud, anti-compliance, or liability, we are also focused on addressing the rising risks associated with climate change.



## AVANATH'S RESILIENCE OBJECTIVES AND PROGRESS

### IDENTIFYING

#### Physical risk

We use risk modeling tools such as Munich RE and Moody's Reports to ensure that we are running all relevant risk scenarios and are aware of all physical risks our portfolio may face. This is a standard of our due diligence process, with a subset of existing properties evaluated annually and all new acquisitions evaluated upon entering the portfolio.

#### Transition risk

We use climate risk analytics tools developed by Moody's and Munich RE to ensure we are running all relevant risk scenarios and are aware of all physical risks our portfolio may face. This is a standard of our due diligence process, with a subset of existing properties receiving an in-depth evaluation annually and all new acquisitions evaluated upon entering the portfolio.

#### Property-level physical risks

100% of the portfolio has received a location-based physical risk assessment, and 50% of the portfolio has received an in-depth asset-level evaluation, with the remaining 50% of the portfolio slated to receive such an assessment over the next two years.

### CATALOGING

#### Risks over time

Avanath catalogs risks over the short, medium, and long-term to better manage our assets' vulnerability and engage in management practices to mitigate or build resilience where possible.

### ENHANCING

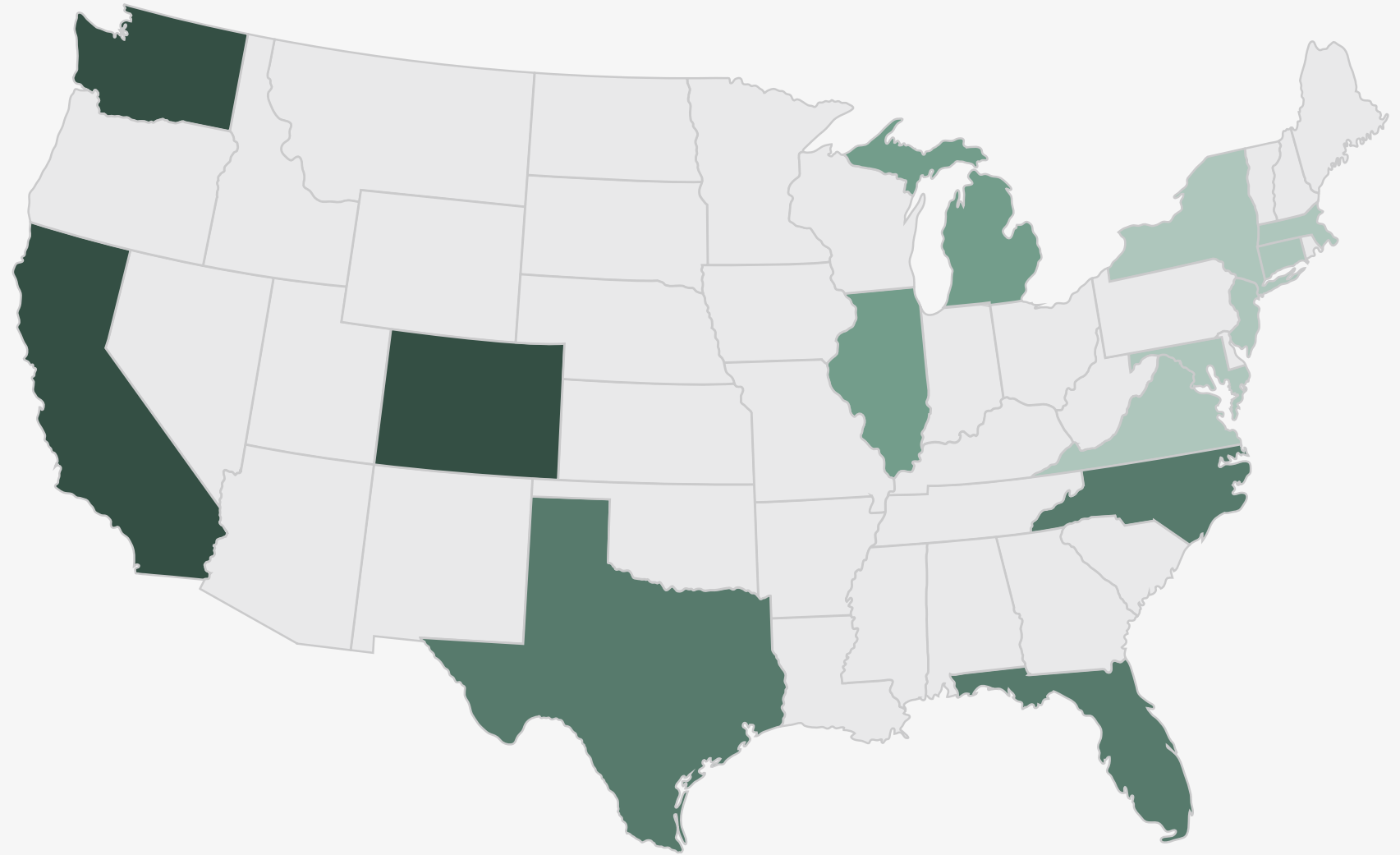
#### Property resilience

Avanath uses a climate risk identification process to develop specific procedures and disaster recovery plans at the property-level that ensure strategies are in place to maintain the long-term resilience of our operations.

# Risks Identified Across Regions\*

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.

Property	Risk	Coast
Baldwin Village	🟢🟡🟠🔴	WEST
Crescent Cove	🟢🟡🟠🔴	WEST
Overlook at Anaheim Hills	🟢🟡🟠	WEST
River Run	🟢🟡🟠🔴	WEST
Norden Terrace	🟢🟡🟠🔴	WEST
The Ridge	🟢🟡🟠🔴	WEST
Hurley Creek	🟢🟡🟠🔴	WEST
Acton Courtyard	🟢🟡🟠	WEST
Anton Arcade	🟢🟡🟠🔴	WEST
Whitney Ranch	🟢🟡🟠	WEST
The Grove Senior	🟢🟡🟠🔴	WEST
Vintage Towers	🟢🟡🟠	WEST
Corsair Park Senior	🟢🟡🟠	WEST
St. John's Manor	🟢🟡🟠	WEST
Yorba Linda Palms	🟢🟡🟠	WEST
Fox Crossing	🟡🟠🔴	WEST
Sable Ridge Apartments	🟡🟠🔴	WEST
Sable Ridge Residences	🟡🟠	WEST
Affinity at 2M	🟡🟠🔴	MID-ATLANTIC
City View	🟡🟠🟠🔴	SOUTH
Academy on Eastern Lake	🟡🟠🟠🔴	SOUTH
Saxon Trace	🟡🟠🔴	SOUTH
Morton Village	🟡🟠🟠🔴	NORTHEAST
Logo Apartments	🟡🟠🟠🔴	NORTHEAST
North End Village	🟡🟠🟠🔴	MIDWEST
Cameron Court	🟡🟠🟠🔴	MIDWEST
38 6th Avenue	🟡🟠🟠🔴	NORTHEAST
535 Carlton	🟡🟠🔴	NORTHEAST
Canvas	🟡🟠🔴	SOUTH
Cascades Village	🟢🟡🟠🟠🔴	MID-ATLANTIC



**KEY**

- 🟢 Earthquake
- 🟡 Floods
- 🟠 Hurricanes & Typhoons
- 🟡 Sea-Level Rise
- 🟠 Water Stress
- 🔴 Wildfire

**WEST**

Earthquake, Floods, Sea-Level Rise, Water Stress, and Wildfires

**MIDWEST**

Wildfire, Water Stress, Floods

**SOUTH**

Floods, Hurricanes & Typhoons, Sea-Level Rise, Water Stress, and Wildfires

**MID-ATLANTIC AND NORTHEAST**

Earthquake, Floods, Hurricanes & Typhoons Sea-Level Rise, Water Stress, and Wildfires

\*This information represents only Avanath properties that have been identified as having a high level of physical climate risk and is not inclusive of all the states and regions facing risks.

# Identifying and Mitigating Risks Related to Building Performance Standards

Avanath properties are subject to multiple Building Performance Standards, which require that multifamily buildings meet certain energy or emissions performance thresholds, and these compliance standards are proliferating across the country. See below for the jurisdictions we operate in that have BPSs and the types of targets they expect.

Jurisdiction	Standard	Type of Target	Status
<b>New York City</b>	Local Law 97	Greenhouse Gas Intensity	🟡 ON TRACK Performed necessary audits in 2025
<b>Colorado</b>	Building Performance Colorado	Energy Use Intensity or Greenhouse Gas Intensity	🟡 ON TRACK On track to comply by first deadline
<b>Denver</b>	Energize Denver	Energy Use Intensity	🟡 ON TRACK Performed necessary audits in 2025
<b>Boston</b>	Building Emissions Reduction and Disclosure (BERDO)	Greenhouse Gas Intensity	🟢 IN COMPLIANCE
<b>Maryland</b>	Building Energy Performance Standards (BEPS)	Scope 1 Greenhouse Gas Intensity	🟡 ON TRACK On track to comply by first deadline
<b>Montgomery County</b>	BEPS	Energy Use Intensity	🟡 ON TRACK On track to comply by first deadline
<b>Washington</b>	Clean Buildings Performance Standard (CBPS)	Energy Use Intensity	🟠 IN PROGRESS Reviewing opportunities to achieve compliance by 2027
<b>Washington D.C.</b>	BEPS	ENERGY STAR® Score or Energy Use Intensity	🟢 IN COMPLIANCE

Avanath evaluates performance against required thresholds annually, identifying action items needed to ensure compliance. Actions may include submission of relevant documentation to local governing bodies, investigation of energy and emissions reduction opportunities through energy audits, and implementation of viable measures.

# Mapping, Monitoring, and Making Plans to Mitigate Risk

At Avanath, we operate as an institution; instead of managing independent properties, we strategize plans for resilience and deploy them across our portfolio to ensure our residents' well-being and our investors of prolonged asset value.



**KELLY BANKS**  
SENIOR DIRECTOR OF  
BUILDING SERVICES

Kelly Banks, our Senior Director of Building Services, is at the helm of physical risk mitigation across our portfolio. Supported by leadership, Kelly is orchestrating layers of risk protocols. She ensures Avanath teams take a proactive approach to physical risk mitigation. Kelly brings the experience and oversight to pinpoint risks before they become a larger issue, preparing our property teams every step of the way.

## Kelly Banks's 3 Keys to Risk Mitigation and Management

### PROPERTY-LEVEL PLANNING:

Avanath has an overarching emergency response plan which details actions and protocols for property teams to initiate before, during, and after an emergency. But more importantly, Avanath takes the time to understand our properties and equips them with an individualized book of resources unique to that property. Reviewed annually, these resources include:

- Shut off locations for utility hookups and power sources to properly disengage our building's energy supply.
- Staff and community lists, which detail vulnerable individuals who may need extra care and assistance in the event of an emergency.
- Evacuation plans that detail rendezvous locations and safe harbors for residents to ensure their safety and reunification with loved ones should a natural disaster deem our community unsafe.
- Important phone numbers and locations of emergency personnel and local partners who can be reached to support, temporarily house our residents, or provide comfort during a disaster.

### TRAINING AND COMMUNICATION:

#### Employees:

During Avanath's monthly national safety sessions, employees are trained on a specific risk and associated protocols. These trainings are decided each year by senior management. While a curriculum is set, it is flexible to current events that may signal a need to emphasize training ahead of seasonal risks such as wildfires or extreme heat.

#### Residents:

Communication with our residents regarding risks is coordinated in many facets to effectively reach everyone who calls an Avanath community home. This layered approach includes postings in common areas outlining how to prepare for impending natural disasters and relevant updates during a storm, to phone calls, emails, and correspondence in our resident portal.

### COMMUNITY INSPECTIONS:

Maintenance teams, regional site managers, and our Director of Building Services are tasked to walk through buildings to review various areas and ensure the efficiency, safety, and proper management of our communities. From checking storm drains, gutters, and downspouts to walkways and generators, these inspections provide multiple layers of eyes that work to scan our communities from rooftops to sidewalks, ensuring the resilience of our operations and the safety of our residents.

As the overseer, Kelly reviews reports from these parties to reaffirm their findings and identify if anything requires further investigation. Kelly also partakes in such inspections where experience proves pragmatic. Kelly can spot indications of possible risks that others may have overlooked, such as a water stain on a roofline that is indicative of poor drainage and teach those skills to the broader team.

Ultimately, risks are inevitable, **but through our dedicated risk management system, we are preparing ourselves to avoid interference or disruption of our residents' daily lives. We work to address risks with expertise and efficiency, and find success when we can recover more quickly, and our properties hold up to the storm and or the issue, minimizing repairs and cleanup.** Whether it's walking properties to assign maintenance on clearing storm drains, hiring goats to clear brush in fire-prone areas, or utilizing air quality technology to prioritize our residents' health, Avanath is continually working to do right by our people.

### Resilience Indicators



**RISK MITIGATION AND AVERSION**



**COST AVOIDANCE**



**STAKEHOLDER SAFETY AND WELL-BEING**

**SOMETHING TO BLEAT ABOUT:**

## Employing Goats as a Unique Mitigation Against Wildfire Risk

As part of our annual climate risk assessment, Avanath identified that our California properties were at a high risk for wildfires. As such, Avanath sought out experts and conducted a survey of all California properties to find those in need of immediate remediation. One property stood out among the rest for its overgrown brush. At that property, The Terraces at Escondido, Avanath is using a unique solution with goats to remove the dead, dry, and invasive brush from the property, helping to mitigate fire risks ahead of California's wildfire season. As an alternative to heavy, loud machinery working overtime to maintain the land, we chose the quieter and cuter resource to mow down the vegetation around our property, saving us money and stewarding the natural environment.



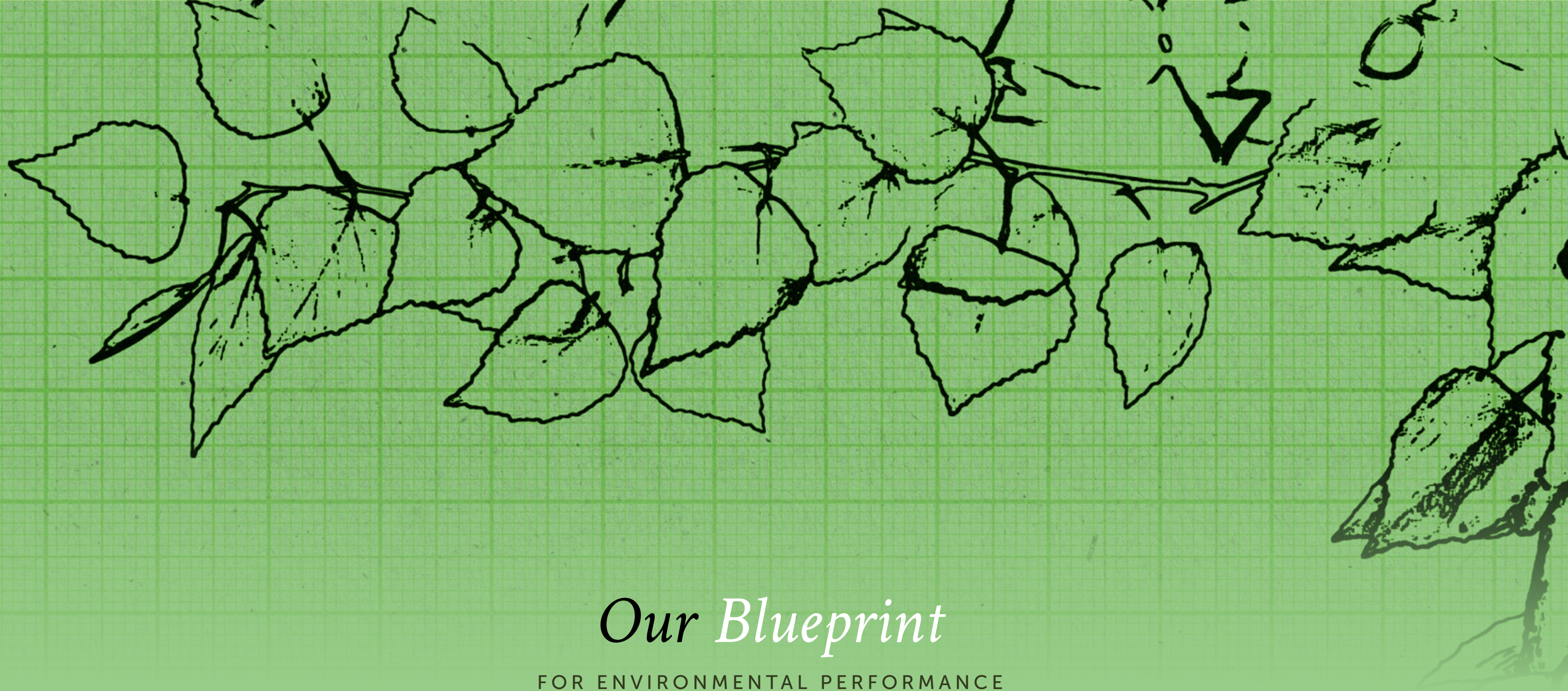
## Looking Ahead

As we continue to realize the impacts and impending risks related to climate change, Avanath will stay vigilant with our risk strategy. We intend to continue:

- Identifying and mitigating risks to prepare our people and properties, ensuring a safe and resilient portfolio.
- Exploring more technological and economic solutions to optimize risk mitigation.
- Continuing to refine and coordinate physical risk plans and procedures across our portfolio.

*Resilience that protects our people,  
properties, and communities.*





# *Our Blueprint*

FOR ENVIRONMENTAL PERFORMANCE

We focus our efforts and have the capability to pinpoint efficiency upgrades, deploy conservation measures, and engage with internal and external experts to ensure we are doing all that we can to operate sustainably and ensure the resilience of our portfolio.

## AVANATH'S ENVIRONMENTAL OBJECTIVES AND PROGRESS

### REDUCING

#### Energy and water consumption

34 energy and water conservation projects implemented in the last year, including the installation of smart thermostats, LED lighting, occupancy sensors, and lead detection systems

#### Greenhouse gas (GHG) emissions

32% reduction in GHG emissions since 2021

#### Use of fossil fuels

14,933 kW of solar energy capacity across the portfolio

4 properties have secured energy contracts for either bulk electricity (4) and/or natural gas (1)

### INCREASING

#### Waste diversion

2,888 tons of waste diverted from landfills

#### Water efficiency

3,000+ units across 13 properties received water-conserving kitchen aerators, showerheads, and bathroom faucet installations

#### Renewable energy access and green energy procurement

33 green power agreements in use across our portfolio

### PERFORMING

#### Energy audits and technical assessments

7 properties completed an energy audit

100% of the portfolio has undergone a technical assessment in the last 3 years

#### Electrification upgrades and retrofits

2 fully electrified properties with 4 others marked as candidates

#### Solar installation and expanded feasibility assessments across the portfolio

5 properties operate with on-site solar, representing 834,428 square feet (SF) and 6% of our portfolio by SF

24 additional properties in process for solar implementation, representing a cumulative 4,208,092 SF or 28% of Avanath's portfolio by SF

### TRACKING

Energy, GHG, water, and waste data  
Percentage of the portfolio tracking whole-building utility consumption:

**Energy:** 90%

**Water:** 99%

#### Outcomes of ongoing conservation measures

\$327,834.22 investment value obtained with building utility efficiency measures (read more on pg. 33)

\$180,000 realized in water savings with Conserve (read more on pg. 36)

### OBTAINING

Higher average ENERGY STAR® scores  
81 average ENERGY STAR® score

Third-party green building certifications  
100% of the portfolio has a green building certification

# Building Towards 2030

Having a goal of 50% reduction in GHG emissions intensity on a per bedroom basis by 2030 drives us to identify the tools and initiatives we need to surmount long-term resilience. At the onset of creating our ESG program, we knew our goals would need to align with the Paris Climate Accord. Today, we are continuing our efforts towards that international benchmark to ensure we mitigate the rise in global temperature and meet our target. Our building blocks to 2030 include:



## Maximizing data coverage

and implementing energy efficiency projects at the property level to increase operational efficiency.

See more on page 24.

## Utilizing rebates

to fund capital improvements that reduce resource consumption and improve building efficiency.

See more on page 33.

## Deploying solar arrays

across the portfolio, passing the majority of the benefits of clean, affordable energy onto our residents and reducing utility expenses across our properties' common areas.

See more on page 28.

## Utilizing renewable energy credits

(RECs) to remediate the remaining emissions associated with our business outside of our operational and procurement control.

See more on page 27.

## Maintaining or earning

new ENERGY STAR® certifications across our portfolio.

See more on pages 24 and 32.

## Understanding and mitigating physical and transitional risks,

including extreme weather and energy performance regulations, to ensure adequate capital planning and asset resilience.

See more on page 17.

## Educating and encouraging residents

to adopt sustainable habits such as water and energy conservation in their own homes.

See more on page 45.

## Increasing recycling and waste consumption data

across our portfolio to help divert waste from landfills and encourage more mindful consumption habits.

See more on page 37.

# GHG Emissions

GHG emissions in our operations result mostly from the electricity and gas consumed in our buildings, our operating emissions. Another source is the embodied carbon of our portfolio, which we are working to track and reduce. **We use a range of tactics to add efficiency and cut emissions at the source to help meet our reduction goals and increase our assets' resilience to a low-carbon future.**

## TARGET

# 50%

50% reduction in GHG emissions intensity on a per bedroom basis by 2030

# NetZero

Reach Net Zero GHG emissions by 2050 based on a 2021 baseline

## CONSUMPTION

### 2024 ABSOLUTE MARKET-BASED EMISSIONS\* BY SCOPE

39,815 | 39,310 MTCO<sub>2</sub>e (market based)

#### SCOPE 1:

2,498 | 3,006 MTCO<sub>2</sub>e (6.27% | 7.65% of total emissions)

#### SCOPE 2:

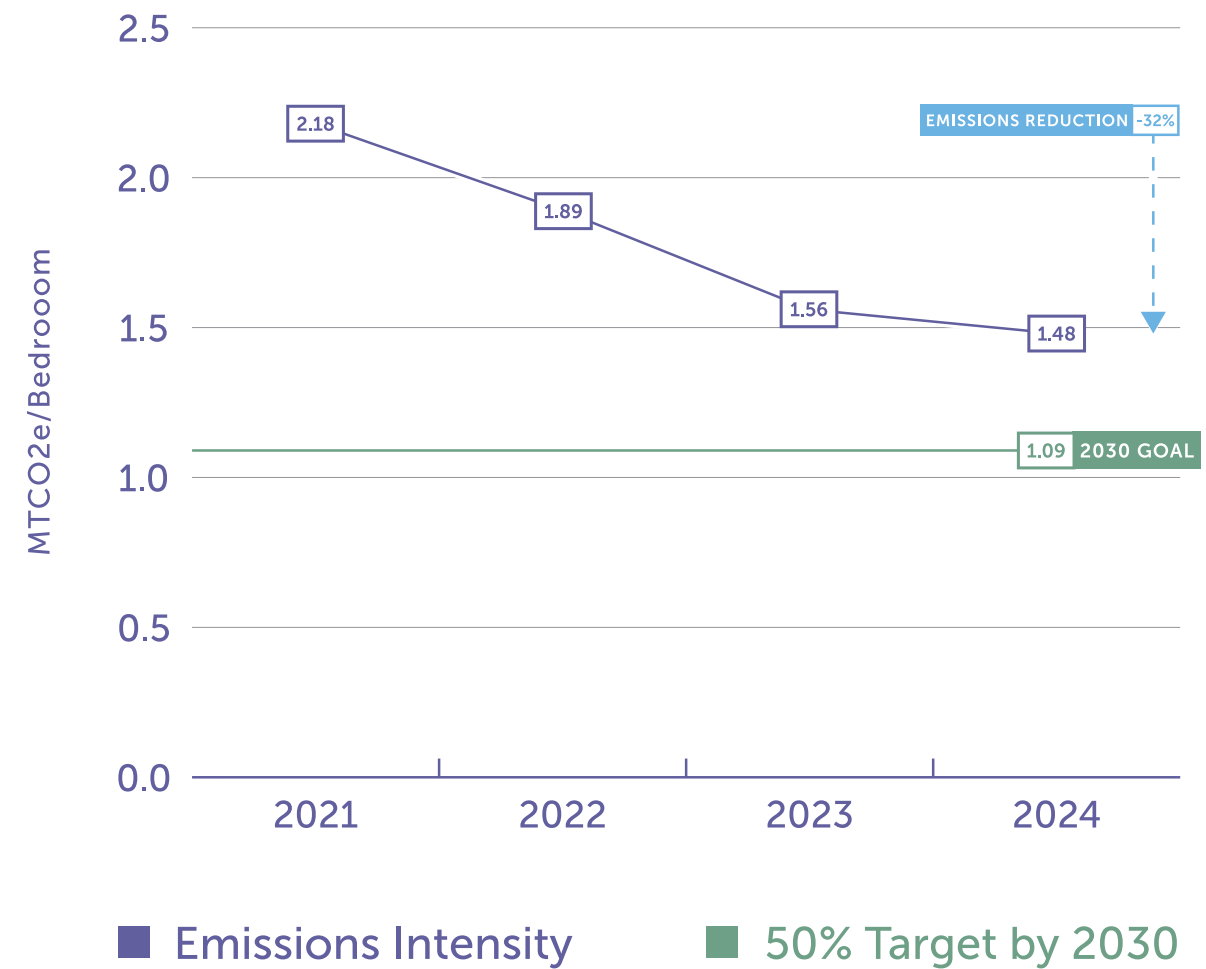
247 | 1,031 MTCO<sub>2</sub>e (0.62% | 2.62% of total emissions)

#### SCOPE 3:

37,070 | 35,273 MTCO<sub>2</sub>e (93.11% | 89.73% of total emissions)

Avanath completed re-calculations of prior years' GHG inventories to incorporate updated square footage data, which led to adjustments across scopes, including high Scope 1 and 2 emissions with an increase in common area square footage. We have included recalculated metrics above and in the graphic. Precalculated metrics for market-based emissions intensity are as follows:  
 2024: 1.50  
 2023: 1.57  
 2022: 1.85  
 2021: 2.18

### AVANATH'S EMISSIONS INTENSITY\*\* (MARKET-BASED)\*\*\*

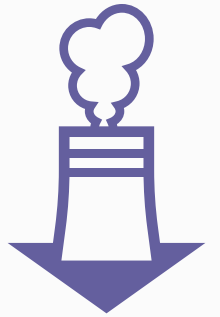


\*Emissions are direct (scope 1 common area energy use) and indirect (scope 2 and scope 3 emissions from resident energy use) and include carbon dioxide (CO<sub>2</sub>), nitrogen oxides (NOx), and methane (CH<sub>4</sub>). Data includes both actual and estimated emissions for our operations.

\*\*Intensity metrics are based on the total bedroom count of owned properties across Avanath's portfolio in 2024.

\*\*\*Historic energy metrics are retroactively calculated using the same assured data and methodology as current data.

# GHG Emissions Tactics



## GHG INVENTORY

Completing a 2024 GHG inventory (annually since 2021), including direct emissions (scope 1) and indirect emissions (scope 2 and scope 3 emissions from resident energy use)

## ECM TRACKING

Developing and administering an energy conservation measure survey (ECM) to track energy and natural gas reduction projects across the 100+ Avanath multifamily properties

## BASELINE POLICIES

Determining base year and year-over-year recalculation policies

## ON-SITE SOLAR

Producing on-site solar energy where feasible at our properties



## ROADMAP ALIGNMENT

Refreshing our 2030 roadmap, based on changes to our portfolio, to better align the path to achieve our GHG emissions goal

## EMPLOYEE TRAINING

Including training on GHG emission reduction strategies for specified Avanath employees

## ENERGY AUDITS

Conducting third-party energy audits and technical assessments where applicable for building performance standards

## GREEN ENERGY PROCUREMENT

Procuring green-sourced electricity and unbundled RECs or green energy contracts

- 33 green energy contracts have been executed

# Building a Successful Solar Strategy



Avanath's solar strategy is key to reaching our 2030 emissions reduction goal. We partner with Sunrun, a leading solar and storage provider in the United States, to execute and proliferate our solar strategy, implementing clean, renewable energy across our California properties.

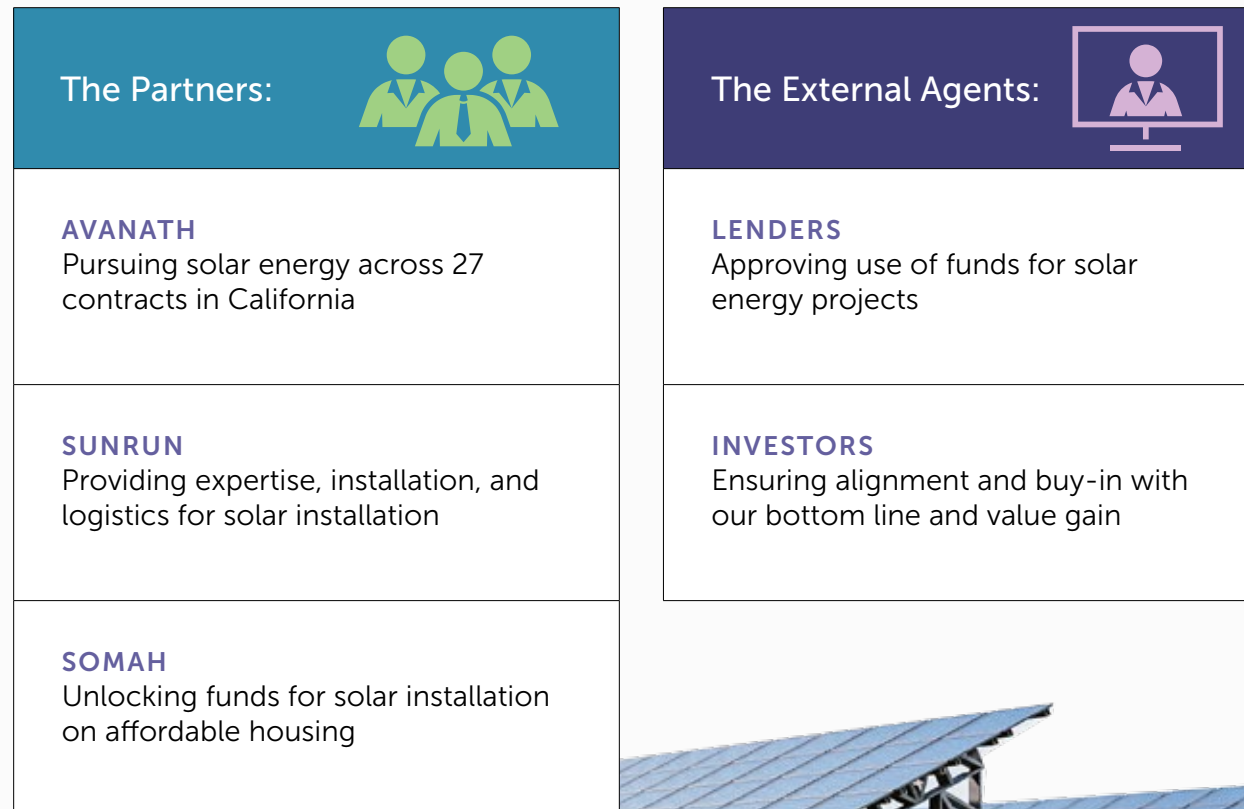
Through our partnership with Sunrun, we are maximizing our portfolio's resilience to rising utility prices as well as increasing tenant satisfaction. Solar benefits include decreased emissions from energy use, cost savings on our residents' utility bills, as well as reduced bills for common area electric use, and securing RECs for the power generated directly at our properties.

**With 27 assets under contract in California to install solar, our projects with Sunrun, once complete, will make up the largest dedicated affordable housing solar program in the country.** Our solar strategy is successful because we collaborate with Sunrun for research and utilization of incentive and rebate programs, which enables us to secure adequate funding and safe harbor for solar energy installations at no cost to Avanath.

## BUILDING A PARTNERSHIP WITH SUNRUN

Our work with Sunrun has gone far beyond a standard customer/client relationship. **Through championing this effort, in conjunction with Solar on Multifamily Affordable Housing (SOMAH), a California program that provides financial incentives for solar installations, we are proving a reliable path for other multifamily operators to submit and fund their own solar projects.** Avanath's deep industry knowledge and relationships help push the process forward, while Sunrun uses its expertise and resources to secure local, state, and federal funding for solar projects.

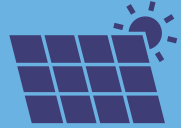
An essential step in the process to obtain solar on affordable housing, and perhaps the most challenging, is securing external support from lenders and investors. Through unwavering advocacy and utilization of SOMAH, Avanath became the first affordable multifamily housing provider to receive approval from Fannie Mae to install solar panels at our properties, utilizing rebates. In a collective effort with Sunrun, we helped make clean, renewable energy more accessible to our entire industry of peers. Once Avanath secured approval from Fannie Mae, support from investors was unabashed, and the process was able to move forward.




# Building a Successful Solar Strategy


Once necessary permits and approvals are obtained, Sunrun builds out the system with feasible properties, working alongside the local utility to bring clean energy savings directly to our residents' energy bills. After the system is built, they reach out to the utility company to operate and connect the solar panels to the local energy grid. Once operational, Sunrun's software integrates seamlessly with the utility software through virtual net metering, allowing credits to be allocated directly onto our residents' utility bills. Through Sunrun's online portal, Avanath can also track how much solar energy a property is producing, and as an extension, the decreased environmental impact of the system compared to that of energy produced with fossil fuels.

The value our solar project has brought to Avanath cannot be understated. It is helping us achieve our emissions reduction goals, lowering utility costs for residents, and enhancing the resilience of our portfolio to fluctuations in utility pricing. Beyond the impacts on our residents, we are also proud of the environmental benefits solar energy brings across our portfolio. Through this partnership with Sunrun, we are making strategic progress on our 2030 goal and are strengthening our portfolio against energy risks associated with climate change.


The System: 
<p><b>PROPERTY ASSESSORS</b> Analyzing properties for solar-feasibility and maximum output during due diligence</p>
<p><b>UTILITY PROVIDERS</b> Granting permission and connection for solar structures to hook into the local energy grid</p>
<p><b>REAL-TIME MONITORS</b> Obtaining real-time metrics through Sunrun's platform, monitoring our system with production and environmental impact data</p>

The Value: 
<p><b>RESIDENTS</b> Benefitting from decreased utility costs and freeing up valuable disposable income</p>
<p><b>THE PLANET</b> Supporting a renewable energy source that is less damaging to the natural world</p>
<p><b>AVANATH</b> Strengthening our portfolio's resilience against grid outages and rising utility costs, while reducing common area electric costs</p> <p>Increasing demand and occupancy at Avanath properties, while reducing turnover costs</p>


**Resilience Indicators**




**INCREASED EFFICIENCY**



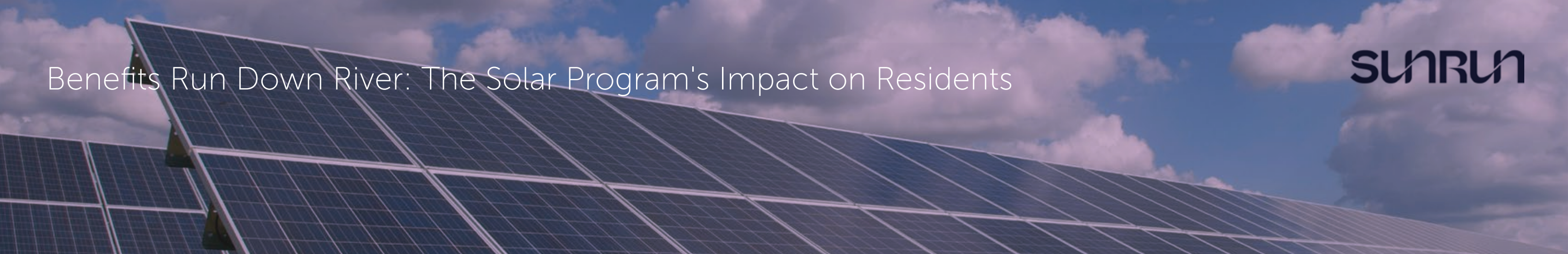
**REDUCED OPERATING COSTS AND UTILITY BILLS**



**RESPONSIBILITY AND ACCOUNTABILITY OVER ESG EFFORTS**



**STAKEHOLDER SATISFACTION**



LIFESTYLE WITHIN REACH

The utility savings reaped from solar energy becomes disposable income for residents. **At River Run, where solar is operational, a resident expressed how the monthly savings helped them afford Christmas gifts for their family that year—a shining example of the importance of our mission to provide a *Lifestyle Within Reach!***



# Energy Management

Energy conservation measures are utilized at each property to help **ensure value-driven results and resilience against rising energy costs.**

**SHORT-TERM TARGET ACHIEVED** ✓

↓ **10%**

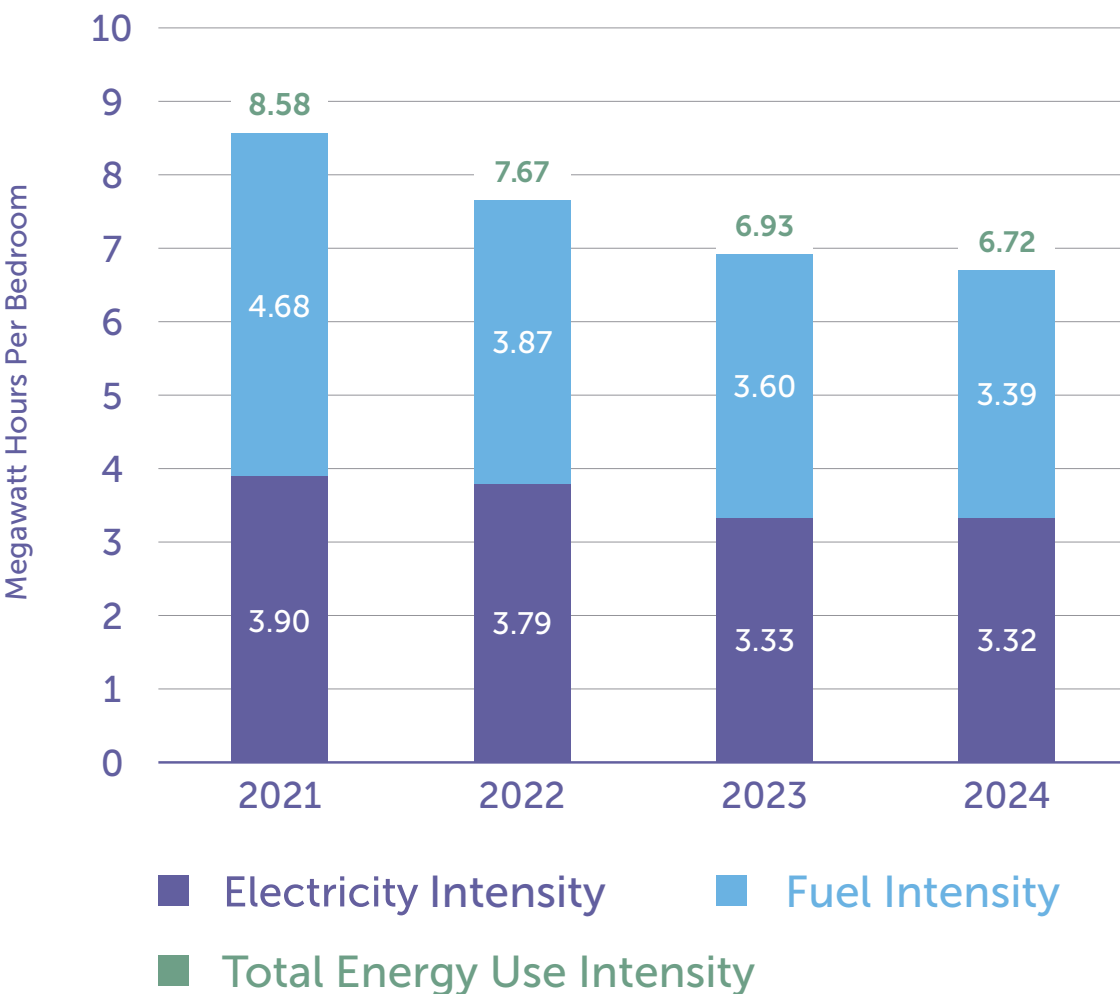
Reduce portfolio-wide energy consumption by 10% by 2025

Avanath reached this goal four years early in 2021.

**CONSUMPTION**

**ABSOLUTE ENERGY USE**  
 2024: 180,074 | 178,887 MWH\*  
 2023: 184,291 MWH  
 2022: 173,097 MWH  
 2021: 176,157 MWH

**AVANATH'S ENERGY USE INTENSITY**



Avanath completed re-calculations of prior years' GHG inventories to incorporate updated square footage data, which led to adjustments across scopes, including high Scope 1 and 2 emissions with an increase in common area square footage. We have included recalculated metrics above and in the graphic. Precalculated metrics for energy use intensity are as follows:  
 2024: 6.76  
 2023: 8.53  
 2022: 6.43  
 2021: 6.61

\*Since our 2021 baseline, Avanath's portfolio has changed in size and location due to the acquisition and disposition of properties. Total energy data coverage area for 2024 represented 90% 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.

# Energy Management Tactics



### EFFICIENT APPLIANCES

Outfitting our properties with ENERGY STAR® certified appliances

- 100% of Avanath's portfolio tracked in ENERGY STAR® Portfolio Manager® and we have a policy that requires all appliances to be replaced with ENERGY STAR rated products when applicable

### GREEN ENERGY

Requiring all third-party energy supply to be produced from green sources

### EFFICIENCY UPGRADES

Installing solar energy capacity, heat pumps, and other efficiency retrofits



### LED RETROFITS

Retrofitting properties with LED lighting

### ENERGY TRAINING

Training property management and facilities personnel on energy management best practices

### REBATE PROGRAMS

Working with consultants to take advantage of utility rebate dollars, and using them to conduct site visits to determine energy-saving opportunities and obtain free upgrades

# Energy Management

**CONDUCTING BUILDING AUDITS WITH ENERGY STAR® TREASURE HUNTS**

Avanath has run audits called 'Treasure Hunts' with guidance from the United States Environmental Protection Agency (EPA) in order to realize utility efficiency and help mitigate our environmental impact. These are low-cost and low-effort exercises that we can **conduct on a routine basis, helping to identify or address minor leaks, inefficiencies, or misuse of equipment, ensuring our building operations are optimal.**

**CAPITALIZING ON REBATES WITH BOTTOM LINE UTILITY SOLUTIONS**

Avanath engaged Bottom Line Utility Solutions (BLUS) to realize energy efficiency projects throughout our West Coast properties with rebate incentives to help recover some of the cost needed for upgrades and installations. **Using rebates reduces Avanath's overall project investment and increases our financial return.**

**VALUE BREAKDOWN**

Incentives:  
**\$288,229.64**

Avanath Spend:  
**\$38,404.02**


Actual Investment Value:  
**\$327,834.22**

**COMPLETED AND IN-PROGRESS PROJECTS INCLUDED:**


- Tankless hot water heaters
- Programmable thermostats
- Upgraded gas furnaces
- Upgraded LED lighting




**Resilience Indicators**



**INCREASED EFFICIENCY**



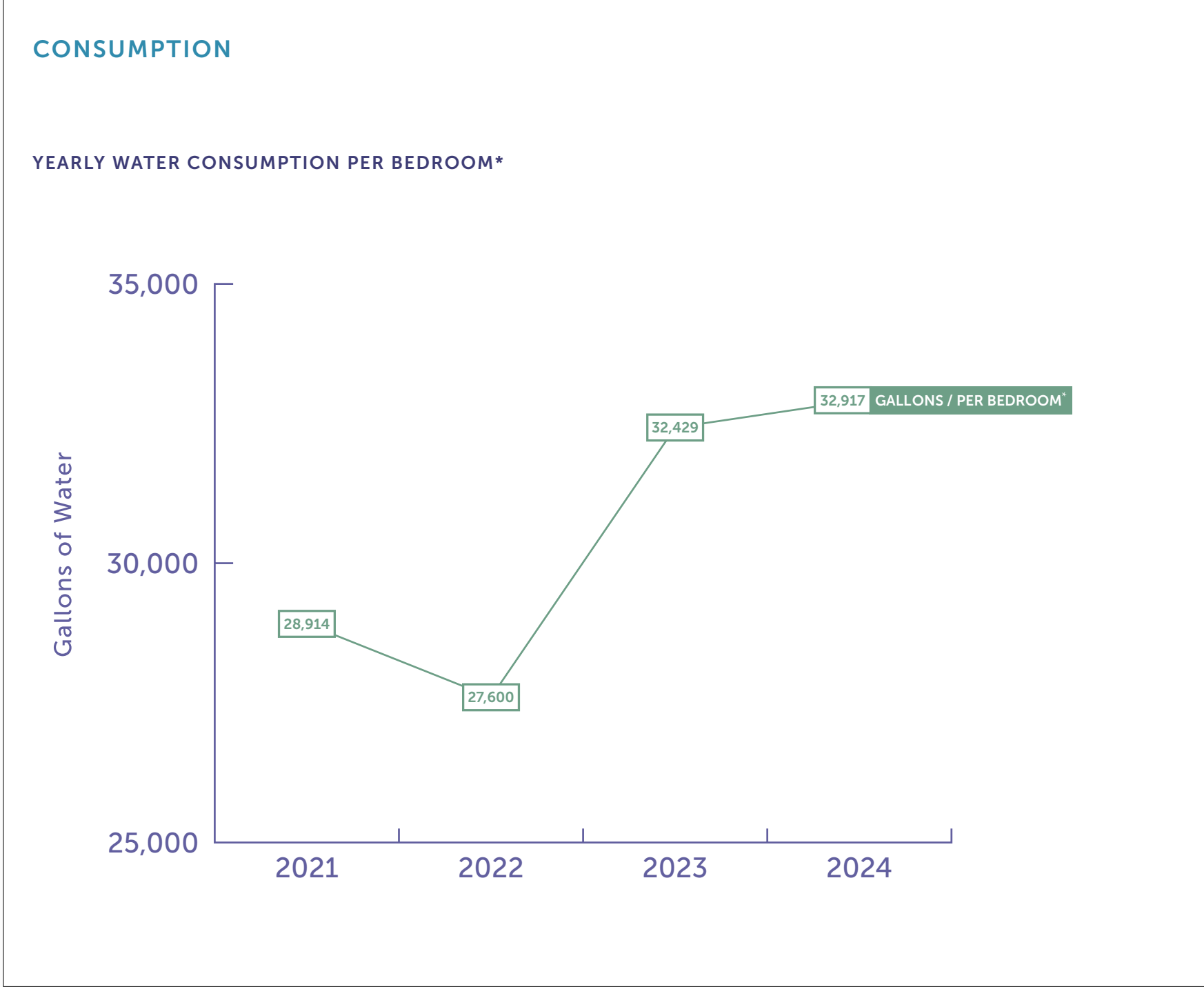
**REDUCED OPERATING COSTS AND UTILITY BILLS**



**LONG-TERM UTILITY INSIGHTS AND REPORTING**

# Water Conservation

Water-efficient strategies, fixtures, and **technologies** give our properties resilience against water scarcity and rising utility costs.



\* Intensity metrics are based on the total bedroom count of owned properties across Avanath's portfolio in 2024.

# Water Conservation Tactics



### WATER AUDITS

Surveying properties to identify and address above-average consumption and leaks

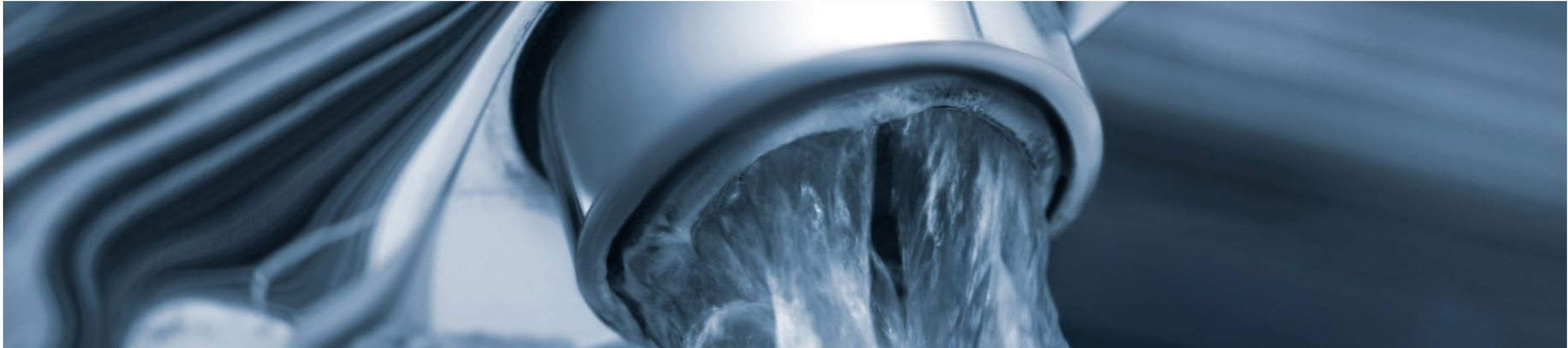
### EFFICIENT FIXTURES

Deploying aerators, low-flow toilets, and low-flow showerheads at select properties



### SMART IRRIGATION

Installing drip-smart irrigation using Smart Rain technology or drought-resistant plants



# Water Conservation




## IDENTIFYING WATER USE INEFFICIENCY WITH CONSERVE

At the beginning of 2025, Avanath conducted a mean variance analysis on our portfolio to identify water consumption outliers. Subsequently, we hired Conserve, water conservation specialists, on a pilot program to help alleviate some of the inefficiencies found. The program was split into phases to expedite solutions.

For the initial pilot program, Conserve audited Alexandria Station, 2M, Morton Village, and Academy at Waterford Lakes. From these properties, total water savings uncovered were approximately 17.5 million gallons, equal to monetary savings of \$180,000. Based on these results, Avanath has rolled out Conserve's program out to some properties located on the West Coast, which ended up saving a total of 41 million gallons of water across 10 properties. While the variance analysis added resilience to our portfolio against continued water loss, the solutions we deployed, such as aerators and low-flow fixtures, are adding efficiency and financial savings to affected properties, while reducing consumption.

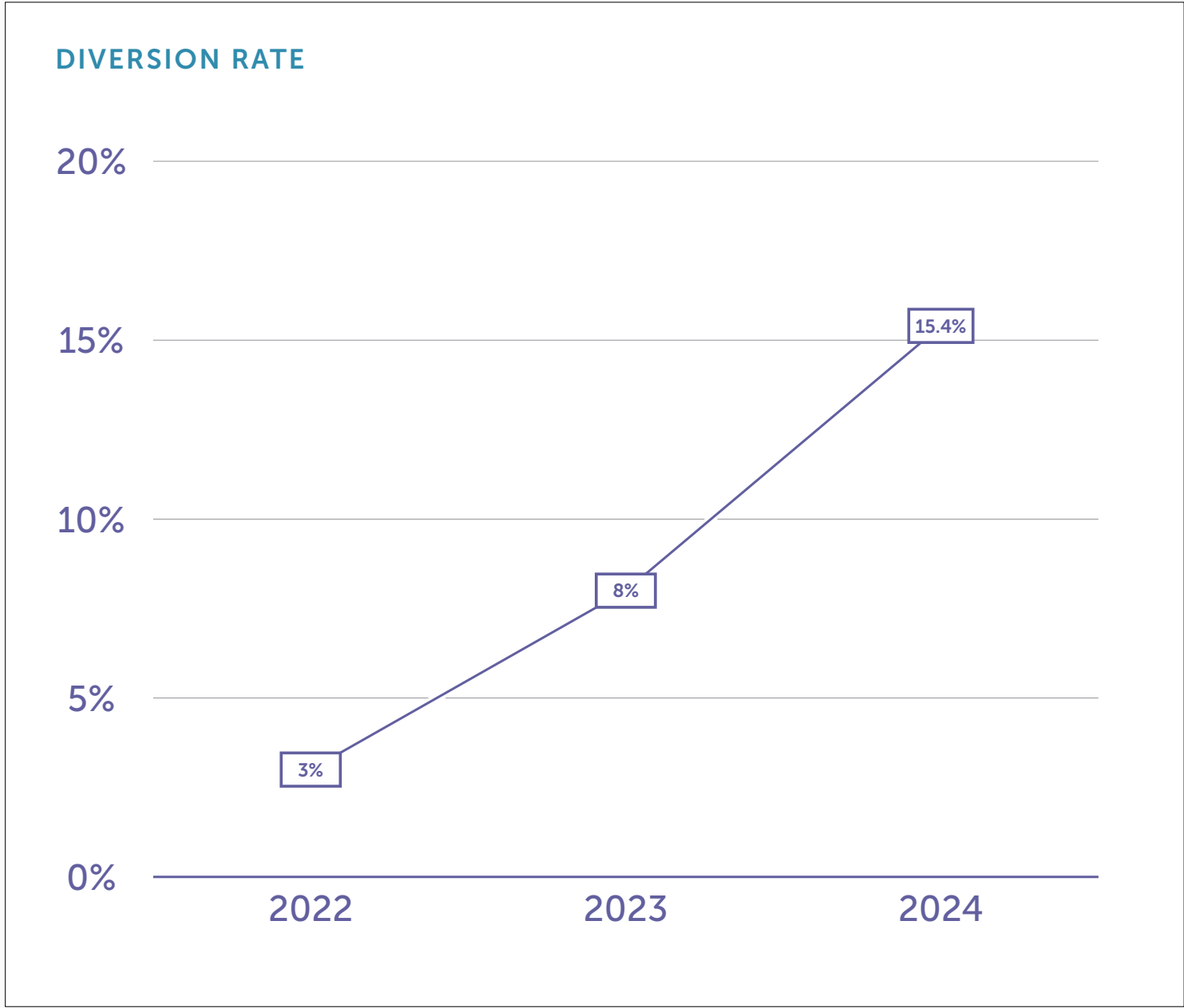


**Resilience Indicators**

-   
**INCREASED EFFICIENCY**
-   
**REDUCED OPERATING COSTS AND UTILITY BILLS**
-   
**LONG-TERM UTILITY INSIGHTS AND REPORTING**

# Waste Management

Our properties work to reduce the amount of waste sent to landfills and increase our diversion rate through tenant engagement and a **national waste hauler partnership, aiding in the realization of long-term value through our waste management practices.**



\*Waste data was first recorded in 2022.

# Waste Management Tactics



## WASTE EDUCATION

Educating and building resident awareness around waste tracking and reduction

## WASTE METRICS

Requiring measurable landfill weight contributions for all trash contracts with private vendors



## RECYCLING OPPORTUNITIES

Utilizing recycling and composting opportunities and encouraging residents to do the same

## WASTE BENCHMARKS

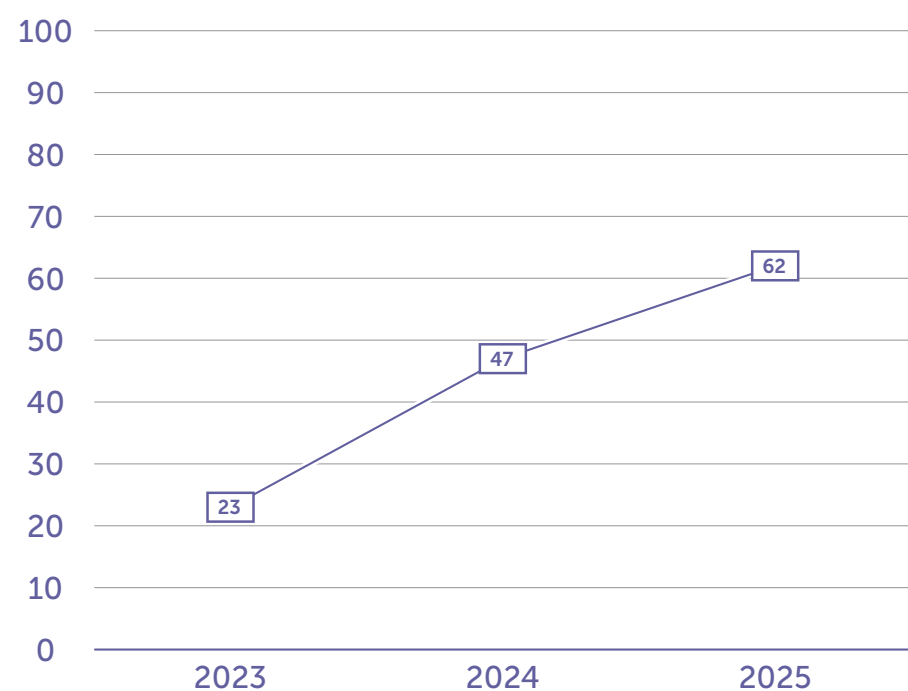
Benchmarking waste in ENERGY STAR® Portfolio Manager®



# Growing our Partnership with Waste Management

Our partnership with Waste Management enables us to accurately track waste across our portfolio, identifying ways to increase diversion from landfills and exploring strategies to reduce overall waste generation. **This helps us build resilience to a global shift towards a circular economy and reduced consumption.** We made the strategic decision to consolidate our trash operations with a single operator, not only to achieve economies of scale and generate savings, but also to collect trash data and implement a robust recycling program across the portfolio.

## PARTICIPATING PROPERTIES



## Resilience Indicators



STREAMLINED SERVICES AND REPORTING



INCREASED WASTE DIVERSION FROM LANDFILLS

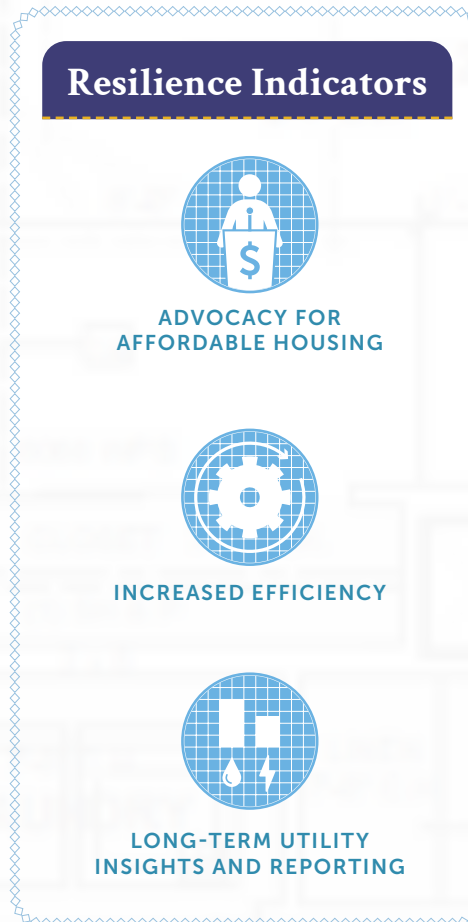
# Looking Ahead

The future of environmental performance at Avanath is focused on reaching our 2030 goal of 50% reduction in GHG emissions intensity on a per bedroom basis and improving our overall environmental performance. We are well on our way to accomplishing both with strategic efficiency measures deployed at properties across the country, solar procurement pathways, and waste management initiatives. To further the needle on environmental stewardship and efficiency at Avanath, while increasing the supply of affordable housing, we are also partnering with technology solution providers on new developments and exploring sustainable alternatives to multifamily housing.

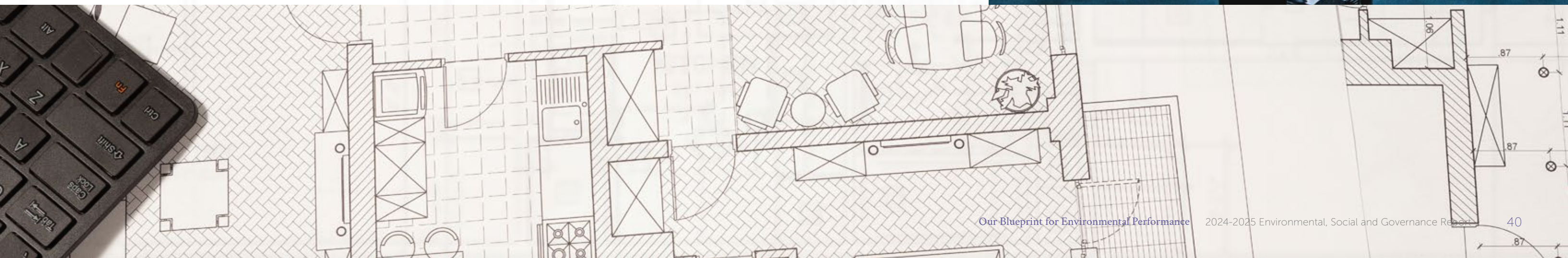
## PREFABRICATING EFFICIENCY IN AFFORDABLE HOUSING WITH NEW TECHNOLOGIES

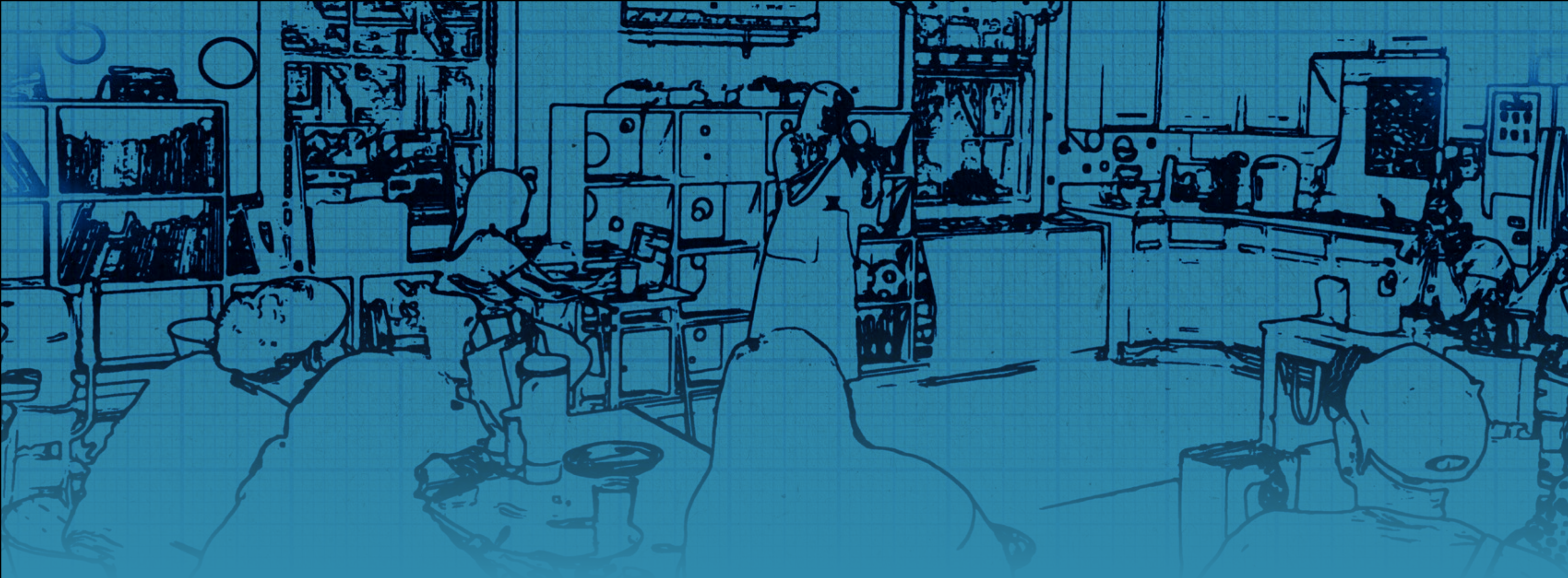
Avanath has sought a partnership with Vessel Technologies to purchase prefabricated, affordable housing in Connecticut that incorporates efficiency and environmental stewardship into its foundation. Vessel is focused on delivering attainable, modular housing that is efficient, cost-effective, and supportive of local communities. While Vessel is Avanath's first partner in this endeavor, they are not the only one. We are looking forward to expanding our engagement to similar technologies across the U.S. to make affordable housing community- and planet-serving. A few of the sustainability aspects included in Vessel buildings include:

- 100% electric operations with solar energy powering the building systems
- Smart building technology to monitor electricity and water consumption
- Prioritization of green building materials and low-carbon construction
- On-site air quality monitoring and filtration
- Smart lock and security systems



*Stewardship that preserves our planet.*





# *Our Architects*

FOR SOCIAL IMPACT

At Avanath, we put our people first. It is through employee expertise, resident engagement, and community support that we are fortunate to build communities where people have the chance to thrive. As an affordable housing provider, we are innately drawn to holding ourselves

accountable to growth and change. Through this mindset, we have consistently found ways to ensure that opportunities remain abundant for all our stakeholders, promoting their long-term success and well-being.

## AVANATH'S SOCIAL OBJECTIVES AND PROGRESS

### INCREASING

**Efficacy of our efforts through sound reporting**  
Published annual ESG report since 2022

**Community building with programs and community initiatives**  
1,224 Education classes, presentations & workshops provided

**Partnerships with local non-profits, agencies, and churches**  
Partnered with nearly 100 organizations to bring opportunities to those around our communities

### TRACKING

**Attendance and participation in our program**  
60,000+ residents attend or participate in Avanath's resident programs and events

**Portfolio engagement**  
3,519 events held across the portfolio

**Resident Services impact on property operations**  
13 employees working on resident services

**Community partnership**  
Partnered with 83 local organizations

**Charitable giving**  
\$82,751.54 donated this year

**Employee demographics and diversity**  
Diversity metrics are reported annually in Avanath's *Amplify ESG* report

**Employee training and development**  
All Avanath employees receive annual training and development opportunities

### PERFORMING

**Annual Resident Satisfaction Survey**  
3.72 overall rating of Resident Experience at Avanath

**Resident services that are valuable for all stakeholders**  
Residents are surveyed regularly to understand if services are fulfilling

**Annual Employee Surveys**  
Employee surveys are completed through an independent third-party to ensure unbiased feedback

### OBTAINING

**International credential and reputation for social responsibility**  
CORES Accreditation earned in 2023 (valid for 5 years)

# Residents

Residents push us to build better: better systems, better resources, and better programming so that our communities uplift them both socially and economically. From education, wellness, and socialization to active engagement and coordination of services, Avanath has always demonstrated how resilient our residents can be when provided with access to opportunities and resources.



AMPLIFYING POSITIVE RESIDENT EXPERIENCES:

# Championing People with our Director of Resident Services, Kaniesha Washington

At Avanath, our mission to deliver a *Lifestyle Within Reach* goes far beyond affordable rent—it’s about investing in the human experience of housing. As the Director of Resident Services, Kaniesha Washington leads a platform designed not just to support—but to empower—the families, seniors, and individuals who call an Avanath community home.



**KANIESHA WASHINGTON**  
DIRECTOR OF RESIDENT SERVICES

Avanath’s *Activate* Resident Services platform, central to fulfilling our mission, is a strategic, values-driven function that advances Avanath’s ESG goals, preserves asset value, and meets the rising expectations of impact investors seeking both financial returns and measurable social good. We have relentlessly pursued programs and initiatives that exact real results for our residents because we care deeply about their personal success. As measured through a range of metrics, which we disclose in this annual report, Avanath finds ways to positively impact our residents at all stages of life.

**EXCEPTIONAL SERVICE:**

Resident Services is a key value driver, aligned with our ESG goals and directly correlated to improved property and portfolio performance through increased resident retention and satisfaction. **We understand that when our residents have opportunities to succeed and improve their lives, they are more likely to remain in their homes, make on-time payments, and give back to their local community. Through programs such as eviction prevention and financial coaching, we directly help residents remain stably housed, preserving income and occupancy.** While it is not our primary goal, we understand that programs promoting stable tenancies and reducing conflict (e.g., community socials, resident support, and credit-building) contribute to improved operational metrics and lower delinquency rates among our residents.

At the end of the day, to provide a *Lifestyle Within Reach*, we want to ensure our platforms champion the individuals reaching for success. When we can do that right, we can continue to build resilience in a community that is successful in resident engagement and satisfaction.

**VALUED FEEDBACK:**

To maintain this diverse bank of resources and services offered through Avanath’s *Activate* Resident Engagement Platform, we track metrics like participation and satisfaction when we hold events. That way, we can be sure we are continually shifting resources and services based on our residents’ needs and comments. We understand that one resource may not be suitable for all communities, so our resident service coordinators help gather property-specific comments and form connections that enable our residents to share their opinions and needs candidly.



## Resilience Indicators



STAKEHOLDER SATISFACTION



IMPROVED RETENTION



STAKEHOLDER SAFETY AND WELL-BEING



EVICTON PREVENTION

# Engagement

Through annual surveys, community activities, and resident communication, Avanath builds trust with those who choose to live with us. **That trust goes a long way in helping to keep our residents in place and build resilience against high turnover and evictions.**

## SHARING RESIDENT RESOURCES AROUND ESG INITIATIVES

Avanath created and distributed an ESG brochure to residents to help them realize strategies to reduce resource consumption and promote sustainable living habits. In addition, Avanath is working on creating a guide with Waste Management to develop content to share on the importance of recycling.


## KINGSLEY INDEX

The Kingsley Index surveys more than 7.3 million residents annually, and Avanath relies on this collection of resident feedback to understand our residents' experience and needs. This survey provides candid feedback that we can learn from and strategize with.




Key Performance Indicator	2024	2025	2025 Kinglsey Index/Threshold*
Resident Services	3.60	3.92	4.00
Overall Experience	3.69	3.72	4.04
Overall Impression of Community	4.12	4.12	4.5
Overall Satisfaction with Office and Leasing	4.36	4.36	4.49
Management Overall Satisfaction	3.67	3.85	3.89
Maintenance Overall Satisfaction	4.19	4.25	4.26


**Resilience Indicators**



STAKEHOLDER SATISFACTION



IMPROVED RETENTION



RESPONSIBILITY AND ACCOUNTABILITY OVER ESG EFFORTS

\*The threshold for overall satisfaction is 75%

# Social Impact at Avanath: By the Numbers



Residents reporting rent  
(2024: 11,443)

12,915

Rent relief deployed  
(2024: \$261,000)

\$348,300

Resident participation in  
socials & events  
(2024: 33,223)

18,270

New credit scores established  
(2024: 1,316)

2,252

Residents supported through rent relief  
(2024: 190)

197

Socials & events hosted  
(2024: 2,134)

3,519

*Esusu rent relief has kept 197 residents faced with eviction in their home*

Percentage of residents that improved their credit scores since enrollment  
(2024: 66%)

61%

Average savings in potential eviction costs  
(2024: \$521,500)

\$689,500

Community partnerships established  
(2024: 201)

83

Average resident credit score improvement  
(2024: +48pts)

40+

Positive move outs  
(2024: 310)

776

# Social Impact at Avanath: By the Numbers



## PARTICIPANTS IN RESIDENT SERVICE CATEGORIES

**Family sustainability**

(2024: 446)

**11,691**

**Wellbeats enrollments**

(2024: 1,097)

**2,825**

**Youth enrichment**

(2024: 19,295)

**25,301**

**Residents supported**

*(via resources & referrals)*

(2024: 7,342)

**8,398**

**Health & wellness**

(2024: 2,868)

**9,378**

**Residents supported with food resources**

*(hot meals, perishable/nonperishable goods)*

(2024: 25,304)

**17,347**

**Education classes, presentations & workshops provided**

(2024: 1,965)

**1,224**

**Office hours hosted**

*(to assist residents with 1:1 support)*

(2024: 3,371)

**7,300**

**Environmental sustainability resources, resident activities & challenges provided**

(2024: 96)

**2,096**

# Recent Highlights of our Activate Resident Engagement Platform

## SUPPORTING FUTURE INNOVATORS WITH STUDY GROUPS

In partnership with The Community House and funded by DuPage County, Avanath organized high school study groups to support students living at Hinsdale Lake Terrace. Recognizing the unique challenges our youth face in balancing school and home life while living in affordable housing settings, these study groups were established to provide a dedicated space for academic support. This program gives students a quiet, safe space to focus on their studies—something many don't have access to at home. It sends a strong message that their education is valued and supported by their community.

We have already logged 76 hours of study time with 22 unique students. Beyond an improvement in grades, we are seeing improved confidence and consistent attendance. Programs like this help break the cycle of poverty through academic achievement and create long-term pathways to success. **This initiative underscores our commitment to offering more than just housing—we provide a platform where young residents can thrive academically and socially.**

*“It’s nice not to feel alone when trying to figure things out. It is quiet here, so I can actually get work done.”*

**HIGH SCHOOL TUTORING PARTICIPANT**

## GENERATING FINANCIAL WELLNESS WITH CREDIT BUILDING WORKSHOPS

In partnership with Chase Bank, Avanath hosted financial wellness workshops for residents at Baldwin Village to address gaps in credit literacy. The sessions focused on credit education, budgeting strategies, and long-term financial planning. **Residents left with a deeper understanding of how to manage money and build credit—paving the way for greater financial stability and independence.** These workshops are practical and empowering as financial health is a major contributor to housing stability. We’ve seen residents open new accounts, build credit with Esusu, and take real steps toward financial independence. It supports our mission of creating not just stable housing, but upward mobility.



*“I’m so excited to be getting help with my credit. I really want to go over what I can do to give myself a boost to achieve my goals like raising my credit score and eventually buying a home.”*

**DEBORAH HADNOT**  
RESIDENT AT BALDWIN VILLAGE

*“This is a really nice program [Avanath] puts together because I’ve never discussed credit in a classroom setting like this. I needed help, but I didn’t know something like this existed.”*

**ROBIN RANSOM**  
RESIDENT AT BALDWIN VILLAGE

# Recent Highlights of our Activate Resident Engagement Platform



## REVAMPING OUR KID'S CLUBS WITH EARLY EDUCATION FOCUS

Early literacy is foundational to long-term academic success. For many working families, access to books or afterschool reading spaces is limited. **In an effort to champion our youngest residents, we revamped the Kid's Club libraries at our Florida communities to create more engaging literacy environments.** New books, better storage, and interactive elements were introduced to make these spaces welcoming and stimulating for young readers. The initiative received glowing feedback from parents who appreciated the safe, engaging learning spaces for their children. Upcoming plans in these spaces include story-time sessions, reading challenges, and resident-led book clubs to spark imagination and build literacy skills.

*“My daughter looks forward to Kids Club every day. She has finally come to enjoy doing homework and reading with me. It’s made such a difference in our home.”*

RESIDENT PARENT TESTIMONIAL

*“I love the book corner! I read two whole books already, and I want to be a teacher when I grow up.”*

RESIDENT PARTICIPANT TESTIMONIAL

## SUPPORTING MENTAL HEALTH WITH RESIDENT PROGRAMMING

Mental health is directly tied to housing stability. Residents struggling emotionally are more likely to face housing insecurity, isolation, or health-related challenges. Offering these services removes stigma and increases access to care. In response to resident needs, Avanath facilitated mental health and emotional wellness programming at Northpointe, focusing on stress reduction, coping strategies, and resource navigation. These offerings provide a safe space for residents to process challenges and access supportive services—all aligned with our broader wellness and stability goals. **Since the program's introduction, we have seen residents more willing to ask for help, connect with resources, and build supportive relationships, helping keep them healthy and happy in their homes.**

*“Better Days saved my son's life. If he were not in their program, I would have never known he was [struggling]. He is now getting the help he needs, and I am getting the help to support him better.”*

RESIDENT PARENT TESTIMONIAL

# Recent Highlights of our Activate Resident Engagement Platform



## EMBRACING OUTDOOR SPACES WITH COMMUNITY GARDENS

Community gardening is offered throughout our portfolio at communities where it is feasible. In the Brooklyn neighborhood of New York City, our residents transformed underutilized outdoor areas into vibrant, productive green space. Residents now enjoy the beauty of fresh flowers and produce, all while connecting with neighbors and nature. **Green spaces enhance mental well-being and provide opportunities for residents to connect with one another.** In urban environments, access to nature—and especially fresh produce—is limited. These gardens fill that gap.

*“Small planters are used to plant herbs that the residents can use for free, as well as veggies.”*

**BARCLAY’S RESIDENT SERVICE COORDINATOR,  
DINAH SALOMON**



## Resilience Indicators



STAKEHOLDER SATISFACTION



IMPROVED RETENTION



STAKEHOLDER SAFETY AND WELL-BEING



EVICTON PREVENTION



STAKEHOLDER ENGAGEMENT, TRUST, AND CONNECTIVITY



# Employees

Our employees are the driving force behind building strong, resilient communities and workplaces. As such, we develop their skillsets and deepen the employee experience to set a foundation of trust between Avanath's leadership and operating teams. Our employees' health, well-being, and professional development are paramount to our long-term success.

## BENEFITS




Keeping our employees healthy and safe means building a benefits plan that supports them.

Our employees receive comprehensive coverage including:

- Health, dental, and vision care
- 401(k) plans
- Parental leave
- Paid time off and holidays
- External resources such as mental health support



**Resilience Indicators**

-   
STAKEHOLDER SATISFACTION
-   
IMPROVED RETENTION
-   
STAKEHOLDER SAFETY AND WELL-BEING

# Engagement

Avanath understands the importance of engaging with our employees to improve our workplace. Two-way communication is essential to building trust and keeping a pulse on employee feedback to ease pain points and ensure action. **Such engagement ensures the resilience of our workforce, keeping people satisfied and building mutual respect.**

## TRAINING & DEVELOPMENT

Avanath University is an online platform with over 180 training modules on a variety of topics including ESG and Section 8 housing. It provides our employees with the building blocks they need to succeed in their roles as affordable housing providers. The platform also gives employees agency over their progress, showcasing their development and knowledge gain.

### Creating a Platform for Engagement with Avanath's 'Take a Seat' Podcast

Hosted on Avanath University, Avanath's 'Take a Seat' podcast produces monthly episodes for our team members to hear candid conversations surrounding issues - both inside and outside of the workplace - that matter most to them. **The goal is to build resilience against common issues and identify opportunities for development.**



## TOWN HALLS

Company-wide town halls **provide employees with the opportunity to share amongst themselves** what challenges or opportunities they are facing to pinpoint similarities and discuss solutions.

## SURVEYS

An annual employee survey is conducted, most recently with an independent third-party provider, Kingsley, to ensure confidentiality and encourage sincere feedback. Employee responses help us find opportunities for improvement and create channels for authentic comments about our workplace.

234 employees responded, representing 63% of our workforce.

## Resilience Indicators



STAKEHOLDER SATISFACTION



IMPROVED RETENTION



STAKEHOLDER ENGAGEMENT, TRUST, AND CONNECTIVITY

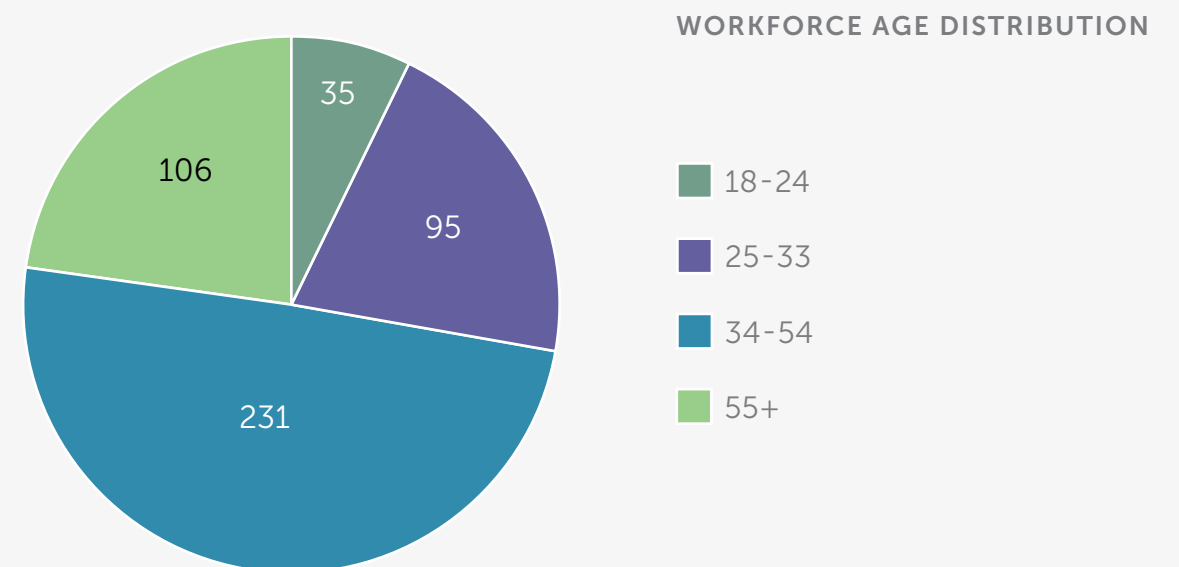
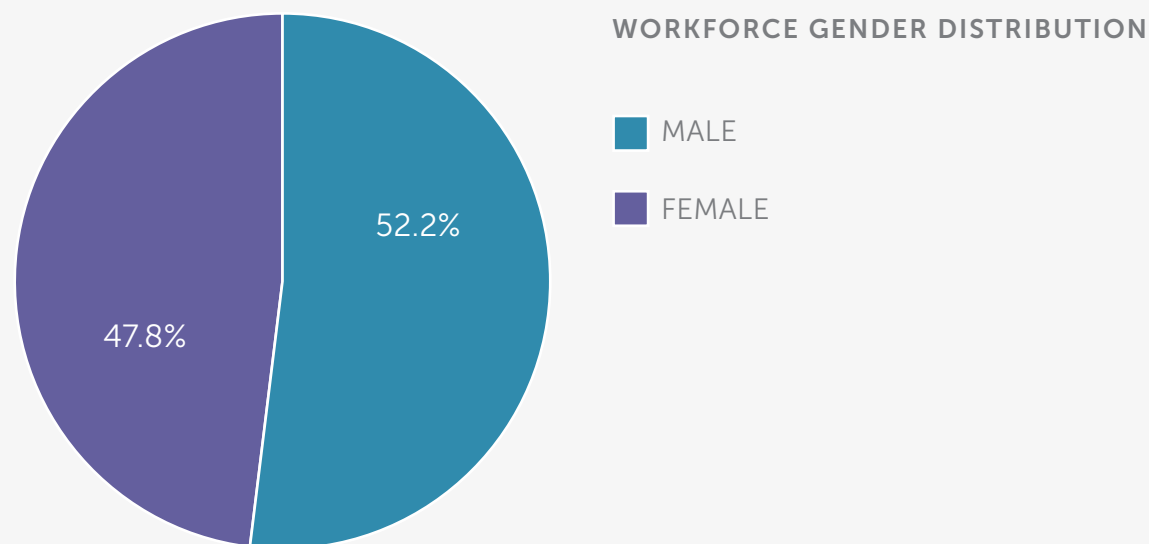
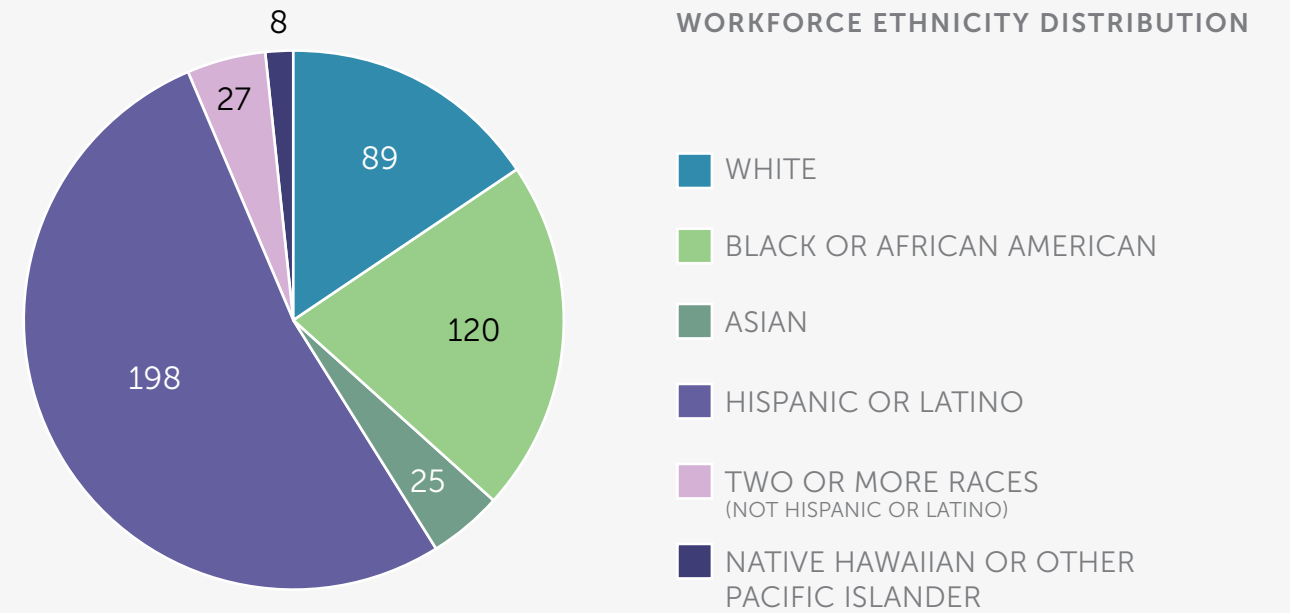


PROFESSIONAL GROWTH

# Employee Demographics\*

# 467

TOTAL EMPLOYEES



\*Employee demographics are as of 12/31/2025.

# Diversity, Equity and Inclusion

Building culture at Avanath is centered on supporting our workforce for who they are and what individual lived experiences they have. We know that a diverse workplace aids in our ability to understand and serve differing perspectives and backgrounds, so we do all that we can to encourage employees to show us their full selves. **Through equitable hiring, career advancement opportunities, and compensation, we are building a foundation for people to feel supported to stay with us and forward our mission in the long-term.**

## EMPLOYEE RESOURCE GROUPS:

Through employee resource groups (ERGs) our employees have the chance to form bonds over shared experiences and perspectives. Bi-weekly meetings are hosted based on various topics that employees vote on, including:

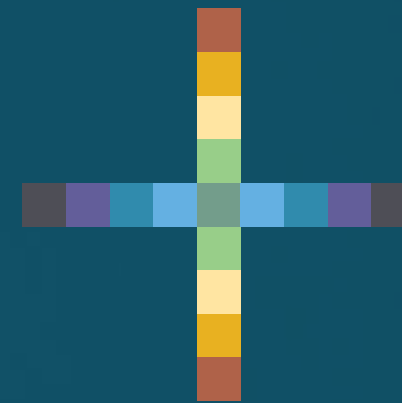
- Women & Leadership + Allies
- Black, Indigenous, People of Color (BIPOC) + Allies
- Developing Professionals Book Club

## CELEBRATING OUR DIFFERENCES:

Avanath is working on our first-ever Avanath Yearbook to showcase and celebrate the diversity of people across our operations. Similar to a school yearbook, this publication will include photos of all team members and memories of special company-wide activities such as our St. Patrick's Day events and Father's Day BBQs. Once complete, a copy of the book will be distributed to each community to showcase our unique workforce and our team-building initiatives.

## A+ Connect

Team birthdays, holidays, and significant cultural events are celebrated through our internal communications platform A+ Connect to make sure all our employees are made to feel special, included, and seen.



## Resilience Indicators



STAKEHOLDER SATISFACTION



IMPROVED RETENTION



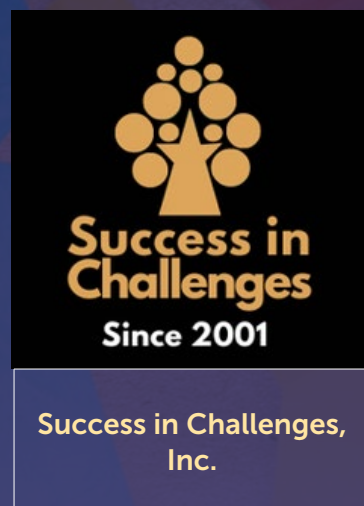
STAKEHOLDER ENGAGEMENT, TRUST, AND CONNECTIVITY

# Community

Providing a *Lifestyle Within Reach* means supporting the communities around where our properties reside. **From support for youth sports to voter education and community forums, Avanath plays an active role in our local communities, encouraging their long-term resilience to changing social dynamics and populations. Between September 2024 and September 2025, Avanath was proud to support a range of organizations including, but not limited to:**

# \$82,751.54

Charitable contributions made to support local organizations and nonprofits



### Resilience Indicators

A circular icon with a blue background, a white grid, and a white figure with a plus sign, representing stakeholder engagement.

STAKEHOLDER ENGAGEMENT, TRUST, AND CONNECTIVITY

A circular icon with a blue background, a white grid, and a white figure wearing a hard hat, representing stakeholder safety.

STAKEHOLDER SAFETY AND WELL-BEING

## Looking Ahead

The real value behind our social impact efforts lies in the lives we uplift. Whether it be for our employees, residents, or local communities, Avanath is committed to making a difference for people. We look forward to:

- Continuing to listen to our employees and providing engagement efforts that promote a safe and supportive workplace.
- Giving back to the community through partnerships and programming.
- Partnering with local environmental groups to build natural gardens to promote bee, insect, and bird populations.

*Supporting our people at every level.*





# *Our Infrastructure*

FOR STRONG GOVERNANCE AND LEADERSHIP

Avanath is supported by a leadership team that is dedicated to ethics and transparency, and who understand and champion how ESG principles play into these efforts. Our board of directors and management continue

to build on our policies and procedures to help ensure the long-term resilience of our portfolio and positively impact our stakeholders.

## AVANATH'S GOVERNANCE OBJECTIVES AND PROGRESS

### FOSTERING

#### Diverse and inclusive communities

Robust social services are provided to families throughout our properties

Affordable housing is proliferated and protected across the country through our industry involvement and technology-forward partnerships

#### Partnerships and industry associations

Avanath regularly attends industry conferences and events throughout the year

### INCREASING

#### Diversity and unconscious bias training

Annual training provided to employees

#### GRESB scores across all our funds

1 point increase on our GRESB average score over 2024

#### Company and employee alignment with ESG goals and principles

Updates and engagement on ESG goals and principles occur at Avanath's annual investor meeting to ensure alignment

# Avanath's Leadership Team

## PARTNERS



**DARYL J. CARTER**  
Chairman and CEO

*40+ years of experience*



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

*40+ years of experience*



**JUN SAKUMOTO**  
Chief Compliance Officer

*30+ years of experience*



**WESLEY WILSON**  
Chief Financial Officer and  
Chief Investment Officer

*15+ years of experience*



## EXECUTIVE LEADERSHIP



**PATRICIA GAUDIN\***  
EVP | Human Resources



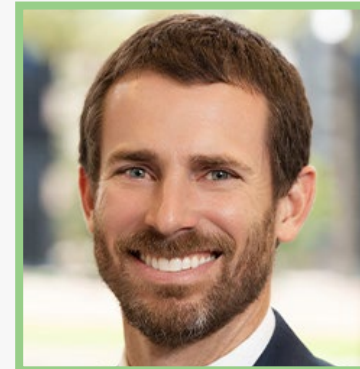
**KEITH HARRIS\***  
President | Avid



**ELLEN GUCCIONE**  
EVP | Risk Mgmt & Administration



**CARLY STEVENSON\***  
EVP | Property Management



**KEN MCMACKIN\***  
EVP | Investment Group



**MADELINE HALL**  
SVP | Investment Group



**SAUL T. MCDONALD**  
SVP | Investment Group



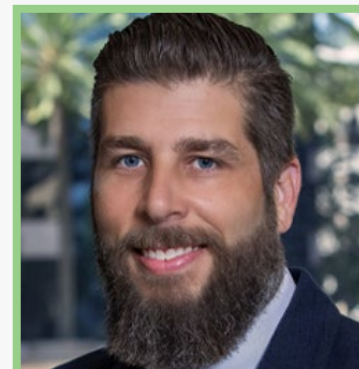
**ANDREW MACKAY**  
SVP | Debt & Financing



**DAVID NATT\***  
SVP | Sustainability



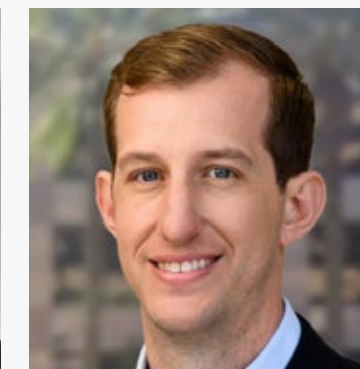
**KELLY MCBRIDE**  
SVP | Property Compliance



**JESSE GRASER\***  
SVP | Accounting



**TROY S. JENKINS**  
SVP | Investor Relations



**MATT GRIFFORD**  
SVP | Corporate Finance

\*= Members of the ESG Council

# Our ESG Council and Advisory Committee

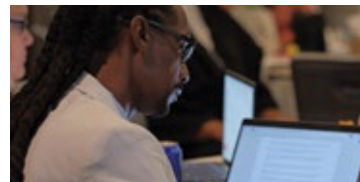
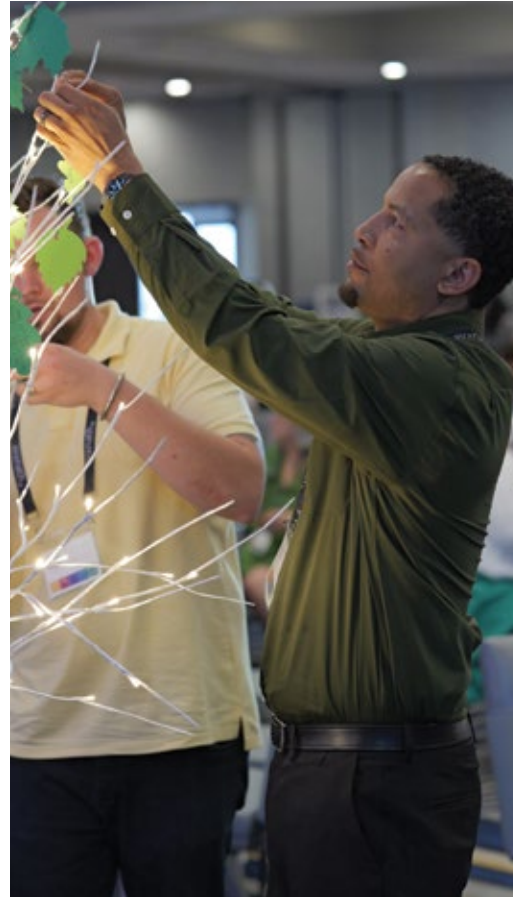
Avanath addresses ESG responsibility and integration through two cross-disciplinary teams.

Our ESG Council is made up of senior leaders who are responsible for leading and tracking our ESG efforts against our +*Amplify ESG* objectives and goals. Our second team is made up of a rotating group of employees from all levels with varying expertise who form our ESG Advisory Committee. **Together, these groups help keep us focused and functional, ensuring our ESG strategy is applicable, accessible, and executed - making it relevant and generating value now and in the future.**



# Conveying Value through Avanath's Leadership Conference

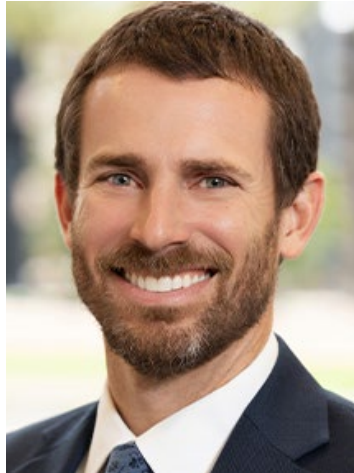
At Avanath's leadership conference, we highlighted our yearly accomplishments and set expectations for the next year. **While the conference covers a variety of topics, we use this platform as an opportunity to reconfirm our focus on ESG and convey the value it brings to our organization.**



# Communicating the Value of ESG across our Organization

At Avanath, ESG is deeply embedded in our organization and operations, shaping our investment choices and management responsibilities. From our CEO to our property teams, everyone is dedicated to delivering value through ESG-driven decision-making. Through this perspective, we unlock value that extends beyond our buildings.

As an affordable housing operator, the asset type, the people, and the communities are best supported with a holistic ESG approach. We do not make investments solely based on the bottom line, as we find that consistently reviewing business decisions through an ESG lens amplifies our impact and achieves performance that benefits people, profits, and the planet. At the helm of these efforts are Avanath's Executive Vice President of Investments, Ken McMackin, and Senior Vice President of Sustainability, David Natt.



**KEN MCMACKIN**  
EXECUTIVE VICE  
PRESIDENT OF  
INVESTMENTS



**DAVID M. NATT**  
SENIOR VICE PRESIDENT  
OF SUSTAINABILITY

## What is Avanath's Attitude Toward ESG Integration, and how does it provide value?

**KEN:** ESG is not a choice; it is best practice, especially in the affordable housing industry, and we have ingrained it throughout our operations.

**DAVID:** ESG is not contrary to operational efficiency or financial performance; it is actually a differentiator. The benefits we provide to our residents, the savings we realize through resource conservation, and the capital we unlock are amplified across stakeholders and corporate functions because we prioritize ESG.

**KEN:** At Avanath, we are dedicated to bringing the best of institutional capital management to an underserved asset class, providing a Lifestyle Within Reach to residents, and proliferating the stock of affordable housing across the nation by proving to our investors its potential. Through this practice, our business enables us to consider people alongside our properties, giving our investments a two- or often three-fold impact.

**DAVID:** That investor enticement and resident satisfaction come through the savings and returns we have incurred as a result of our ESG program. When we undertake a project, whether it be upgrading to LED lighting across our portfolio, installing solar PVs on our rooftops, or facilitating a resident engagement program with youth and senior programming, we can draw a direct line of benefits across investments, social impact, and environmental stewardship.

## Who drives the success and integration of Avanath's ESG strategy?

**DAVID:** Everyone at Avanath plays some part in our ESG initiatives. Because our ESG buy-in comes from the very top of our governing structure, I am given the reigns to make environmental performance and social impact a directive across our workforce.

## Where is Avanath headed next?

**KEN:** As we look to the future, we continue to embrace obstacles and opportunities with innovative approaches to capital management. Our focus on new and emerging technologies, the practice of being intentional with our resident services, and our commitment to amplifying our impacts remain. In our constantly evolving landscape of new legislation surrounding building performance, ESG has become a necessity to ensure compliance. If we must **incorporate ESG best practices anyway, Avanath wants to lead the charge.**

## Resilience Indicators



**RESPONSIBILITY AND  
ACCOUNTABILITY OVER  
ESG EFFORTS**



**CROSS-FUNCTIONAL  
PROBLEM-SOLVING AND  
ACTIVATION**


# Engaging with the Industry

Participating in industry memberships and meetings is one way Avanath ensures we play an active role in our sector and share our successes. As an affordable housing provider we are in a position to bring a unique perspective to the table and discuss the challenges and opportunities that come with meeting the needs of a wide range of stakeholders that require bespoke solutions.


## INDUSTRY PARTICIPATION

From speakerships to attendance and formalized commitments, **Avanath has always sought to engage our industry to share knowledge and collaborate on solutions.** This past year we participated in the following industry events and memberships:

Resilience Indicators



CROSS-FUNCTIONAL  
PROBLEM-SOLVING AND  
ACTIVATION



ADVOCACY FOR  
AFFORDABLE HOUSING




MIC




Southern California  
Multifamily Forum




Urban Alliance



NoMa Business  
Improvement District  
Annual Meeting



PREA Near You



California LP Summit



Certified Organization  
for Resident Engagement  
& Services




Real Estate Executive  
Council




Orange County's 'Mixed  
Income Housing: What is  
Working?' Event



African American Real  
Estate Professionals  
Los Angeles Chapter



IMN Nashville  
Conference



Greenbuild



U.S. Department of  
Energy Better Buildings  
Partner



ULI Greenprint

# Stakeholder Engagement

Identifying our stakeholders and the best mediums to reach them is integral to our long-term success. A resilient business relies on frequent, functional communication. At Avanath we have a range of engagement tools for each stakeholder group:



## EMPLOYEES

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



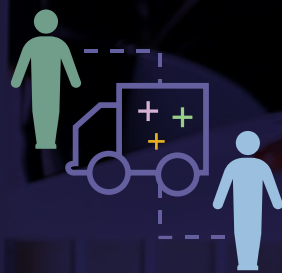
## RESIDENTS

- Satisfaction surveys
- Appreciation events
- Newsletters and ESG correspondence
- 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

## Resilience Indicators



STAKEHOLDER  
ENGAGEMENT, TRUST, AND  
CONNECTIVITY



CROSS-FUNCTIONAL  
PROBLEM-SOLVING AND  
ACTIVATION

# Green leasing

One of our greatest tools for encouraging overall portfolio efficiency are green leases.

At Avanath 100% of our residential and commercial leases include green lease language that helps our tenants and residents:

- Reduce resource use
- Track data
- Lower utility costs

Green leasing helps us move the needle on carbon reductions, ensuring that residents and tenants play an active role in our journey toward a 50% reduction in GHG emissions intensity on a per bedroom basis by 2030 and promoting the resilience of our properties against climate-related risks.



# Policies

Avanath has policies in place to keep us accountable for ethical business practices and ESG-related procedures. All Avanath policies are available on our [website](#).

- ESG Policy
- 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
- Responsible Supplier Policy



# Reporting and Affiliations

Transparency and public commitments to ESG integration are an essential part of our *+Amplify ESG* strategy. Through reporting and affiliation with ESG benchmarks and ratings, we secure third-party scrutiny as well as clear, consistent communication to stakeholders that hold us accountable for long-term improvements.

**MULTIFAMILY IMPACT COUNCIL:** Avanath has adopted the MIC's framework and serves as a stakeholder in the decision-making process by which this framework is continually improved. We provide a voice for and represent the affordable housing sector.

Avanath is a founding member of the Multifamily Impact Council which helps steer the industry toward integrating social and environmental impact throughout their corporate strategies. Our foundational input and alignment with such a framework help provide guidance for long-term resilience around impact reporting. The MIC is structured around seven principles that we work into our operations to better support people and the planet.

The seven principles are as follows:

1. **Affordability**
2. **Housing stability**
3. **Resident engagement**
4. **Climate and resiliency**
5. **Diversity, Equity, and Inclusion (DEI)**
6. **Health and wellness**
7. **Economic health and mobility**

Learn more about the MIC at: <https://multifamilyimpactcouncil.org/>

**GRESB:** Our GRESB annual submission results, on page 7, show how we compare ourselves with our peers and the industry at large.

**ENERGY STAR:** Avanath is 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.

**UN 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.

**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 has filed the Renaissance Fund under Article 8 of SFDR.

## Resilience Indicators



CROSS-FUNCTIONAL  
PROBLEM-SOLVING AND  
ACTIVATION



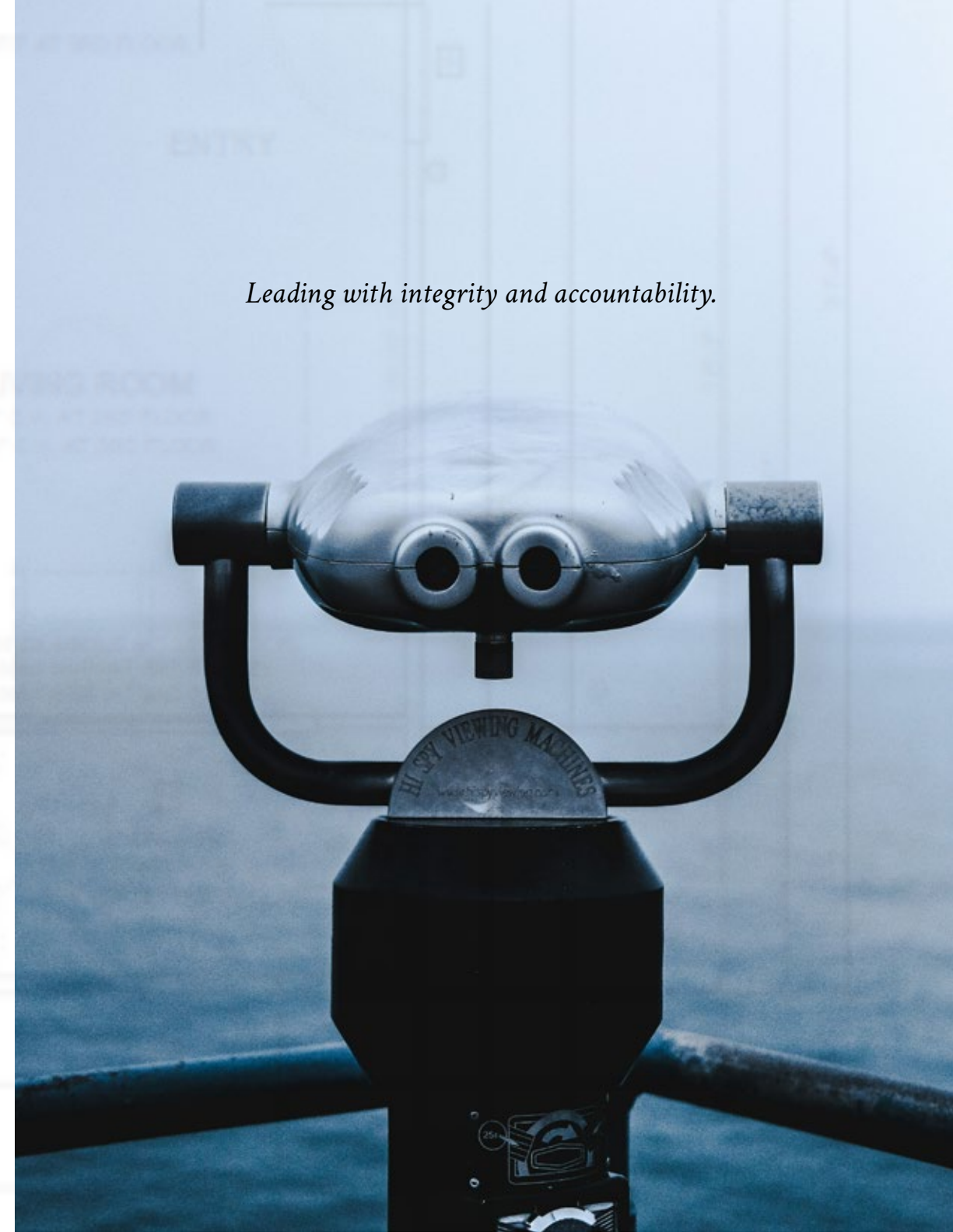
RESPONSIBILITY AND  
ACCOUNTABILITY OVER  
ESG EFFORTS

## Looking Ahead

As we look to the future, Avanath is eager to keep improving. From more industry engagement to policy refinement, we are consistently looking for ways to learn and adapt in order to keep our people's best interests in mind. We look forward to:

- Reviewing and updating our ESG policies to ensure their efficacy.
- Submitting our ESG performance to industry benchmarks and reporting frameworks.
- Engaging in industry associations and memberships to give affordable housing providers a voice and seat at the table for advancing our industry.

*Leading with integrity and accountability.*





*“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