

# Creating Quality Communities in Premier Locations





Essex is committed to compliance with all federal, state, and local fair housing laws.

### About this Report

Welcome to the fourth annual Corporate Social Responsibility (CSR) Report for Essex Property Trust, Inc. This report provides an update and overview of our Company-wide CSR and Environmental, Social, and Governance (ESG) activities. Since 2008, we have integrated our CSR commitments into our four pillars of creating quality communities: improving our residents' well-being, creating a positive work experience for our employees, providing a better environment, and delivering long-term results for our investors. Our adoption of ESG principles, metrics, and targets enhances our ability to deliver on these pillars and continuously reinforces our position as the premier provider of West Coast apartment homes. This report demonstrates our achievements and progress in 2021 across all areas of our business and Company.

This CSR Report has been prepared in accordance with the Global Reporting Initiative (GRI) standards (core option) and the Sustainability Accounting Standards Board (SASB) standards. We also published a [report](#) aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in March of 2022.

Please refer to the indexes at the end of this report for assistance in aligning our disclosures with the aforementioned standards. If you have comments or questions concerning this report, or more broadly about Essex's CSR and ESG activities, please contact our Corporate Social Responsibility team at [CSR@essex.com](mailto:CSR@essex.com).

Pictured on Cover: Wallace on Sunset, Los Angeles, CA, a LEED Gold development.



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# About Essex

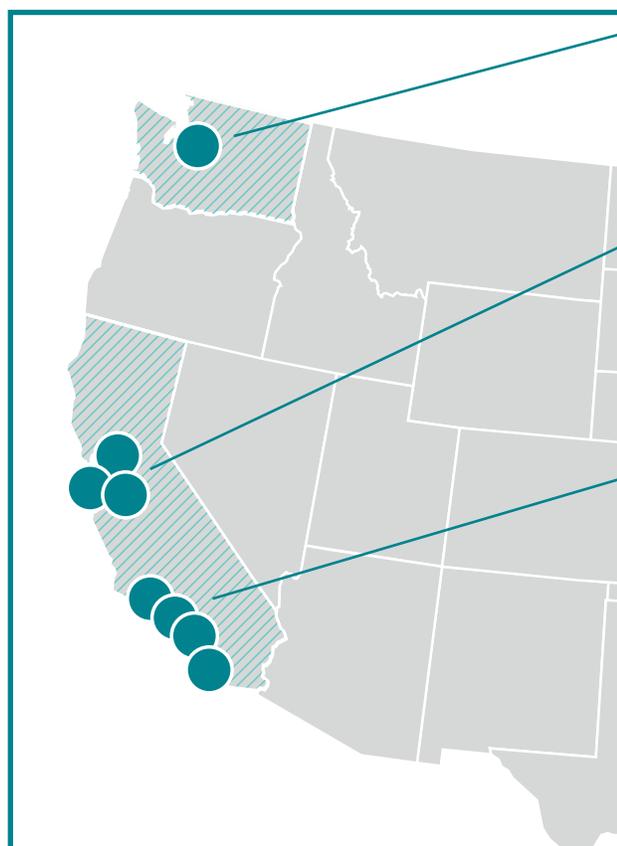
Essex Property Trust, Inc. (Essex) is a proven leader in West Coast apartments. We are a publicly traded, fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages multifamily apartment communities located in supply-constrained markets. We are the only REIT dedicated exclusively to coastal metropolitan areas in California and Washington, areas with strong long-term growth and economic opportunities, along with limited new housing production. We are committed to the vibrant communities in which we operate, and we continually push to innovate, improve, and add value to the lives of our residents, associates, and shareholders.

Our dedication to our core business of actively managing a unique portfolio of apartment communities on the West Coast, along with a disciplined capital allocation process, has produced exceptional returns to our shareholders for almost 30 years. Our experienced leadership team, research-driven approach to portfolio management, dedication to sustainability, and strong financial condition contribute to long-term value creation for our shareholders. For more information about Essex, our history, and our continued financial success, please visit our website at [www.essex.com](http://www.essex.com).

**ANAVIA, ANAHEIM, CA**  
Features EV Charging Stations



## DEDICATED EXCLUSIVELY TO THE WEST COAST

17%<sup>1</sup>

## SEATTLE

Seattle CBD 3%  
Eastside 10%  
Other Seattle 4%

41%<sup>1&2</sup>

## NORTHERN CALIFORNIA

SF CBD 2%  
Santa Clara 19%  
Oakland<sup>3</sup> 14%  
San Mateo 5%

43%<sup>1</sup>

## SOUTHERN CALIFORNIA

West LA/Other LA 15%  
LA CBD 2%  
Orange 11%  
San Diego 9%  
Ventura 6%

1) Represents percent of pro rata NOI as of 12/31/21, rounded to the nearest percent.

2) Excludes two properties in Marin county which account for 0.6% of ESS total NOI.  
3) Oakland includes Alameda and Contra Costa Counties.

- Established in **1971**
- Focused on **eight coastal** markets located in California and Washington, each having **vibrant economies and high barriers to new housing production**
- Long track record of success with **one of the highest total returns of all public U.S. REITs** in existence at its IPO in 1994 through year-end 2021
- S&P 500 Dividend Aristocrat with a 28-year history of **increasing its cash dividend**
- Top executives share an **average tenure of roughly 17.5 years**
- S&P 500** company
- Investment-grade** rating for debt obligations

## KEY FIGURES 2021



100,000+

NUMBER  
OF RESIDENTS



1,757

NUMBER  
OF EMPLOYEES



253

NUMBER OF APARTMENT  
COMMUNITIES



\$125+

DIVIDENDS PER SHARE  
FROM 1994 TO 2022E

## VALUE CREATION PROCESS



## ACQUISITIONS &amp; DISPOSITIONS

Acquisition and disposition transactions represent most of our investment activity as we seek to modify portfolio allocations in pursuit of rental growth using our proprietary research process.



## DEVELOPMENT

Development provides the potential for higher risk-adjusted returns compared to acquisitions, while also improving the overall quality of the portfolio.



## CO-INVESTMENT PLATFORM

The co-investment platform provides an alternate form of capital, with the potential for providing a superior cost of capital compared to investments using the Company's balance sheet.

# Who We Are

Essex Property Trust is committed to our mission of *Creating Quality Communities in Premier Locations* and our vision of *Providing Great Communities in Which to Live, Work and Invest*.

These two statements are the guiding principles that we use to deliver value to our shareholders, tenants, and employees every day.





## Our Behavioral Values:

Our Core Values are just the beginning. Essex has also developed our Behavioral Values, which inform how we work at all our locations, every day. These values ensure that we are delivering the best possible environment for our valued residents.



**WE ARE DRIVEN BY PURPOSE**



**WE EMBRACE HONESTY**



**WE PURSUE EXCELLENCE**



**WE SEE IT, OWN IT, DO IT**



**WE ATTRACT AND DEVELOP THE BEST**



**WE DO GREAT TOGETHER**



**WE SUPPORT WORK-LIFE BALANCE**



**WE ARE RESPECTFUL AND DEPENDABLE**

# President's Letter

We are pleased to present our fourth CSR Report, summarizing our recent ESG activities and accomplishments. Throughout 2021, West Coast apartment owners faced on-going regulatory challenges from COVID-19, which resulted in increased costs and complexity related to our environmental mandates and management of key operating targets. Fortunately, we believe that a trend toward normalization is slowly underway. We responded thoughtfully to these challenges, while maintaining our focus on ESG initiatives and managing dynamic conditions with creativity and perseverance. I am proud of our accomplishments over this past year and believe that Essex is well-positioned for future performance with respect to financial, operational, and ESG goals.

In 2021, the health and safety of our employees and residents remained a top priority and required a thoughtful response as new COVID-19 variants emerged, governmental restrictions evolved, and the efficacy of vaccines became better understood. As in 2020, we provided personal protective equipment and related training for associates and residents, while encouraging COVID-19 vaccination through several programs, including paid time off for vaccination and multilingual live webinars with health care professionals. As a result, in early 2022, over 81% of our workforce was fully vaccinated for COVID-19. Throughout the pandemic we expanded online and self-service options for nearly all resident interactions and by year-end, nearly all apartment leasing tours company-wide were either self-guided or virtual. Alongside our development partners, we are beta-testing our digital and user-guided lease creation processes at many of our Southern California apartment communities. We anticipate further digital options will make Essex associates safer and more efficient, while also providing our prospective residents with an improved apartment search process.

We announced our Essex Cares Program in 2020 in response to the extraordinary disruption and hardship resulting from the COVID-19 pandemic. In 2021, the federal Emergency Rental Assistance Program was enacted, appropriating \$46 billion across the nation for rental and utility relief payments for eligible renters experiencing COVID-19 hardships. As a result, our Essex Cares program de-emphasized COVID-19 rental relief for apartment residents, pivoting to employee well-being, local community support, and affordable housing

initiatives. Prior to the enactment of the Emergency Rental Assistance Program, the Essex Cares Resident Assistance Program provided approximately \$500,000 in one-time grants to qualified residents affected by COVID-19. Essex Cares also created its Small Business Assistance Program, providing rental assistance for small commercial tenants impacted by government restrictions and resulting financial hardships during the pandemic. In partnership with the Housing Industry Foundation (HIF) and the city of Foster City, we facilitated the relocation of low-income residents at an Essex community following the expiration of its affordable housing program, at a shared cost of approximately \$1 million. The Company also doubled its committed apartments leased to HIF as part of its Affordable Housing Initiative at significant discounts to market rents. Essex Cares further supported local community organizations and employee well-being through the Community and Employee Assistance Programs, contributing over \$140,000 to employee emergency assistance, regional food banks, DEI organizations, environmental organizations, and more.

As our environmental initiatives continue to grow, we have expanded our Sustainability Department which focuses on energy and waste reduction across the company and improving the value of our properties. We remain committed to our original strategic goal, which is to add value to our apartment portfolio through a metrics-based process that results in improved environmental and financial impacts and leveraging government resources whenever possible. As we emerge and recover from the COVID-19 pandemic, we are experiencing a ramp-up of new product offerings. Electric Vehicle (EV) charging stations and solar energy remain key priorities. EV charging stations will be a high demand amenity, particularly following a California executive order that requires all new cars and passenger trucks sold in California be zero-emission vehicles by 2035. Other conservation efforts include water and gas leak detection, efficient building systems including heat pumps/HVAC, battery storage, water conservation, turf removal, and drought tolerant landscaping.

With respect to the current and future environmental impacts from climate change, we completed our climate risk assessment in 2021. This analysis evaluated both the physical and transition risks throughout the Essex portfolio, encompassing the economic impact from weather and climate



related risks and the impact of the global transition to low carbon consumption. As a result, we produced our first Task Force on Climate-related Financial Disclosures (TCFD) report, which was released along with our Proxy in March 2022. Our climate risk assessment establishes a basis for making informed decisions about climate-related disruption, adopting and implementing business strategies focused on low-carbon footprint, and setting effective goals for limiting greenhouse gas emissions and global warming consistent with the Paris Agreement adopted by the UNFCCC. We recognize the exposure the real estate sector has to physical climate change risks, and the responsibilities we have to support climate resilience and operate our communities in a sustainable way. We have further detailed our commitments to climate-related risk mitigation and environmental stewardship in our Climate Change and Environmental Policy Statements released publicly on our website in 2021.

The COVID-19 pandemic also impacted the development of new apartment homes, especially in our Northern California markets, where new apartment deliveries are expected to decline approximately 50% in 2023. Persistent housing shortages are common in California, and we thus recognize the systemic importance of apartment home development, especially with respect to affordable housing. We invest in apartment development both directly and by providing preferred equity/subordinated debt financing to third party developers. Through these programs, we financed approximately \$3 billion in apartment development outstanding at the end of 2021. Almost all of these new apartment communities contain affordable apartment homes, with rent caps generally tied to area median incomes.

In the Essex portfolio, we operate over 2,500 affordable apartment homes with an annual combined rent subsidy, consisting of discounts to market rental rate, of more than \$25 million in 2021.

Finally, a strength of the Essex Team (E-Team) has been its exceptionally diverse workforce at all levels, from the Board of Directors and senior leadership team to our associates. In 2021, 51% of managerial positions were held by people of color, 22% of our board of directors self-identify as diverse, and we have a 0% pay gap between genders. Essex was recognized as a leader in diversity and inclusion amongst its peers and has further reinforced our commitment as a signatory to CEO Action for Diversity & Inclusion's pledge in support of more inclusive workplaces.

The E-Team continues to prove its resilience in the face of new challenges in a way that supports our residents and communities, our people, and our environment. We will continue to focus on the development of impactful ESG initiatives, goals, and solutions that will provide us with sustainable returns and will confirm our position as a proven leader in West Coast apartments.



**MICHAEL J. SCHALL**  
*President and Chief Executive Officer*



PASSAGE BUENA VISTA, VISTA, CA  
Utilizes Smart Home Technology

# Corporate Social Responsibility (CSR) at Essex

CSR is at the core of Essex, guiding how we create better communities for our residents and workplaces for our associates in a responsible and sustainable manner. CSR also encompasses critical topics to ensure that we are focusing on and disclosing the most material information to all our stakeholders. Effective and measurable, our CSR road map is fully incorporated into our daily operations and business strategy. Through this road map, we continuously monitor CSR metrics and initiatives, such as the engagement and satisfaction of our residents and associates and the environmental performance of our portfolio. Additionally, our CSR strategy guides our reporting efforts so we can continue to accurately measure and communicate our progress.

## Our Journey to Date

Pursuing and prioritizing CSR initiatives has been a part of our strategy for more than a decade. We view sustainability holistically, and initiatives span all aspects of our business, from new building certification to improved environmental performance to people management. In 2008, we completed our first green-certified development project. Since then, we have achieved or are targeting LEED or other green certifications for 31 additional communities, representing nearly 10,000 sustainable apartment homes.

Beginning with the development of our Resource Management Department (now more appropriately titled Sustainability Department) in 2008, we have led our industry in environmental programs. With a focus on energy and waste reduction, the department ensures that we invest strategically in technologies and solutions that will decrease residents' utility costs, improve the value of our properties, and reduce our environmental impacts. Throughout 2021, the department's priorities have included solar energy systems, EV charging stations, efficient heat pumps/HVAC, battery storage, water conservation and drought tolerant landscaping.

As our CSR journey has expanded to meet growing stakeholder needs and expectations, we have continued to evolve our reporting and transparency concerning environmental initiatives. Our reporting began with GRESB

six years ago and has continued to earn us six consecutive "Green Stars" and two consecutive "A" ratings for public disclosure. We have enhanced our disclosures each year to now include GRI, SASB, and most recently, TCFD.

## CSR Governance

We encourage our E-Team to incorporate CSR into their job functions every day, and this is interwoven into all aspects of the Company. At the property level, our community managers and maintenance team members oversee the well-being of our residents, engage with the local community, and assist in implementing sustainability efforts.

At the corporate level, the CSR Committee develops our CSR strategy, sets long-term goals and metrics, and monitors our environmental and social performance across our portfolio. This committee, chaired by our General Counsel, is comprised of senior managers from departments across the organization. In 2021, the CSR Committee met six times with an average attendance of 100%. The CSR Committee reports regularly to the Nominating and Corporate Governance Committee of the Board ("Nominating Committee") to update them on targets, progress, and efforts across our communities.

The Nominating Committee is responsible for overseeing our ESG goals and initiatives, as outlined in the committee's charter. Such ESG initiatives include diversity, equity, and inclusion (DEI) efforts, energy efficiency goals, and general CSR support. In 2021, the Nominating Committee met two times, including ESG matters in the discussion, specifically CSR goals status, updates on key reporting and ESG ranking platforms, new ESG initiatives, and participation in surveys and benchmarks. In addition, the Audit Committee oversees Enterprise Risk Management (ERM), including ESG risks. This dual reporting structure helps ensure there are appropriate checks and balances relating to our ESG efforts. The Nominating Committee and the Audit Committee report directly to the Essex Board of Directors ("Board"), which met four times in 2021. The CSR Committee chairperson discussed ESG matters at each Board meeting.

# CSR Goals & Policies

## GOALS

GOAL STATUS:  achieved  on track  delayed

### PROVIDING BETTER COMMUNITIES TO CALL HOME

#### RESIDENTS

STATUS	TARGET	PROGRESS
	Increase residents' feedback through surveys.	<a href="#">Great Places to Live</a> - p. 17
	Improve our residents' experience by offering events and desirable amenities.	<a href="#">Smart Living and Digital Transformation</a> - p. 18
	Develop and launch green programs focused on our residents.	<a href="#">Environmental Stewardship</a> - p. 37
	Expand affordable apartment programs where financially feasible.	<a href="#">Affordable Housing Programs</a> - p. 17
	Actively participate in voluntary affordable apartment programs.	<a href="#">Affordable Housing Programs</a> - p. 17

#### COMMUNITY

STATUS	TARGET	PROGRESS
	Double charitable efforts by 2022 from 2016 levels.	<a href="#">Supplemental Information/Social</a> - p. 51
	Implement an in-kind charity donation match program with our associates of up to \$500K.	<a href="#">Community Assistance Programs</a> - p. 21
	Implement special discount programs that will provide up to 15% discount on rent to teachers, police officers, and firefighters to help them live and work within the same city.	<a href="#">Affordable Housing Programs</a> - p. 17

### PROVIDING A BETTER PLACE TO WORK

#### ASSOCIATES

STATUS	TARGET	PROGRESS
	Continue our commitment to associates' charitable organizations and support their volunteer activities.	<a href="#">Employee Volunteer Program</a> - p. 26
	Continue our commitment to training and development programs and continue to attract, cultivate, and retain a diverse workforce.	<a href="#">Steps to Success</a> - p. 23
	Support the formation of additional employee-led affinity groups that align with the purpose of the Diversity, Equity, and Inclusion Charter, by establishing guidelines to inform associates as to how to establish such groups.	<a href="#">Employee Affinity Groups</a> - p. 32
	By 2022, identify and enhance recruitment pool by region, adding a minimum of two additional sources of diverse candidate pools.	<a href="#">Associate Representation</a> - p. 33
	Maintain an above average Associate Engagement Score with a focus on workplace health and safety, fostering fair and equitable practices, and nurturing human capital through learning and development.	<a href="#">An Engaged E-Team</a> - p. 23

### PROVIDING A BETTER ENVIRONMENT

#### DIRECT WATER USE

STATUS	TARGET	PROGRESS
	Between 2016 and 2022, spend at least \$6 million to complete water-reduction improvement projects.	<a href="#">Water Management and Consumption</a> - p. 40
	By 2021, increase water usage efficiency by utilizing benchmarking solutions to monitor usage and track utility data.	<a href="#">Environmental Compliance</a> - p. 37

#### INDIRECT WATER USE

STATUS	TARGET	PROGRESS
	By 2020, formalize and implement green initiatives to promote awareness among residents and associates of water conservation programs.	<a href="#">Environmental Stewardship</a> - p. 37
	By 2022, over 50% of our communities will have installed water-efficient plumbing fixtures, toilets, or leak detectors.	<a href="#">Water Management and Consumption</a> - p. 40

ENERGY CONSUMPTION		
STATUS	TARGET	PROGRESS
→	By 2022, ensure that 10% of electricity usage within Essex's control will be from renewable sources.	<a href="#">Renewable Energy Projects</a> - p. 39
→	By 2022, reduce electricity consumption within Essex's control by 10% of our 2016 levels.	<a href="#">Energy and Carbon Impact</a> - p. 37
→	Install energy-efficient lighting fixtures, smart thermostats, and other energy-saving devices for renovations and new development projects.	<a href="#">Sustainability Certifications</a> - p. 41
SUSTAINABLE HOMES		
STATUS	TARGET	PROGRESS
→	Endeavor to achieve green building certifications on all new development projects.	<a href="#">Sustainability Certifications</a> - p. 41
CLIMATE CHANGE		
STATUS	TARGET	PROGRESS
→	By 2025, reduce our Scope 1 & 2 GHG emission intensity by 9% of our 2019 levels.	<a href="#">Climate Change</a> - p. 39
✓	By 2021, update our climate change risk assessment on asset-level physical risks and portfolio-wide transitional risks and opportunities.	<a href="#">Climate Risk</a> - p. 39
DELIVERING BETTER RETURNS		
BOARD DIVERSITY		
STATUS	TARGET	PROGRESS
→	Comply with applicable California laws governing board diversity.	<a href="#">Corporate Governance</a> - p. 46

## POLICIES

Our CSR policies codify our commitments to protecting our residents, our associates, and the environment. All team members across the organization, as well as our suppliers and partners, are held to these standards. The following policies can be found on the [Corporate Governance page](#) of our website:



CODE OF BUSINESS  
CONDUCT AND ETHICS



CLIMATE CHANGE  
POLICY\*



ENVIRONMENTAL  
POLICY\*



HEDGING AND  
PLEDGING POLICY



HUMAN RIGHTS  
STATEMENT\*



POLITICAL  
CONTRIBUTIONS POLICY



VENDOR CODE OF  
CONDUCT\*

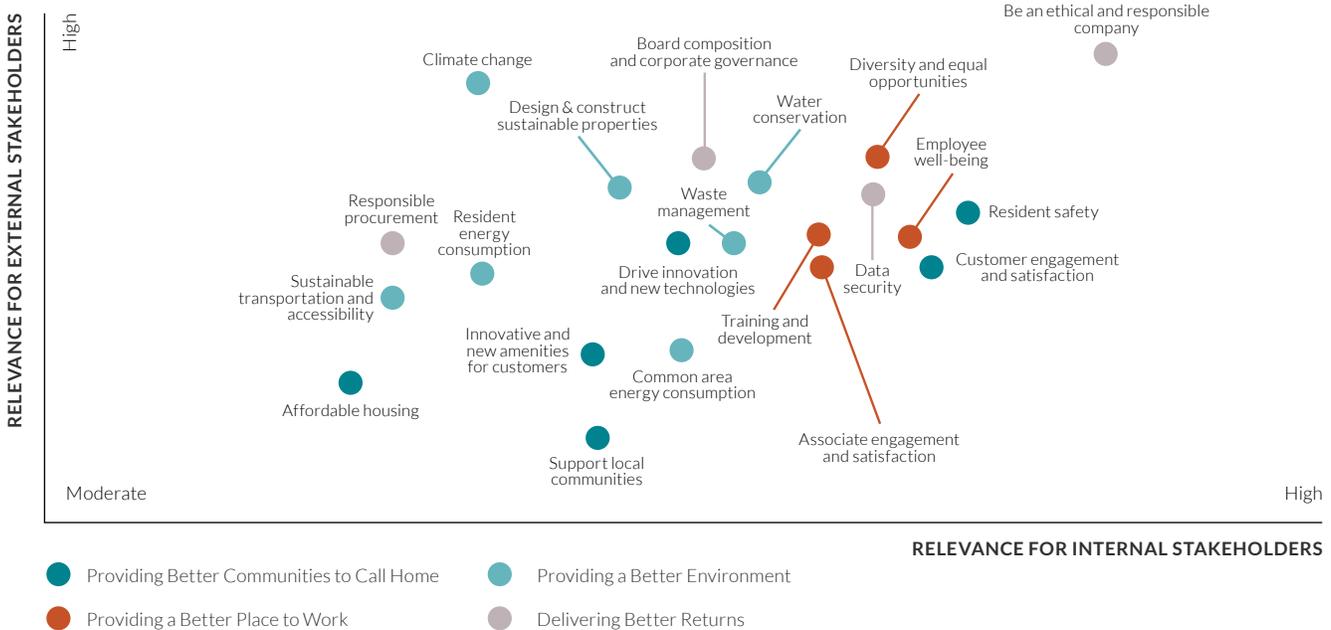
\*Policies were newly added or updated in 2021

# Stakeholder Engagement

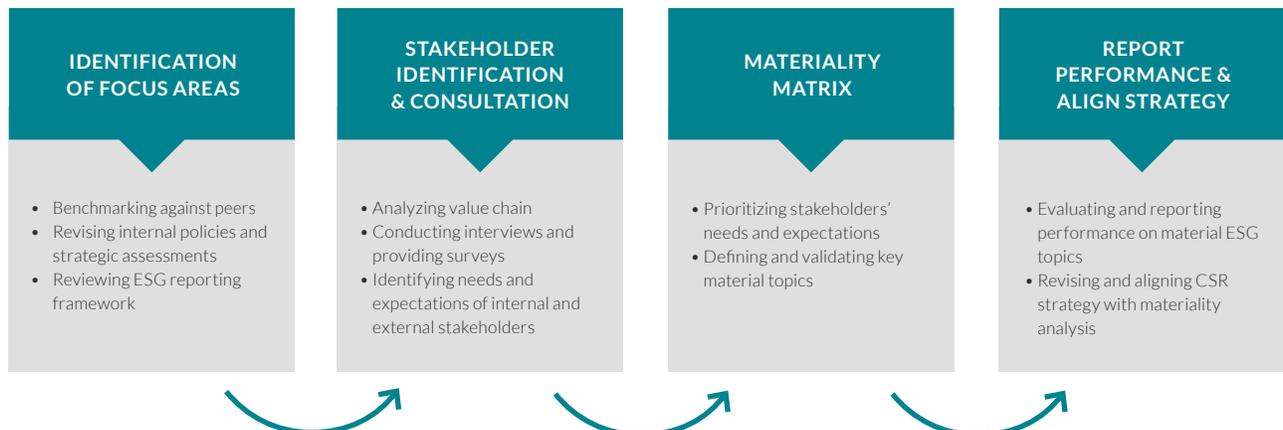
We have built our CSR strategy on a foundation of peer benchmarking analyses and relevant reporting frameworks. Since conducting a Materiality Assessment in 2019, we have been shaping a CSR program in which residents, investors, vendors, and employees are asked to provide a perspective on what issues and aspects of CSR are the most relevant to them and our business. The stakeholder engagement process is vital to ensure our strategy is representative and inclusive of diverse perspectives.

Our Materiality Matrix is the visual result of aggregating and analyzing feedback and organizing the CSR topics by relative impact and relevance to internal and external stakeholders. We will be conducting a refreshed Materiality Assessment in 2022 as part of our 2022 strategy development and plan to reevaluate at least every three years dependent on how quickly relevant issues evolve.

## Materiality Matrix



### MATERIALITY ASSESSMENT



STAKEHOLDERS		AREAS OF INTEREST		ENGAGEMENT CHANNELS												
				ESSEX WEBSITE	ANNUAL AND 10K REPORT	CSR REPORT & ESG REPORTING FRAMEWORKS	INTRANET (BUZZ)	E-HOUR BULLETINS	CONCURRENT (GRIEVANCE HOTLINE)	ANNUAL MEETING OF STOCKHOLDERS	RESIDENT ENGAGEMENT SURVEY	ASSOCIATE ENGAGEMENT SURVEY	COMMUNITY LEASING OFFICES	ONLINE RESIDENT PLATFORMS	COFFEE TALK WEBINARS	
	<b>SHAREHOLDERS</b>	- Share Value and Financial Performance - Corporate Governance & Business Ethics - Financial and ESG Transparency - Business Strategy - Risk Management		✓	✓	✓					✓					
	<b>ASSOCIATES</b>	- Recognition and Well-being - Compensation and Benefits - Workplace Culture - Training & Development - Workplace Health & Safety - Environmental Impact - Diversity Equity and Inclusion		✓		✓	✓	✓	✓			✓				✓
	<b>RESIDENTS</b>	- Quality Homes - Service Excellence - Safety and Well-being - Environmental Impact - Community Development - Business Ethics		✓		✓						✓		✓	✓	
	<b>VENDORS</b>	- Financial Performance - Contractual Conditions - Workplace Health and Safety		✓	✓	✓				✓				✓		
	<b>LOCAL COMMUNITIES</b>	- Community Development - Environmental Impact		✓		✓								✓		
	<b>GOVERNMENTAL &amp; NON-GOVERNMENTAL ORGANIZATIONS</b>	- Business Ethics - Financial and ESG Transparency - Health & Safety - Community Development - Environmental Impact - Human Rights		✓	✓	✓										

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)**

We have designed our CSR strategy to align with the United Nations SDGs, ensuring Essex is doing its part to provide a sustainable future for all. We have identified the most relevant SDGs to our business and focus our efforts and maximize our positive impact toward creating a better future.

				
<b>TARGETS</b>	We will achieve gender equality and empower all women and girls.	We will ensure access to affordable, reliable, sustainable, and modern energy for all.	We will make cities and human settlements inclusive, safe, resilient, and sustainable.	We will take urgent action to combat climate change and its impacts.
<b>RELEVANCE</b>	We provide an equal opportunity environment for our employees, offering opportunities that lead to reflecting a diverse workforce and inclusive leadership for women.	We support our communities with a range of clean and efficient energy options that will promote the overall energy efficiency of our operations.	We support the adoption of sustainable and alternative public transportation options by integrating our communities with major job hubs, contributing to sustainable cities.	We continuously evolve our operations to reduce our direct carbon footprint and support our residents in pursuing more sustainable ways of living and minimizing indirect carbon impacts.
<b>ACTIONS IN 2021</b>	We provided 2,878 hours of training to our employees covering DEI in the workplace and continued to support employee-led affinity groups including Women at Essex and Rainbow Alliance in 2021.	We increased the amount of renewable energy generated on-site by 26%, resulting in a total of 8,494 megawatt-hours (MWh) of clean energy. See pages 39 and 43 for details.	We have 97% of our communities located within half a mile of public transportation and have connected 65 communities with electric vehicle (EV) charging stations to date.	We reduced our energy usage and GHG emissions by 12% and 18% respectively between 2021 and 2017. GHG emissions have been reduced by 4% during 2021, contributing to the 9% reduction goal of our carbon impact between 2021 and 2025.



THE HIGHLANDS AT WYNHAVEN, ISSAQUAH, WA  
Features Energy Efficient LED Lighting Upgrades

## PROVIDING BETTER COMMUNITIES TO CALL HOME

Valuing the well-being of the more than 100,000 residents who live in our communities is fundamental to our success. We take every step to provide our residents with a community where they can thrive, including prioritizing health and safety, implementing programs and amenities that support their well-being, partnering with local charities, and providing assistance to our good standing tenants. We want our residents to be proud to call Essex home.

### Great Places to Live

We believe in going above and beyond to ensure that each resident feels satisfied and fulfilled at home. As a result, we track resident engagement and satisfaction levels with 2021 marking the first full year of collecting data through our Review Builder tool. In 2021, our top-performing areas were Work Order satisfaction at 90%, followed closely by Prospect and Move-In satisfaction at 86% and 80%, respectively.

In 2022, we will continue to leverage our Review Builder tool to best capture resident responses in an efficient and user-friendly way. This includes implementing an additional survey touch point to gauge resident satisfaction prior to pre-renewal to identify areas of concern and boost pre-renewal satisfaction.

### Residents' Health, Safety, and Well-being

We encourage and support our residents in their pursuit of a wellness-focused lifestyle. We offer high-quality wellness amenities: As of 2021, 95% of our communities offer residents a patio or balcony, 87% include a fitness center, and 84% include a swimming pool.

In 2021, we updated our crisis management plan (CMP). We provide training to our associates to prepare them for potential crises and disasters and conduct regular, tabletop exercises to ensure readiness. In February 2022, we conducted a tabletop exercise focused on cyber-attack scenarios that included more than 20 associates from 12 key departments reviewing and refining risk mitigation initiatives and implementing recovery strategies documented in the CMP. Emergency procedures are frequently tested and adapted, as needed. Our internal emergency manual outlines our protocols to be followed in the event of natural disasters (floods, earthquakes, and fires), medical emergencies, loss of

services, and other asset-related risks. In every community, an Emergency Preparedness Kit is readily available.

Safety starts with our on-site teams – they are responsible for implementing policies and take accountability for effectively handling emergencies to ensure the safety of our communities. We provide our on-site teams with consistent health and safety training. In 2021, we added or improved six new health and safety training seminars for our associates to ensure they provide healthy and safe communities for our residents:

- Safety Procedures Appliance
- Safety Procedures HVAC
- Safety Procedures Ladders
- Safety Procedures Sink and Drain Repair
- Safety Procedures Trash
- Safety Procedures Waste Collection

### Affordable Housing Programs

Creating available housing, particularly in technology centers and at affordable price points, is vital for growing local jobs and economies.

By the end of 2021, our direct development program encompassed four apartment communities, with 1,023 apartment homes under construction containing 76 affordable apartment homes in which we are committed to maintaining rents at affordable levels, pursuant to an agreement with city governments that typically provide that rents cannot exceed a specified percentage of area median income levels. In 2021, we provided affordable apartments at 43 communities and over \$25 million in rent subsidies, covering more than 2,500 affordable homes available below-market rate for our lower-income residents. An additional 2,929 homes across 10 of our communities are locally rent stabilized.



*“This apartment will enhance my daughter’s social and emotional development.”*

**Lisa H.**

*Bay Area teacher and AHI client*

In 2021, Essex and its leadership contributed over \$100,000 to the Housing Industry Foundation’s (HIF) three signature programs creating direct and immediate impact with a focus on homelessness prevention and access to affordable housing for families in need. Through HIF’s Affordable Housing Initiative (AHI) Program, we have been able to offer affordable housing subsidies at select communities for teachers and nonprofit sector employees, providing an opportunity for them to live and work in the same community. AHI helps match qualified individuals and families with apartments at up to 50% below market rates for up to three years, and all current AHI residents can live in apartment homes less than a 30-minute commute to their jobs. On average, the reduced rent creates up to \$12,000 per year in savings for each of these residents.

*“Essex Property Trust has been invaluable to the success of HIF for almost 20 years. As a Board Member and generous partner in the Affordable Housing Initiative, Essex has provided workers in the education and non-profit sectors affordable housing improving their quality of life and financial stability while allowing them to live in the communities they serve. Essex’s significant financial support of HIF through our annual September Summit and most recently, our Major Gifts Campaign, has helped us to grow our programs and assist more families in need. Thank you for your support and partnership!”*

**Steve Sullivan**

*Executive Director at Housing Industry Foundation*

Beginning in 2020, we created a partnership with Foster City and HIF as the below-market-rate program at our Fosters Landing community phased out. We leveraged early relocation grants, short term rental subsidies, hands-on case management, and HIF’s AHI program to ensure no resident would be without stable and safe housing. Through this partnership, to date, we have transitioned approximately 50 residents to new homes and contributed to the partnership at a shared cost of approximately \$1 million.



### Smart Living and Digital Transformation

Investing in the future of modern, comfortable living is a key component of Essex’s strategy. The effects of the pandemic accelerated our Digital Transformation Program in 2020 and 2021, promoting the use of numerous technology initiatives that have enabled us to remain connected to our residents in a safe and consistent way.

For example, through our improved interactive community maps and expanded 3D virtual tours of apartment homes and amenities, we created an immersive virtual sales experience for prospective residents to connect with their future homes from any location. Ultimately, prospects found this to be such a convenient option that what started as a COVID-19 response is now part of our ongoing prospect engagement approach.

We are currently working with Funnel to co-develop a tailored platform that increases our effectiveness and efficiency and improves the quality of customer interactions. In early 2020,

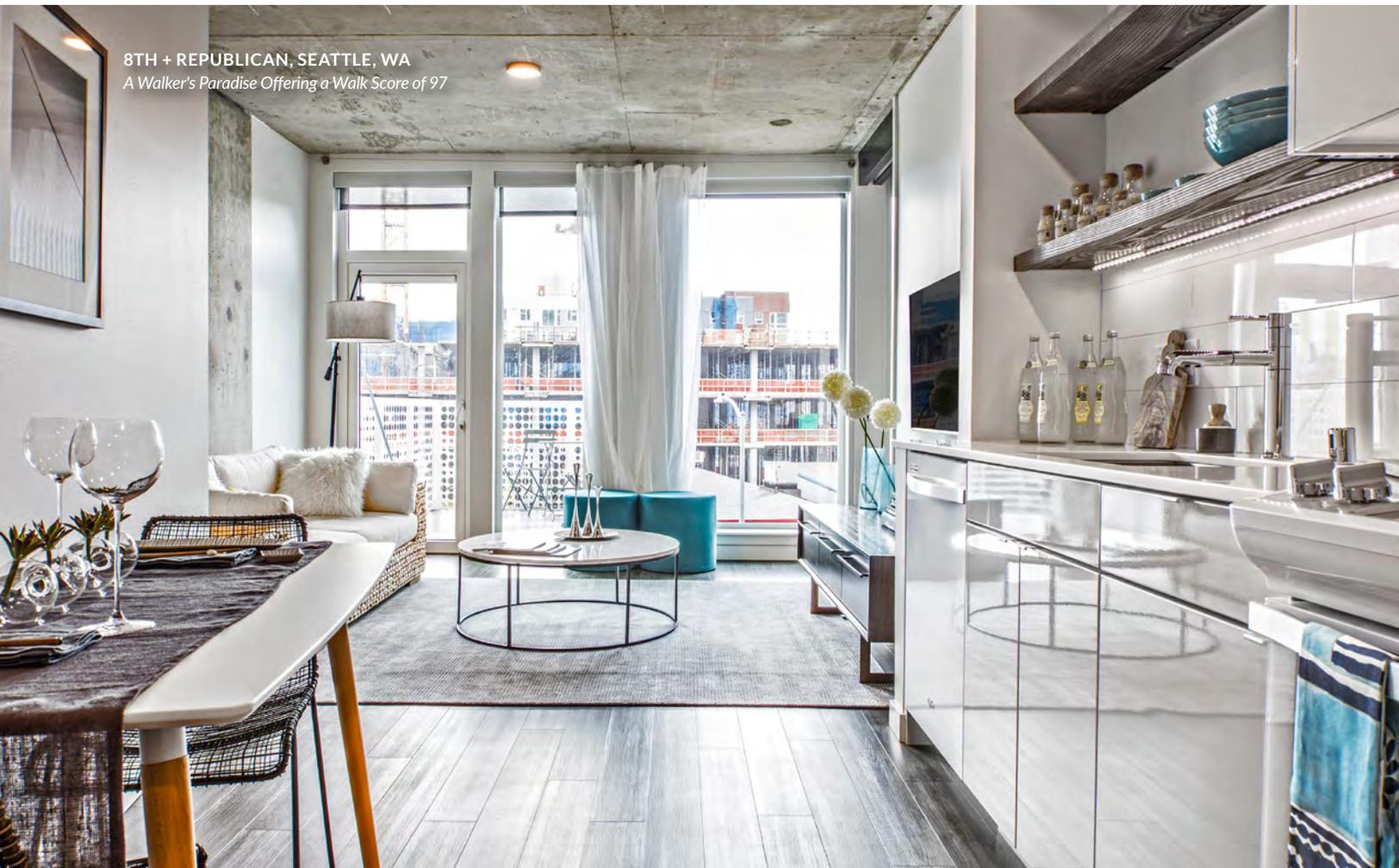
we deployed phase one of the platform with Funnel CRM functionality that improved the initial prospect experience and the efficiency of our Contact Center agents. In addition, it redefined how we interact with prospective residents from initial contact through lease signing. Contact Center agents can now schedule, cancel, and reschedule appointments through the website and Funnel in real time. Funnel Online Leasing was introduced following the phase one release and piloted at 12 communities in 2021 and has helped to sign 1,454 leases and process 3,553 applications to date. The platform continues to add new functionality, including renewals, enhanced payment processing, and a resident identity function that simplifies prospective resident validation.

Our embrace of modern amenities also extends to our communities through the implementation of our innovative Smart Home Program. This program highlights smart home features such as electronic door locks, remote thermostats, water-leak sensors, and smart plugs. By using the latest high-performance, scalable, and future-proof technologies, this transformational design automates our apartments and promotes efficient living.

In 2021, we met our pre-pandemic goal of rolling out this technology to over 20,000 apartment homes. In addition, we piloted Access Control, a complementary initiative, in four communities during Q3 2021, enhancing the Smart Home experience by providing current and future residents with additional flexibility in the access methods to their communities, apartment homes, self-guided tours, and amenities (i.e., use of passcodes, mobile devices/ passes, and temporary access credentials/pin codes for visitors). Smart Home and Access Control help residents to be self-sufficient and reduce the reliance on in-person interaction with on-site associates. Our 2022 goal is to roll out the Smart Home Program portfolio wide, and we will work to integrate SightPlan and Smart Home codes to access the apartment homes and further streamline work order processes.

We recognize that implementing new technologies means that our on-site associates must quickly adapt to change. Therefore, through our Learning and Development Department we have developed training programs to educate our associates on digital transformation and how best to interact with the new technology and tools.

8TH + REPUBLICAN, SEATTLE, WA  
*A Walker's Paradise Offering a Walk Score of 97*



# PROVIDING BETTER COMMUNITIES TO CALL HOME

Investing in community engagement activities and innovation creates communities where people want to live and feel at home. Our local teams build a sense of belonging for our attractive multifamily portfolio.

## COMMUNITY ENGAGEMENT

-  PROVIDED \$600,000 IN GRANTS TO RESIDENTS AND SMALL BUSINESS TENANTS THROUGH THE ESSEX CARES PROGRAM
-  PROVIDED 197,000+ MEALS THROUGH LOCAL FOOD BANK DONATIONS
-  DONATED 725 POUNDS OF REUSABLE TECHNOLOGY DEVICES TO BE REFURBISHED AND REPURPOSED
-  \$25 MILLION IN RENT SUBSIDIES, PROVIDING AFFORDABLE HOMES



## RESIDENT ENGAGEMENT

-  REACHED 100,000+ RESIDENTS THROUGH OUR NEW ENGAGEMENT SURVEY TOOL
-  PROVIDED OVER \$500,000 TO OUR RESIDENTS THROUGH OUR RESIDENT REFERRAL PROGRAM

## SMART LIVING

-  OFFERING A SMART HOME PROGRAM
-  PROVIDING ONLINE LEASING & WORK ORDERS
-  OFFERING VIRTUAL AND CONTACTLESS SELF-GUIDED TOURS

## HOUSING PRODUCTION

-  OFFERING AFFORDABLE HOMES, WHICH IS SYSTEMICALLY IMPORTANT FOR GROWING JOBS AND THE ECONOMY
-  PROVIDING 2,504 AFFORDABLE APARTMENT HOMES THAT ARE AVAILABLE BELOW THE MARKET RATE
-  PROVIDING 2,929 APARTMENT HOMES THAT ARE LOCALLY RENT STABILIZED
-  DEVELOPING 76 AFFORDABLE APARTMENT HOMES



### Resident Assistance Program

In 2020, we developed our Resident Assistance Program as we recognized the need to formalize our support for our residents, especially in times of need and crisis. For households facing temporary financial setbacks that prevent them from fulfilling their lease obligations, our Resident Assistance Program provides relief and offers a bridge from crisis to stability.

Many of those in our communities, like in communities around the world, were impacted by unforeseen events such as lost or reduced employment and additional caregiving responsibilities due to the COVID-19 pandemic. Some of those most affected by COVID-19 needed temporary rental assistance so we offered one-time grants, prior to the enactment of the federal Emergency Rental Assistance Program, to qualified households to support them. In 2021, we provided 105 grants to Essex residents, with a total value of more than \$460,000.

### Small Business Assistance Program

In 2021, we expanded the Essex Cares and Resident Assistance Programs to include relief for our small business commercial tenants. These businesses are incredibly important to the local communities and economies in which we operate and we recognize the importance of supporting them in difficult times.

The Small Business Assistance Program provides rental assistance credit for small business commercial tenants in good standing that are experiencing a temporary reduction in sales or other short-term circumstances, leading to their inability to meet scheduled rent commitments. In 2021, we provided 17 grants, with a total value of more than \$130,000 in assistance to our small business commercial tenants. We further partnered with our commercial tenants to modify over 45 leases to provide rent relief and deferrals at a cost of more than \$1.2 million to the Company.

### Community Assistance Program

Our Community Assistance Program was created to address the growing issues in our communities, including food insecurity and the digital divide. In 2021, we expanded the program to further support our local community by contributing to organizations focused on DEI initiatives and the environment.

Through our Community Assistance Program, Essex contributes to local food banks, DEI organizations, environmental organizations, donates reusable technology devices to human-i-t, and other focused giving in the local community. In 2021, we nearly doubled the funding distributed in comparison to 2020, thanks in part to the generous contributions of our associates and our matching of their donations. We provided more than 197,000 meals to people in our communities who faced hunger, donated 5,000 trees for wildfire recovery in California and the Pacific Northwest through One Tree Planted, and human-i-t refurbished and repurposed 725 pounds of reusable IT equipment to benefit low-income families and underserved communities.

*“Essex was tremendous to us at Bella Mar Salon during the pandemic. As a salon, we were hit hard by the mandated shutdowns, loss of clients, and loss of a few stylists. The deferring of rent early on, followed by rent relief for six months, and the free one month’s rent grant were extremely helpful.*

*These allowed us to continue to operate (when not in shutdown mandates) and provided a bridge to ‘the other side’ of the pandemic. This was and is very much appreciated!”*

**Dan**

Owner of Bella Mar Salon in Marina del Rey, CA





## PROVIDING A BETTER PLACE TO WORK

Our E-Team of nearly 1,800 employees is our Company's fundamental foundation. Our associates' well-being is inextricably tied to the success of our organization and is a top priority at all levels of our CSR strategy. We are committed to providing an environment that maximizes employee engagement and satisfaction. To accomplish this, we focus on: investing in our associates' personal and professional development, recognizing and rewarding associates for their efforts, giving associates ownership of their responsibilities, and creating a collaborative team environment with a variety of backgrounds, cultures, perspectives, and experiences.

## An Engaged E-Team

We strive to offer a positive workplace environment in which every employee feels they can provide a meaningful contribution to our Company's mission. Measuring employee engagement is key to achieving that, as it allows us to better understand our associates' wants and needs.

Our goals are to:

- Offer a safe place for our associates to share honest and insightful feedback
- Increase associate engagement and productivity to build a model for change and innovation
- Identify overall associate engagement trends and create benchmarks to track nuances over time
- Turn associate feedback into action

In 2020, we reinvented our methodology for measuring engagement levels to a pulse survey format. Using shorter pulse surveys at least twice per year to measure employee engagement, we can more accurately monitor how engagement may fluctuate throughout the year, and better assess the response to engagement programs and initiatives.

We evaluated a variety of categories in 2021 to measure our employee engagement and satisfaction and have used the feedback to guide our strategies in 2022. Based on the responses, we identified several positive engagement areas:

- Approximately 98% of associates who responded understand what is expected of them in their job function
- 94% of associates indicated that they understand how their day-to-day work directly impacts Essex's mission and vision
- More than 94% of associates believe that their opinions and ideas matter and feel that the Company supports DEI in the workplace

Our changes to the pulse format proved to be a great benefit, with associates achieving an 88% response rate in Q1 2022, beating our 80% target.

We also identified areas for opportunities such as improving mentorship and guidance for career development and work-life balance. Based on the results, we have improved our performance management process and communication channels, made additional investments in our healthcare offerings, and provided tools and resources — such as refresh days — that focus on work-life balance and managing stress and burnout. We look forward to continued improvement based on associate feedback.

## Digital Transformation in the Workplace

As consumer expectations for technological and innovative offerings grow, we strive to equip our associates with the training and tools needed to meet this demand and provide superior customer service. For example, in 2021, associates received over 2,700 hours of training focused on our technology platforms, including Funnel and SmartRent. In 2021, we continued to leverage technology to facilitate more than 150,000 virtual meetings, totaling more than 11 million minutes. An unintended consequence of the increased use of IT hardware is the increase in associated e-waste; thus, we adopted meaningful steps to actively prevent and manage our e-waste, including proper disposal practices. As a result, we utilize our Essex Cares program to donate usable IT equipment to be refurbished and repurposed.

In addition, we continue to use SightPlan to streamline all service requests, unit-by-unit inspections, and preventive maintenance tasks into one mobile platform, allowing on-site community managers to operate more efficiently. Each service request can be tracked in real time, and residents can rate their service experience, providing our associates with consistent feedback to improve our resident experience.

## Steps to Success

We believe that regardless of title or department, all associates should feel empowered to demonstrate leadership and their full potential. To encourage this mindset, we provide employees with the opportunity to grow their skills to enhance their personal and professional lives through programs developed to also improve employee retention and advancement potential. Steps to Success is our learning and development program that includes all training curriculum during an associate's tenure and is individually tailored to each employee's journey and experience. This includes an onboarding program for all associates and continued learning opportunities such as a foundational curriculum for core positions to more advanced sales, customer service, maintenance training, peer-to-peer mentorship programs, and our Emerging Leaders Program for high-potential associates.

We also offer service and performance recognition through our tenure program, excellence awards, and a spot-bonus recognition program to reward outstanding teamwork, clever ideas, and excellent service.

We encourage our employees to apply for open positions to advance their careers and encourage our hiring managers to consider the internal promotion of associates. In 2021,

we promoted 15% of our employees to higher positions within the Company. Additionally, in the Senior Management Committee (SMC), consisting of Company SVPs and above, succession planning is presented to the Nominating Committee of the Board at least two times per year and it is regularly discussed by the Board in its executive sessions. All SMC members must develop succession planning within their areas of responsibility and identify a potential successor as part of their annual strategic goals.



**930 ASSOCIATES RECEIVED ONBOARDING TRAINING**



**2,308 EMPLOYEES WHO RECEIVED TRAINING (INCLUDES TURNOVER)**



**16 AVERAGE TRAINING HOURS PER EMPLOYEE**



**36,349 TOTAL TRAINING HOURS FOR ALL EMPLOYEES**



**273 INTERNAL ASSOCIATES WERE PROMOTED**



**\$375,000 INVESTMENT IN TRAINING AND DEVELOPMENT**

All associates received preventing workplace harassment training and ethics training. EPA regulated training was provided to community team members.

### Emerging Leaders Program

We aim to foster an environment where all associates can reach their highest potential. Our Emerging Leaders Program does just that by promoting the growth and development of high-achieving employees who could be future leaders at Essex. Piloted in 2020 and officially implemented in 2021, this program develops employees for leadership roles across the organization, enhances skillsets for high-potential associates aspiring to leadership positions, and increases retention and engagement of high-potential associates. In 2021, the program included 15 high potential individual

*"Thank you for the opportunity! The program has been fundamental in my development as a manager. I cannot wait to continue further with it. I have nothing but positive things to say about Emerging Leaders, and you can quote me on that."*

**Iraq Rivas**

Community Manager

contributors and new managers selected by their department leaders. The participants were trained in essential leadership skills training over a 12-month period. They received 210 hours of curated content focused on applying leadership fundamentals such as strategy and communication, delegation, time management, team development, and conflict resolution. Following their completion of the program, 11 associates were promoted to a higher position.

*"All I can say is thank goodness for the Emerging Leaders Program coming around at just the right time for me. It has been providing invaluable tools for me and my growth. I was so incredibly grateful that my RPM nominated me for both Emerging Leaders and for the new position at the Stuart."*

*Furthermore, I'm grateful that Essex truly is dedicated to its associates' growth. I've worked for many companies that claim that they are invested in growing their associates, but I never actually experienced it until I came to Essex."*

**Jessica Hill**

Assistant Community Manager



### Talent Performance Management

Clear and effective performance management is critical to retaining our diverse and talented associates and our ability to attract and retain the best talent. In 2021, we made positive adjustments to our performance management processes to address feedback gathered from employee engagement surveys. Performance management is a continuous process that supports our associates' development by providing feedback, coaching, and recognition. This process consists of three key phases throughout the year that help us maintain a focus on building talent and driving results through employee contributions:



**GOAL SETTING** – At the beginning of each year, associates set personal goals that align with Essex's strategic goals. A key component of this step is goal linkage. Goal linkages begin with senior management and allow associates to link their goals with their department leaders. By doing this, associates can see the strategic direction for the Company and understand how their job contributes to Essex's mission and vision.



**MID-YEAR CHECK-IN AND ADJUSTMENT** – A formal mid-year check-in occurs with associates and their managers, which allows for timely adjustments and helps prevent surprises at year-end performance reviews.



**YEAR-END REVIEW** – At the year-end review, managers evaluate their associates on the achievement of their goals and overall performance for the year.

At the mid-year check-in and year-end review, managers meet with their associates to share appreciation for their accomplishments and follow up on their developmental opportunities. These conversations are a critical part of associate development, and we have seen high rates of conversation in performance reviews: In 2021, 94% of associates completed their evaluation process including completing a 1:1 conversation with their manager at their mid-year check-in and year-end review.

Additionally, in 2021, we rolled out a pilot program to develop Career Profiles within our people management software, which will allow associates to upload their professional profile, including a résumé, awards, education, skills, and career aspirations, to a talent database. Managers can then monitor employee trends and individual profiles to better support our associates on their desired career paths. It will also help us to identify interests and skillsets for new positions from our entire employee base, thereby opening opportunities to diverse candidates who may not have been considered before. Based on the success of this pilot program, we will be expanding the program to more of our E-Team in 2022.

### Employee Excellence Program

Our Employee Excellence Program allows us to reward our associates for their outstanding performance throughout the year. We recognize the best ideas and initiatives during our annual awards ceremony, acknowledging those associates who have shown a special winning mentality, remarkable innovation, or have gone the extra mile.

We greatly value our employees' ideas and contributions which is why we provide several methods for our associates to communicate among their teams and across all departments and levels of the Company. With our Speak Up platform, our associates can communicate candidly within our organization when they want to share their thoughts, ideas, feedback, and concerns.

### WE AWARD OUR ASSOCIATES FOR OUTSTANDING PERFORMANCE IN FOUR KEY AREAS:



**OPERATIONAL EXCELLENCE:** For proposing new ideas to save the community money, discovering (in)efficiencies, or finding a way to save the day



**TEAM PLAYER AWARDS:** For helping or training fellow teammates or assisting a sister community in times of need



**CUSTOMER SERVICE EXCELLENCE:** For receiving a high review online or through resident engagement studies



**COMMUNITY AND CORPORATE SUPER STAR:** For recognition of associates who have gone above and beyond



2,600

TOTAL EXCELLENCE AWARDS ISSUED



\$476,117

TOTAL SPEND IN SPOT BONUSES



\$99,201

TOTAL SPEND IN STRETCH BONUSES



377

ANNUAL AWARDS ISSUED



406,500

TOTAL SPEND IN TENURE BONUSES



### Health and Well-being

We prioritize the well-being of our associates by providing tools to help create a healthy work-life balance, leading to an engaged, satisfied, and more productive workforce.

In 2018, we introduced our Vitality program, which encourages associates to organize their lives in a healthier way. Vitality provides financial incentives to increase engagement and offers team-based wellness challenges, health questionnaires, goal setting, and healthy lifestyle education. In 2021, we introduced MoveSpring to all our associates, a complementary wellness program that helps enhance associates' use and engagement of Vitality. MoveSpring empowers interconnectedness and social encouragement during well-being challenges. Currently, we have 69% of our associates registered in the Vitality program, with 55% demonstrating consistent engagement. In addition to incentives of up to \$250 annually in gift cards, associates can earn up to \$480 annually in medical premium credits, which translates to a discount of up to 26% of the individual medical premium.

Each year, MoveSpring includes free biometric screenings and rewards points for completing preventive care, including annual exams for medical, dental, mammograms, and flu shots, and in 2021, it added COVID-19 vaccination rewards. We also hosted three well-being challenges with an emphasis on physical activity, mental health, and financial awareness. Our Active Rewards and Apple Watch Program incentivizes employees to track their physical activity and other wellness factors on smart devices. Participants who meet weekly wellness targets can purchase the latest Apple Watch for a small activation fee. The program grew to a 21% engagement rate in 2021, with approximately 100 Apple Watches purchased by associates through the program. In 2022, we will take a back-to-basics approach to wellness by focusing on five pillars – Physical, Financial, Community, Career, and Social. This approach will continue to enhance our associates' emotional well-being while also making additional engagement challenges, monthly wellness focuses, education, and resources available throughout the year.

We are dedicated to providing a work-life balance for our associates that supports their personal well-being and development. In 2021, we launched our Work-life Balance Program in response to associate feedback on work-life balance and needing time to take care of themselves. This program includes perks for on-site and corporate employees to support their well-being such as an additional PTO day, four refresh days, property Sunday closures, and National Park passes.

### Awards and Recognition

Each year, the Healthiest Employers® awards program honors the best and brightest in workplace wellness. In 2021, Essex was honored to be recognized as a Healthiest Employers Finalist in the Bay Area, Southern California, and Washington. Healthiest Employers places this distinction on companies that are outstanding in six categories:

- Culture and Leadership Commitment
- Foundational Components
- Strategic Planning
- Communications and Marketing
- Programming and Interventions
- Reporting and Analytics



### Employee Volunteer Program

We believe that volunteering creates positive change in the communities where our associates live and work. We encourage our associates to become active in their communities through our Employee Volunteer Program which provides eligible associates the ability to take up to eight (8) work hours each calendar year to participate in volunteer activities. Previous engagements included participating in park cleanups, providing meals to people with life-threatening illnesses, mentoring people with disabilities, and donating food at a food bank.

To promote the power of teamwork through volunteering, we host "Week of Thanks," an annual, weeklong, Company-wide volunteering event. During the Week of Thanks, we invite departments and associates to organize community service events and collaborate to contribute to their local communities. In 2021, our associates volunteered more than 240 hours of their time to our Employee Volunteer Program. The E-Team continues to make a difference by donating their time and resources to local food banks, community gardens, and soup kitchens.



*"We are only able to help our community with support like yours. With your help we have been able to share more than 23,000 pounds of healthy food in 2021. I hope you all have a chance to come back out to the garden to see how your time and efforts help our garden and orchard to thrive as they produce delicious and nutritious fresh food to be shared in our 2021 and 2022 harvests. Thank you for making the world a better place for all of us!"*

**Brenda Kusler**

*Executive Director at Fertile Groundworks*

### Safe Workspaces

Essex maintains a robust set of safety policies to support the Injury & Illness Prevention Program, targeted at preventing workplace accidents and safeguarding the health and safety of our associates. In 2021, we provided safety training to community managers, maintenance supervisors, and maintenance technicians. Training included industrial safety

and health, confined space awareness, electrical safety and protection, active shooter training, fire extinguishing, elevator inspection training, safety data sheets, safe lifting the e-way, ladder safety, and heat stress in the workplace as well as six newly created or improved-upon training seminars.

Through our Safety Policy, we are committed to providing our associates with a safe working environment by:

- Complying with the requirements of federal, state, and local codes as they pertain to safe and healthful working conditions
- Developing, adopting, and enforcing adequate safety standards and criteria for all operations
- Supplying associates with necessary and approved protective equipment and training on its proper use
- Developing and teaching associates safe working habits and techniques
- Encouraging associates to take an active interest in their own safety by developing good working habits and bringing unsafe working conditions to the attention of management or the Human Resources Department



### Commitment to Human Rights

Treating all people with dignity, fairness, and respect is an Essex core value. This extends to protecting human rights across our workforce and supply chain in alignment with our Core Values and the United Nations' Universal Declaration of Human Rights. Our [Human Rights Statement](#) outlines our commitment to preventing forced and child labor, discrimination and harassment, and inequality in all parties we do business with. Our suppliers and partners are expected to adhere to our human rights principles and replicate those standards within their own organization and value chain.

Per this policy, any grievances or violations of our Human Rights Statement may be reported to the Human Resources Department; Internal Audit Department; or through the Company's anonymous and confidential hotline service, Convercent, at 1-800-461-9330. Convercent's new technology utilizes a web portal and a dedicated hotline to better capture any anonymous reports.

### Investing in Our Future

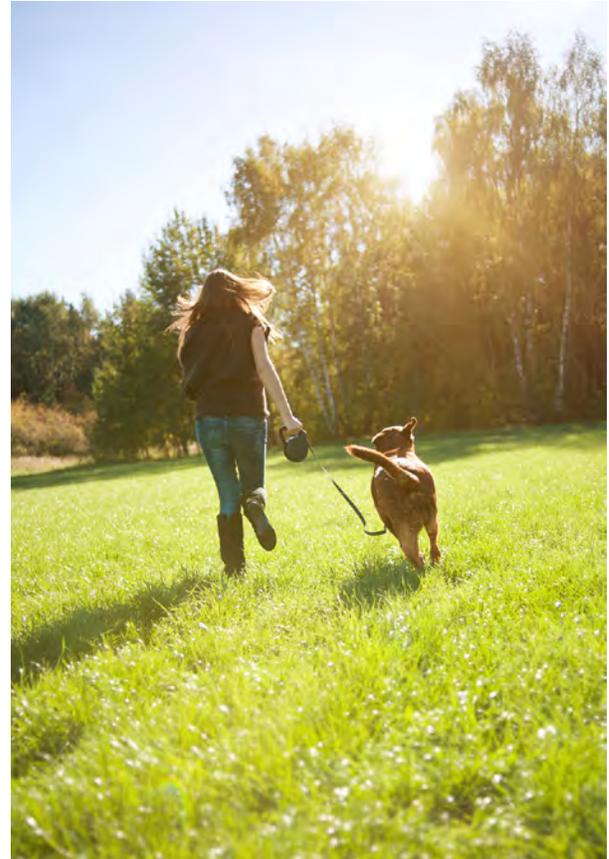
Because our future depends on our associates, and we are committed to supporting their success, we offer our associates great opportunities and an attractive benefits package that ranges from competitive compensation to discounted housing. We provide health care premium reductions to those who participate in our Vitality and wellness incentive programs, such as fitness goals and periodic doctor visits, to promote their health and wellness.

The main benefit offerings for 2021 include:

- Tenure Program – A cash gift beginning at five years of service and every five years thereafter
- Internal transfers and promotions – Great opportunities for professional growth (in 2021, there was a 15% internal promotion rate)
- Competitive compensation – A minimum of \$15 per hour for all employees
- Executive LTD coverage – Insurance for executive-level employees that is Company sponsored



- Tuition Reimbursement Program – Reimbursement for tuition up to \$3,000
- Referral bonuses – Bonuses for new positions filled through associates’ networks (in 2021, 96 referral bonuses were provided, totaling \$59,500)
- Spot recognition program – Bonuses for associates as a token of appreciation for their hard work (in 2021, 83 stretch bonuses and 430 spot bonuses were provided, totaling \$575,318)
- Employee Excellence Program – Spot recognition for achievement (in 2021, 2,600 rewards were provided)
- Annual awards ceremony – Awards issued to associates for outstanding performance throughout the year (in 2021, 377 awards were issued)
- Flexible work from home policy – Hybrid work models that recognize the impacts of the pandemic and the shifting dynamics of the future workplace
- Internship program – A hands-on work opportunity for college students
- Commuter benefits – Pre-tax benefits offered to all associates
- Executive life /AD&D insurance – Insurance for executive-level employees that is 100% Company sponsored (2x annual salary)
- Vitality and Wellness Credit programs
- Voluntary benefits – Additional optional benefits, including legal, identity theft, vision, accident, additional life, and long-term disability (LTD) coverage
- Associate discount programs – Discounts for mobile phones (AT&T, Verizon), appliances (i.e. Whirlpool), etc.



- Legal services
- Employee Assistance Plan
- Employee Volunteer Program



### Ample Paid Holidays

INDUSTRY-LEADING PTO DAYS



### Premium Coverage

DIVERSE MEDICAL, DENTAL & VISION PLANS



### Life Insurance

BENEFITS FOR FULL-TIME EMPLOYEES



### Housing Discounts

600+ ASSOCIATES RECEIVED DISCOUNTS TOTALING MORE THAN \$3.6 MILLION OF ANNUAL SUBSIDIES



### Up to \$6,000

MATCH IN TRADITIONAL OR ROTH 401(K) RETIREMENT PLANS



### Pet Insurance

DISCOUNTED PLANS FOR FULL-TIME EMPLOYEES

# PROVIDING A BETTER PLACE TO WORK

In 2021, we continue to improve on our investments in our workforce to cultivate a diverse, inclusive, supported, and engaged workforce. We want Essex to continue attracting and retaining the best talent in the industry.

## DIVERSITY AND INCLUSION

 **WOMEN IN 65% OF MANAGERIAL POSITIONS**

 **2022 BLOOMBERG GENDER-EQUALITY INDEX (GEI) MEMBER COMPANY**

 **0% PAY GAP BETWEEN GENDERS**



## ASSOCIATES

 **1,757 ASSOCIATES**

 **\$182.4 MILLION TOTAL REMUNERATION**



## ENGAGED TEAM

 **A TOTAL OF 94% OF EMPLOYEES WHO CONSIDER THEIR DAY-TO-DAY WORK AS HAVING A DIRECT IMPACT ON ESSEX'S VISION**

 **EXCELLENT BENEFITS PACKAGE**

 **15% INTERNAL PROMOTION RATE**



## TRAINING AND DEVELOPMENT

 **36,349 EDUCATION TRAINING HOURS**

 **2,878 DEI TRAINING HOURS**



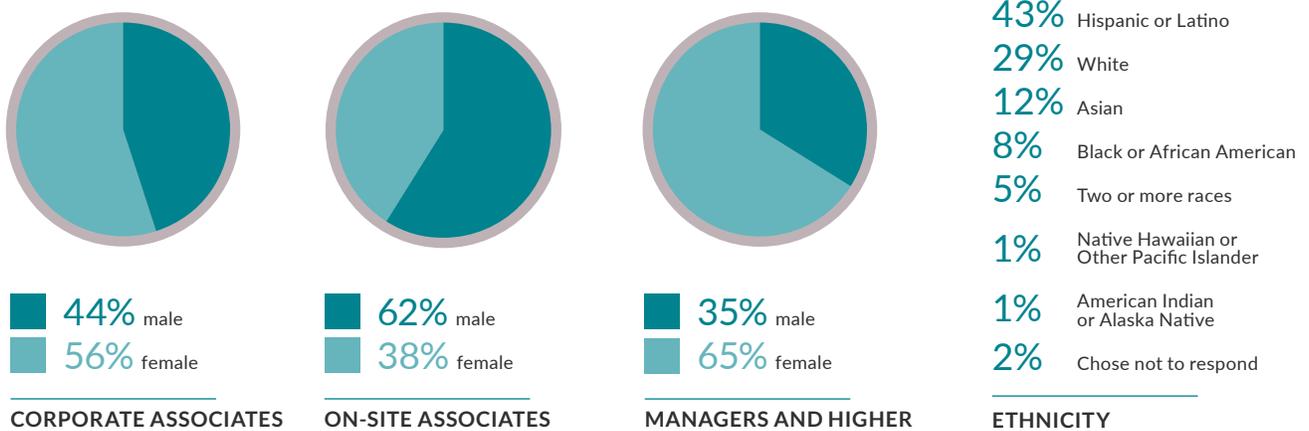
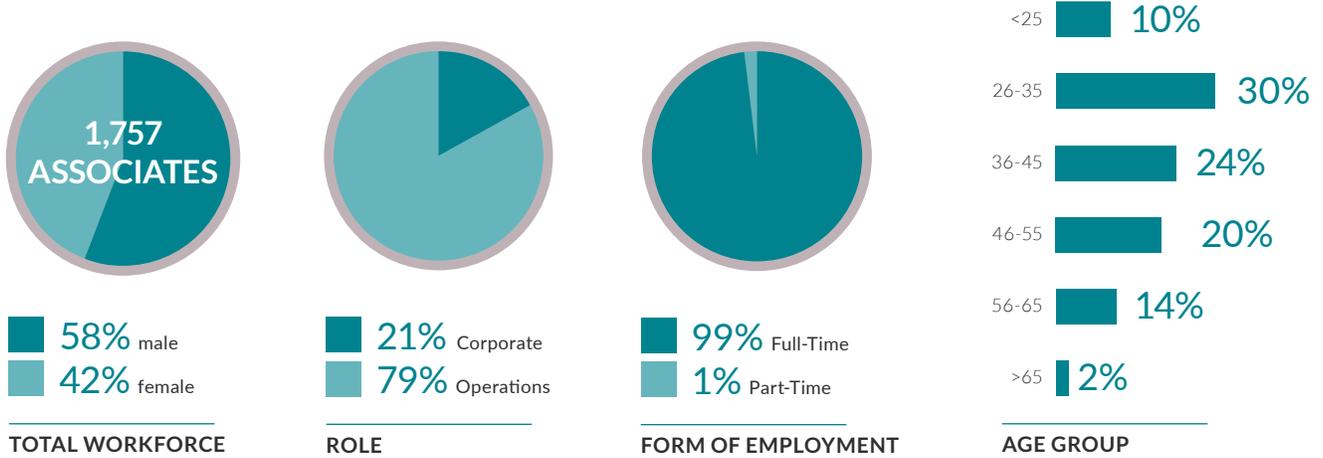
## WINNING TEAM

 **2,600 EXCELLENCE AWARDS**

 **377 ANNUAL AWARDS**

# People Performance Indicators 2021

We are extremely proud of our diverse, dedicated, and talented workforce who represents and supports the communities where we operate. We have further increased transparency around our workforce demographics through our [2021 EEO-1 Component 1 Report](#). We plan to continue disclosing our EEO-1 Reports on our website annually as they become available.



**EMPLOYEE PROMOTION**



15%

PROMOTION RATE

**GENDER PAY GAP**



0%

PAY GAP BETWEEN GENDERS

**COMPANY'S MANAGEMENT**



51%

MANAGERIAL POSITIONS ARE HELD BY PEOPLE OF COLOR

**EMPLOYEE TURNOVER**



33%

TURNOVER RATE

# Diversity Equity and Inclusion (DEI)

## DEI Program at Essex

Embracing and celebrating the diversity of our associates is a fundamental aspect of our Company culture. We know that the differences in backgrounds, experiences, demographics, and talents are what make our E-Team stronger together. We strive to always provide an inclusive work environment where our associates can bring their full selves to work and feel a sense of belonging and trust. DEI is ingrained in our culture and incorporated within our Core Values of “Seek Fairness” and “Act with Integrity.”

We have built a strong foundation of encouraging and promoting the enhanced representation of women, people of color, military veterans, LGBTQ+ people, and disabled employees (across all intersecting identities) within the business and at leadership ranks. Our DEI Committee was formed in 2019 and expanded to two teams in 2021: the Steering team and the Action team. The Steering Team comprises senior and regional management from across our portfolio and is responsible for setting the direction and purpose for the committee. The DEI Chairperson sits on the Steering Committee and reports directly to the CEO. The Action team comprises management and SMEs from across our portfolio and is responsible for driving the groundwork and championing the committee’s vision to Essex associates. The Nominating Committee oversees all ESG initiatives, including DEI efforts.

We support DEI at all Company levels, including at the highest levels of our leadership. In 2021, our President and CEO Michael J. Schall signed the CEO Action for Diversity & Inclusion pledge, a collaboration of nearly 2,000 CEOs from the world’s leading companies and organizations committed to advancing diversity and inclusion within the workforce. The organization was founded on the belief that DEI is a societal issue, not a competitive one, and that CEOs need to collaborate with each other to drive change. Member companies agree to take action to create workplace environments where diverse experiences and perspectives are welcomed and where employees feel safe, comfortable, and empowered to discuss diversity and inclusion. This mission aligns directly with Essex’s Core Values, and we are proud to be a part of this important initiative.

**CEO ACTION FOR  
DIVERSITY & INCLUSION**

## Employee Affinity Groups (EAGs)

A key component of our DEI Program is our EAGs, which are voluntary, employee-led associations open to all employees and sponsored by the DEI Committee. These groups play an important role in articulating, promoting, and supporting associates’ collective concerns, achieving DEI goals, and progressing an inclusive culture within the Company. Our EAGs also help to build relationships, empower collaboration, increase morale, provide insights, and enhance Company engagement efforts.

Our first EAG, Women at Essex, was established in 2020. This group supports women at all levels of Essex and has already made an impact on our associates. This group significantly accelerated its activities and impact in 2021. A few examples of this include a Women’s History Month webinar focused on mental health, a “Woman of the Month” spotlight highlighting Essex associates, a webinar event designed to cultivate confidence, and the establishment of a book club.

*“Being a part of the Women at Essex affinity group has been one of the best opportunities for my growth. We are inspired by other women in the group. We all have different titles and positions within the company but what we have in common is that we are all women. The affinity group provides a safe space to share ideas and voice our opportunities to push women forward, and that’s something important to us. We also pride ourselves in bridging the gap and providing information that is useful to not only women but men as well.”*

**Crystal Rodgers**

*Director of Community Management*

In June 2021, we introduced a new EAG called the Rainbow Alliance, whose purpose is to support and build a community for our LGBTQ+ associates and allies. This group meets regularly, has established a mission statement, and developed subcommittees for volunteering, Pride month, education, and events. This passionate group is planning to ramp up its engagement events and activities in 2022.



*"I joined Rainbow Alliance to help create a safe place for all LGBTQ+ and allies within Essex. To help build a safe network of people who can relate to some of the struggles we go through and help guide you or be there for you in difficult times. Sometimes we may not have many people that we can turn to and being there for others is a great way to help those who may need it."*

**William Fronczak**  
Community Manager

In 2021, we developed formal guidelines for EAGs, so our associates have a road map for the establishment of future EAGs. We support the development of future EAGs and will look to establish future groups based on employee interest and request.

### DEI Training

Our DEI program depends on providing our associates with the education and resources they need to cultivate a safe and inclusive work environment. In 2021, we focused on three critical parts of building a diverse, equitable, and inclusive culture: microaggressions, allyship, and intersectionality. Across these areas, we provided our associates with specialized sessions where they had the opportunities to listen, engage, and react to the topics.

In 2021, Essex provided 2,878 hours of training focused on DEI and preventing workplace harassment to more than 1,225 employees. We will continue to develop and offer new courses and enhance our current offerings to support continuous improvement. We envision a workplace where employees are more conscientious about their behavior and how it impacts others and are empowered to make behavioral changes that demonstrate a conscious choice of inclusion.

### Associate Representation

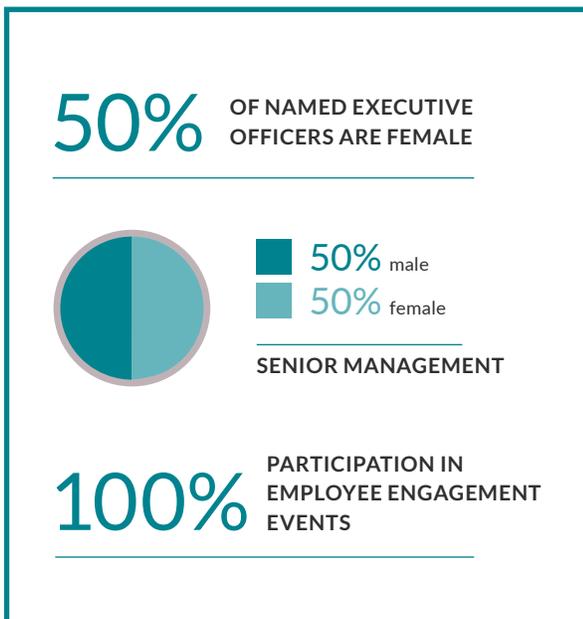
We cultivate our exceptional and diverse E-Team by integrating DEI into our talent processes, which extend from the recruitment process to succession planning. In 2021, we identified two additional sources of diverse candidate pools for our recruitment efforts in 2022.

- National Association of Real Estate Investment Trusts (NAREIT)/Fannie Mae Future Housing Leaders Intern Program:** This competitive pilot program is aimed at attracting diverse talent by providing foundational training prior to an internship at a company within the industry. Participating students will primarily join from 24 historically Black colleges or universities (HBCUs). Essex will be sponsoring 4 internships in 2022.
- Circa/Diversity Jobs:** We have partnered with Circa jobs to give Essex a consistent pipeline to diverse candidates across several underrepresented groups, including African Americans, Asians, Hispanics/Latinos, American Indians, Native Hawaiians/Pacific Islanders, Veterans, people with disabilities, and the LGBTQ+ communities. The Circa database contains résumés of more than 2 million diverse candidates sourced from more than 3,500 social groups.

## Leadership Representation

We are immensely proud of the diverse set of backgrounds, thoughts, experiences, and perspectives our leadership brings to Essex, and we know that it is inextricably tied to our business success. We have one of the most diverse teams of Named Executive Officers compared to other public real estate companies.

Our management team also reflects our commitment to a diverse workforce. In 2021, 51% of our managerial positions were held by people of color, and 65% of our managerial positions were held by women.



The impact of our diverse management team goes just beyond representation – it creates a work environment that welcomes and celebrates everyone for their differences. To stay connected with associates, we created monthly Company-wide webinars (Coffee Talk) in 2020, which are hosted by our Senior Management Committee (SMC). Coffee Talk is open to all associates and provides leadership updates, interactive panel discussions, open forum Q&A, Company news, etc. SMC also conducts staggered weekly meetings for strategic planning, breaking down potential silos, and maintaining open communication. Members of SMC also participate in our DEI Committee and Essex Cares Committee, both of which are dedicated to community and employee initiatives that foster a more diverse and inclusive environment.

## Awards and Recognition

### BLOOMBERG GENDER EQUALITY INDEX (GEI)

In January 2022, we announced our addition to the 2022 Bloomberg GEI, a modified market-capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting. This reference index measures gender equality across five pillars: female leadership & talent pipeline, equal pay & gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-women brand.



*"We are pleased that our practice in gender equality and diversity is being recognized with the inclusion in the Bloomberg Gender-Equality Index."*

**Michael J. Schall**  
President and CEO of Essex

### NATIONAL APARTMENT ASSOCIATION (NAA) EXCELLENCE AWARDS

In 2021, Essex was named as an NAA Excellence Awards winner in the Diversity & Inclusion Category. We are distinctly honored by the recognition of our commitment to building a diverse and inclusive work environment and communities for our residents.



*"DEI is about ensuring each and every employee has a stake in our journey. By ensuring we have diverse voices, we are establishing better decisions, outcomes, and communities."*

**Sudarshana Rangachary**  
SVP of Human Resources and DEI Committee  
Chairperson

**E ESSEX**





BERNARDO CREST, SAN DIEGO, CA  
*Utilizes PV Energy Systems*

## PROVIDING A BETTER ENVIRONMENT

We are committed to protecting the environment through making informed, sustainable decisions about our properties, resources, and suppliers. Not only will reducing our water and energy use and managing our waste responsibly better the environment, but it will reduce our operating costs and increase the long-term sustainability of our communities. Making the right choices for our planet will benefit our business, our residents' satisfaction, and our shareholders' value.

### Environmental Stewardship

We pride ourselves on a continuous effort to mitigate environmental impacts from our communities. We demonstrate this through rigorous management and improvement of our environmental performance. We strive to most efficiently use our natural resources through water conservation, energy efficiency, carbon footprint reduction, and waste management.

To educate our residents on how they can support our wide range of sustainability and energy conservation initiatives, we include a “Green Community” addendum to all leases. In 2022, we will further expand our resident outreach programs to raise awareness of water and energy usage and communicate sustainable ideas and best practices.

### Environmental Compliance

We understand the importance of operating our properties in an environmentally sustainable fashion. Given that the most notable areas of environmental impact we must manage are electricity and water consumption, our properties comply with ENERGY STAR® and we have committed to leveraging the EPA's ENERGY STAR Program to increase our water usage efficiency and reduce energy use and greenhouse gas emissions across our portfolio.

Through ENERGY STAR Portfolio Manager, we can benchmark the performance of one building or our whole portfolio. In 2021, we increased our average ENERGY STAR score by 4% compared to 2020, and more than 50% of our participating properties received a score greater than 85/100. This is notable given that a score of 75 is considered high performing. Additionally, we currently track limited Scope 3 emissions for 50% of our portfolio using ENERGY STAR Portfolio Manager and disclose annually through GRESB Real Estate Assessment reporting.

### Resource Management

For almost 15 years, our Sustainability Department has been integrating resources and innovative technology to provide a sustainable and enjoyable quality of living for our residents. Our priority is to offer the best experience while minimizing utility costs. Some of our most prominent achievements of the past few years include the waste management of batteries and recycling, composting, and water savings from smart irrigation programs.

We also implemented solar energy systems across our operations in 2021 to further enhance our resource management. We added 158 additional energy efficiency projects in 2021, further increasing our commitment to reducing energy consumption. These projects include LED

retrofits, EV charging stations, and equipment upgrades. We also increased lighting projects by 37% and increased boiler and water heater projects by 58% when compared to 2020.

For more than 18 years, we have implemented Smart Hot Water Management systems on our properties. Currently, 126 Essex multifamily communities serving more than 30,000 doors in California and the Pacific Northwest utilize this technology. This innovative platform captures, analyzes, reports, and adjusts to the specific hot water needs of each Essex property. Ultimately, this leads to efficient and safe hot water delivery for our residents. In 2021, the reduced GHG emissions from these systems were equivalent to taking 799 passenger cars off the road annually.

### Energy and Carbon Impact

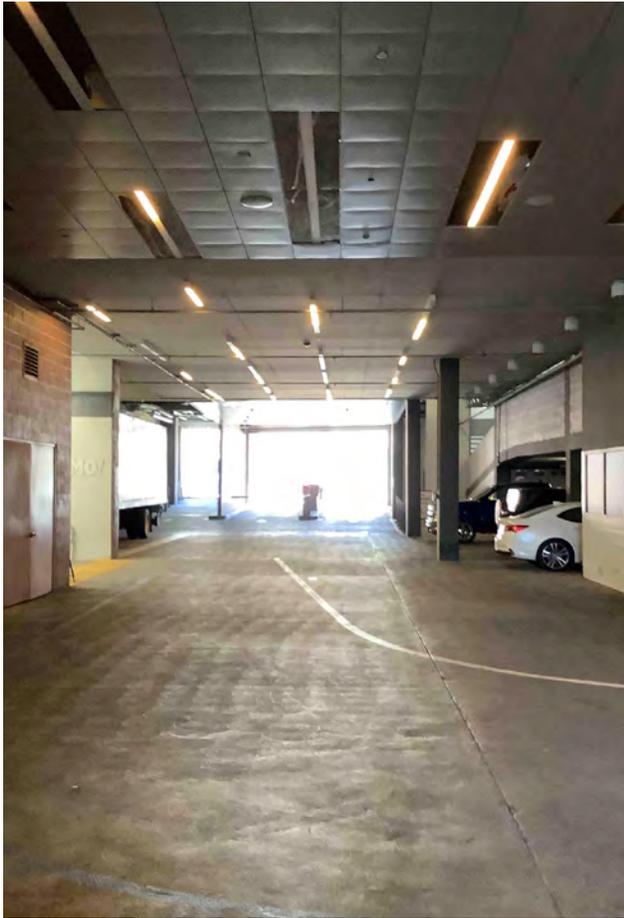
A variety of factors impact energy consumption at a property, including the location and type of housing. Our impact on the climate is directly tied to our energy usage, which is why it is critical that we continue to identify and pursue opportunities to make our communities more energy efficient. Multifamily housing, the core of our business, is inherently one of the most environmentally sustainable housing options, especially when housing is located near public transportation centers. Proximity to major job nodes and public-transit alternatives are important strategic considerations when we acquire and develop new apartment communities.

In 2021, we continued to actively monitor our electricity, water, and gas consumption to identify efficiency opportunities. For example, we improved or updated HVAC and lighting systems in our properties. In 2021, we consumed 245,084 MWh of energy across our portfolio, with our like-for-like communities consuming 195,849 MWh. This was a 7% reduction in like-for-like properties and a 3% overall reduction from 2020. This reduction in energy consumption was primarily due to the completion of 140 energy efficiency projects across our portfolio in 2021.

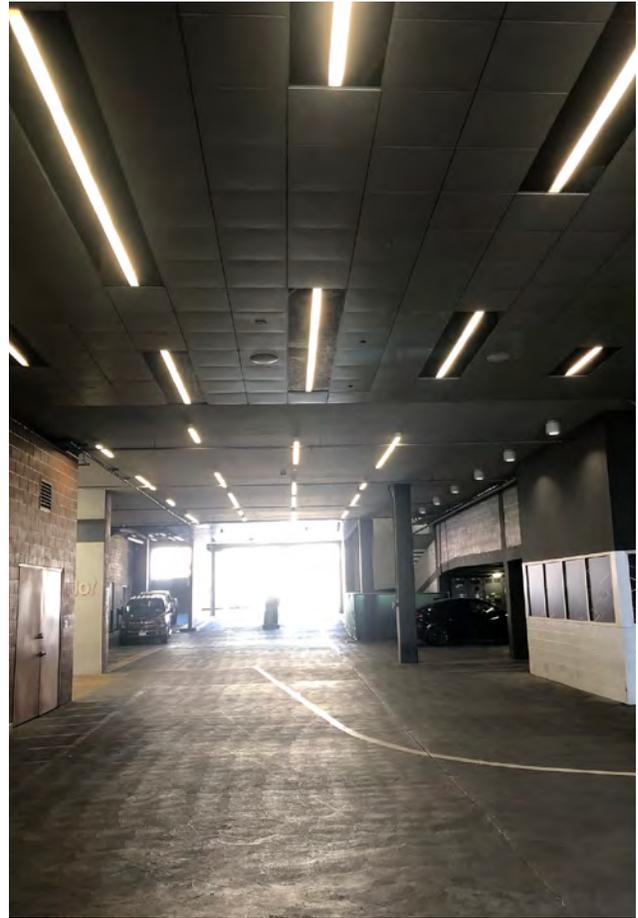
In 2021, we performed an in-depth request for proposal (RFP) process to select a best-in-class technology energy and water information management system (EIMS). This process included detailed identification of our required capabilities, evaluating nearly a dozen potential vendors, and conducting a thorough assessment and scoring of the final vendors participating in the RFP. The EIMS will allow us to better monitor, verify, and analyze our energy data, identify project opportunities, and track GHG emissions. We are currently in the process of implementation with our selected vendor and expect to have portfolio-wide implementation of the system by the end of 2022.

# LIGHTING RETROFIT

Wilshire La Brea, Los Angeles, CA



BEFORE



AFTER

**In 2014, Essex acquired Wilshire La Brea, located in Los Angeles, CA. This property of 478 apartment homes and 11 commercial tenants initially utilized compact fluorescent lighting and linear fluorescent light fixtures, which were installed during the construction of the building. Fluorescent lighting output declines over the life of the fixtures, creating a potential safety issue in parking garages and exterior locations.**

As a result, we implemented a project to retrofit to more energy-efficient LED lighting. Aside from tremendous energy savings, LED lighting quality is much better, has a longer life, and requires lower maintenance costs.

Once the lighting retrofit proposal was reviewed, we incorporated the data into an Internal Rate of Return (IRR) to determine cost-effectiveness, payback, and energy savings as well as fixture-type reviews. Based on the Wilshire La Brea IRR, we identified the following benefits:

- Project start date: 2020
- Project costs: \$310,158
- IRR: 32.9%
- Energy savings: 548,520 kilowatt-hours (kWh)/year
- Annual energy savings: \$98,185
- Payback: 2.9 years
- Project end date: 2021

## CLIMATE CHANGE

With climate change posing increasing threats to businesses and communities, we understand the value of risk assessments and mitigation to our operations. Global warming has forced a shift in many companies to focus on evaluating the physical hazards and transitional risks predicted to impact decision-making and investment strategies in the years ahead. It is part of our core responsibility to improve the resilience of our assets, minimize the impact of our carbon emissions, and innovate new business models for a low-to-zero carbon economy.

In 2022, we published our first [TCFD Report](#) as part of our responsibility to actively evaluate and address the impacts of climate change in a thoughtful manner.

Over the years, we have included, as part of a diversified investment strategy, the potential acquisition of real estate companies and communities. These acquisitions are accompanied by a due diligence task of conducting environmental assessments that include climate-related physical hazards and liabilities such as wildfires, flooding, and potential mechanisms to mitigate the impacts.

Each property under our management has its own Emergency Procedures Manual containing key preparedness instructions for specific climate-related physical hazards, including those events resulting in death or severe injuries in our communities.

	UNIT	2019	2020	2021
<b>SCOPE 1</b> (Direct GHG Emissions)	Metric Tons of CO <sub>2</sub> eq	34,610	31,323	31,016
<b>SCOPE 2</b> (Indirect GHG Emissions)	Metric Tons of CO <sub>2</sub> eq	19,103	16,388	14,823

### Climate Risk

We recognize that physical risks from climate change could greatly impact our properties. Given that our assets are concentrated in different regions of the country, they present distinct degrees of physical risks that we must account for, including risks associated with climate change in terms of the effect of hazards, exposure, and vulnerability.

Thus, in 2021, we laid the groundwork for a Climate Risk Assessment, which we completed in 2022. This includes identifying the types of physical risks to our properties and what early indicators of those risks might be. Below are some of the most critical indicators of potential climate-related risks to our assets:

- Extreme heat days
- Storms
- Wildfires
- Riverine floods
- Coastal floods
- Cooling degree days
- Heating degree days
- Dry days
- Water stress
- Sea-level rise

For more information about climate change risks and our mitigation strategies, please visit the Strategy section of our [TCFD Report](#).

### Renewable Energy Projects

To further reduce our carbon footprint, both for existing and future developments, we have invested in a number of renewable energy programs. On-site solar energy generation allows us to be less reliant on electric power grids and their potential vulnerabilities and provides residents with clean energy. Renewable power also helps protect Essex from fluctuations in the pricing for oil and gas, creating more consistent and cost-effective energy solutions for our residents.

Over the past two years, we have made significant investments in renewable energy projects. In 2021, we invested more than \$10 million in solar energy systems that contributed to the generation of 8,494 MWh of clean energy to our properties. We also made additional investments in 3 solar pool systems and heat pumps, creating more sustainable living conditions for our residents.

## Environmental Policy

We closely evaluate the impact of federal, state, and local legislation surrounding climate change, a key risk from the transition to a lower carbon economy, that could result in increased operating costs. We gave particular consideration to the California Energy efficiency standards, also known as Title 24 or Building Energy Efficiency Standards, which may seek to reduce emissions through the imposition of standards for design, construction materials, water and energy usage, and efficient water management. We will continue to advocate for sensible, sustainable building regulations and disclosures and make informed decisions about the management and development of our properties in a way that meets all regulatory requirements and minimizes our operating costs.

We recognize the exposure the real estate sector has to physical climate change risks, and the responsibility to support climate resilience and operate our communities in a sustainable way. We have further detailed our commitments to climate-related risk mitigation and environmental stewardship in our Climate Change and Environmental Policy Statements released publicly on our website in 2021.

## SMART IRRIGATION SYSTEMS

### HydroPoint Smart Water Management

For over 10 years, Essex properties have utilized HydroPoint Smart Water Management Systems. The system allows us to identify where we have solid data for water consumption, and determine areas of opportunity for improved water efficiency.

As of 2021, we have deployed the technology at 56 properties, with 226 trackers in place. The system has identified that of the 56 locations with controllers, 24 were green indicating cost savings due to improved water efficiency. The systems resulted in total savings of 57.4 million gallons of water and over \$320,000 in 2021.

### 2021 Water Savings Outcome



57,365,387

GALLONS SAVED



\$321,086

DOLLARS SAVED



**PINNACLE ON LAKE WASHINGTON, RENTON, WA**  
Features Water-efficient Irrigation and Landscaping

## Water Management and Consumption

In many regions of the U.S., water conservation is not just a cost savings, but is essential for community longevity. This is especially true for our California properties. We prioritize efficient water management in all locations where we operate and put strategies in place to actively monitor and reduce the water consumption throughout our portfolio. This has been accomplished by installing native landscaping, two-way smart irrigation systems, and leak detection systems, as well as the installation of water efficient appliances and low-flow solutions within residents' homes. In 2021, we added 17 new water-saving irrigation and landscaping projects covering 105 Essex communities. Since 2016, we have invested more than \$4.3 million in improving the water efficiency of our property infrastructure.

## Waste Management

Since 2011, we have invested efforts to collect, manage, recycle, and track waste material generated by residents and the on-site team. We offer our residents access to efficient waste separation to increase the amount of material recycled in our communities. In 2021, we collected 4% more waste from our properties, with 38% of that waste being recycled and 5% being composted. We believe the prolonged and stringent stay-at-home orders during the COVID-19 pandemic and the new hybrid working model being adopted has contributed to the increase in the use of home offices and the subsequent generation of waste associated with our properties.

We worked closely with our contracted Zero Waste Facilitators in 2021 to comply with new state regulations, specifically California SB 1383, a bill designed to reduce organic waste. These regulations require multifamily properties to incorporate compost into their waste stream and implement it accordingly. Currently, many of our properties offer compost services, which reduces our environmental impact and supports our residents' waste goals as well.

## LAMP TRACKER PROGRAM

As part of our Master Service Agreement with our third-party vendor, Waste Management, we offer our communities the Lamp Tracker Program. Our on-site team requests battery and fluorescent lamp recycling containers, which Waste Management mails directly to our properties. Once the containers are full, we package them for shipment back to Waste Management where the collected materials are recycled or otherwise properly disposed.

The Lamp Tracker Program allows Essex to collect, manage, recycle, and track contaminated waste material generated by residents and our on-site team so it is not improperly disposed in landfills. Since 2011, more than 200 of our properties have participated in this program.

- Orders: 143
- Returned: 139
- Average cost per order: \$103
- Total cost: \$14,790
- 4,024 lbs. of material
- Material collected: Fluorescent tubes, compact fluorescent bulbs, lighting ballasts, and batteries

### Sustainable Transportation

When evaluating new assets for acquisition, we consider how the property location positively attributes to the well-being of our residents and the ability to pursue more sustainable lifestyles. Nearly 100% of our communities are within half a mile of a transit stop, and many are surrounded by areas of commerce with job opportunities, entertainment options, and cultural districts.

This accessibility to desirable destinations within minutes by bike or walking makes each of our communities unique. We are also expanding our EV charging station network for residents who want to take advantage of more sustainable vehicle options. This expansion includes resident-assigned EV charging stations in our communities, with 280 installed in 2021.

### Sustainability Certifications

Since the inception of green building certifications such as LEED, GreenPoint, and Built Green, Essex has endeavored to create certified sustainable homes. We have more

than \$200 million committed to projects currently under construction. In 2021, one new property received green building certifications: Wallace on Sunset in Los Angeles, CA. In total, we have now developed 32 properties that have received or are targeting green building certifications, which represents 9,919 apartment homes. For renovations and new development projects, we install energy-efficient lighting fixtures, smart thermostats, and other energy-saving devices. Through our new development projects, we are creating more sustainable homes for the future and ensuring all new developments achieve green building certifications whenever possible.



NUMBER OF CERTIFIED PROPERTIES DEVELOPED BY 2022

DEVELOPED COMMUNITIES WITH GREEN CERTIFICATIONS AS OF 2021



DEVELOPMENT COMMUNITIES WITH SUSTAINABILITY CERTIFICATIONS

# PROVIDING A BETTER ENVIRONMENT

Essex creates a sustainable environment and minimizes our impact on the environment. We are committed to investing in sustainable solutions, renovations, and technologies.

## ENERGY & CLIMATE CHANGE



93 SOLAR ENERGY SYSTEMS



6.6 MW OF INSTALLED CAPACITY OF PHOTOVOLTAIC (PV) ENERGY SYSTEMS



IN THE PAST FIVE YEARS, ESSEX HAS INVESTED \$30.8 MILLION IN RENEWABLE ENERGY PROJECTS, \$28.7 MILLION IN ENERGY EFFICIENCY PROJECTS, AND \$3.7 MILLION IN WATER EFFICIENCY PROJECTS



## BUILDING CERTIFICATIONS



30 DEVELOPED COMMUNITIES WITH GREEN BUILDING CERTIFICATIONS



50% OF COMMUNITIES PARTICIPATING WITH ENERGY STAR (79 AVERAGE SCORE)

## NATURAL RESOURCES



131 COMMUNITIES WITH WATER-SAVING IRRIGATION OR LANDSCAPING



191 COMMUNITIES WITH WASTE-REDUCTION PROGRAMS



128 COMMUNITIES WITH ENERGY-SAVING SMART HOT WATER SYSTEMS

## SUSTAINABLE TRANSPORTATION



65 AVERAGE WALK SCORE



61 AVERAGE BIKE SCORE



65 COMMUNITIES WITH EV CHARGING STATIONS



97% OF ESSEX APARTMENTS WITHIN A HALF-MILE LOCATION OF PUBLIC TRANSPORTATION

# Environmental Impact 2021



45,839

**GHG EMISSIONS\***  
in Metric Tons of Carbon Dioxide Equivalent (MTCO<sub>2</sub>e)

In 2021, our total Scope 1 and 2 GHG emissions were 45,839 MTCO<sub>2</sub>e, a 4% reduction from 2020. Solar renewable energy generated by our communities increased by 26% in 2021. The PV projects that Essex has realized in the past five years generate more than 24,391 MWh of renewable energy for our communities annually, making them less dependent on the grid.



8,494

**RENEWABLE ENERGY**  
in megawatt-hour (MWh)



245,084

**ENERGY USAGE\***  
in megawatt-hour (MWh)

In 2021, we implemented on-site efficiencies and installed PV solar systems in our communities to increase our energy efficiency and reduce our GHG emissions. Our 2021 total energy usage was 245,084 MWh, a 3% reduction from 2020 totals.



2,992,769

**WATER USAGE\***  
in Kgallons

In 2021, our whole building water usage decreased by 5% from 2020. Despite a greater demand from residents working from home, our increased water efficiency projects have reduced the consumption throughout our portfolio.



57% Trash  
38% Recycling  
5% Compost

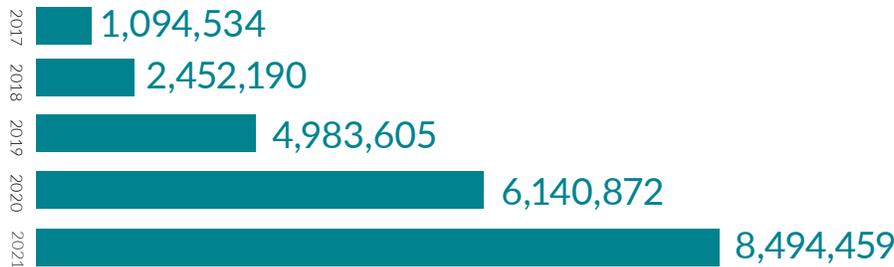
84,945

**WASTE MANAGEMENT\*\***  
in tons

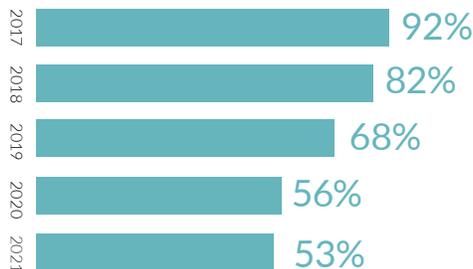
In 2021, we worked with our third-party vendors to optimize the waste processes in 191 communities across our portfolio.

## RENEWABLE ENERGY GENERATION

### KWH PRODUCED THROUGH PV



### DEPENDENCE ON THE GRID FOR THE PROPERTIES THAT INSTALLED PV



## MORE THAN A DECADE OF POSITIVE IMPACT



\$57,632,273

INVESTED IN ENERGY EFFICIENCY



\$32,185,693

INVESTED IN RENEWABLE ENERGY



\$8,057,491

INVESTED IN WATER CONSERVANCY



\$1,421,823

INVESTED IN WASTE REDUCTION

\* The Energy Usage and GHG Emissions indicators cover 100% of floor area under operational control, corresponding primarily to usage and emissions from common areas and shared services. Water Usage covers 99% of total floor area and corresponds primarily to whole building consumption.

\*\* The Waste Management indicator covers 99.5% of residential portfolio, with two of the included properties being estimated based on 2020 data.



SOLSTICE, SUNNYVALE, CA  
A LEED Certified Development

## DELIVERING BETTER RETURNS

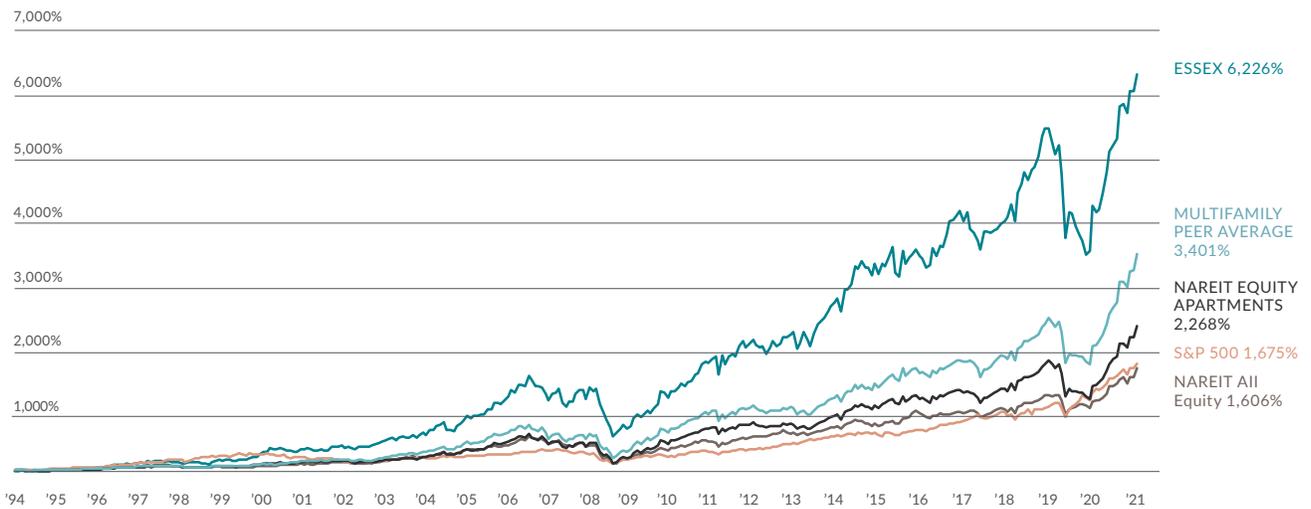
Essex's commitment to strong corporate governance and integrated Board oversight is at the core of both our CSR and financial strategies and successes. Since our initial public offering (IPO) in 1994, we have maintained consistent, profitable returns for our shareholders while upholding our Core Values and high standards for performance and ethical behavior. It is our commitment to our stakeholders that guides our organization, ensuring we will maintain sustainable, better returns for years to come.

# Sustainable Returns

In 2021, Essex generated total returns in the top third of all public U.S. REITs. We announced our 28th consecutive yearly dividend increase in early 2022, and Essex is among an elite group of companies included in the S&P 500 Dividend Aristocrats Index. Additionally, in September 2021, the Company amended and restated its \$1.2 billion unsecured line of credit facility to, among other amendments, incorporate a sustainability-linked pricing component which could reduce the borrowing spread up to 2.5 basis points if certain environmental goals are achieved. Our long history of strong financial results is driven by our experienced leadership team and its dedication to our mission, CSR programs, and capital allocation processes.

We invest in markets with the highest long-term rent growth, and our identification and pricing procedures are driven by our tenured and talented development and acquisition teams. We make thoughtful investments that will not only bring stronger financial results, but also will be vibrant communities for our portfolio. Each of our 253 properties are distinct, with unique rental price points that add diversity to our investments. We evaluate what is most important to our current and future residents – like employment opportunities, local infrastructure, and traffic patterns – to decide what properties we want to develop and operate.

## TOTAL SHAREHOLDER RETURN SINCE IPO



Source: SNL Financial & NAREIT.



### 7.5%

**FFO PER SHARE CAGR  
FROM IPO IN 1994  
THROUGH 2022E**



### 6.1%

**DIVIDEND GROWTH CAGR  
FROM IPO IN 1994  
THROUGH 2022E**



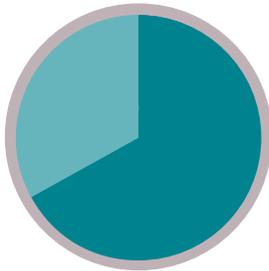
### 28th

**CONSECUTIVE INCREASE  
IN THE ESSEX DIVIDEND  
ANNOUNCED IN  
FEBRUARY 2022**

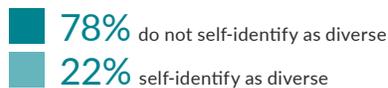
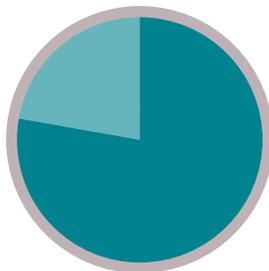


**A S&P 500 DIVIDEND  
ARISTOCRAT  
ONLY APARTMENT  
REIT IN INDEX**

# Corporate Governance



**GENDER DIVERSITY**



**DIVERSITY**

Recognized with a 3+ rating on 50/50 Women on Boards Gender Diversity Directory

**DIVERSITY RECOGNITION**

**78%** 7 out of 9

**INDEPENDENT DIRECTORS**

**13 years** average tenure

**BOARD EXPERIENCE**

## Our Board

Our Board leads our business and CSR performance at the highest level and comprises nine directors, seven of who are independent, including the Chairman of the Board. We select our Board members based on their diverse relevant experience, including real estate, business, finance, administration, cybersecurity, ESG, and corporate governance. We also consider relevant non-professional factors like personality, integrity, and diversity. Three of our Board members have ESG experience. Our Board conducts an annual self-evaluation process, as documented in our annual Proxy Statement.

There are three committees on our Board: Audit, Compensation, and Nominating and Corporate Governance (Nominating). Each committee has specific oversight related to corporate governance, CSR, ESG, and risk management, as outlined in the committees' charters, which are available on the [Corporate Governance](#) page of our website.

For more information regarding our secure and robust corporate governance strategy, please visit our [Annual Report, Proxy Statement](#), and [Corporate Governance Guidelines](#).

## Audit Committee

Our Board's Audit Committee is responsible for overseeing the integrity of the Company's financial statements; compliance with legal and regulatory requirements; independent auditor's qualifications and independence; the performance of the internal audit function and independent

auditors; and preparing an audit committee report, as required by the U.S. Securities and Exchange Commission (SEC). In relation to CSR and ESG matters, this committee oversees our enterprise-level risk management (ERM) program, with the goal of monitoring various types of risk to Essex, including ESG risks. It also meets with senior management biannually to review ERM and ESG risks and the Company's strategy for minimizing them, especially cyber risks, which are reviewed at each meeting.

## Compensation Committee

Our Board's Compensation Committee is responsible for overseeing the compensation of the Company's directors and executive officers, including evaluating and approving all compensation plans, policies, and programs for executive officers and nonexecutive employees. This committee contributes to the overall Essex CSR and ESG strategy by ensuring that our goals and objectives, relevant to the CEO and other executive officers' compensation, are appropriate, equitable, and reflective of our performance compared to other companies.

## Nominating Committee

Our Board's Nominating Committee is responsible for determining Board qualifications, nomination, composition, and evaluation. This committee is also expressly responsible for reviewing our ESG strategy, goals, and initiatives and providing updates to the Board on our progress. It is also responsible for monitoring current trends and practices related to corporate governance and ESG initiatives and recommending strategies regarding ESG efforts to the Board.

### Internal Audit

We maintain a knowledgeable Internal Audit team that internally and independently reviews and audits key Company activities on a continual basis, helping us maintain and improve the effectiveness of our risk management, controls, and corporate governance. This team conducts audit tests and evaluates our internal controls for gaps and process efficiencies (some audits also include Sarbanes-Oxley [SOX] compliance) as well as prepares reports for the Audit Committee, senior management, and key process owners. These reports include recommendations for process enhancements and solicit feedback for final audit reports.

### Enterprise Risk Management (ERM)

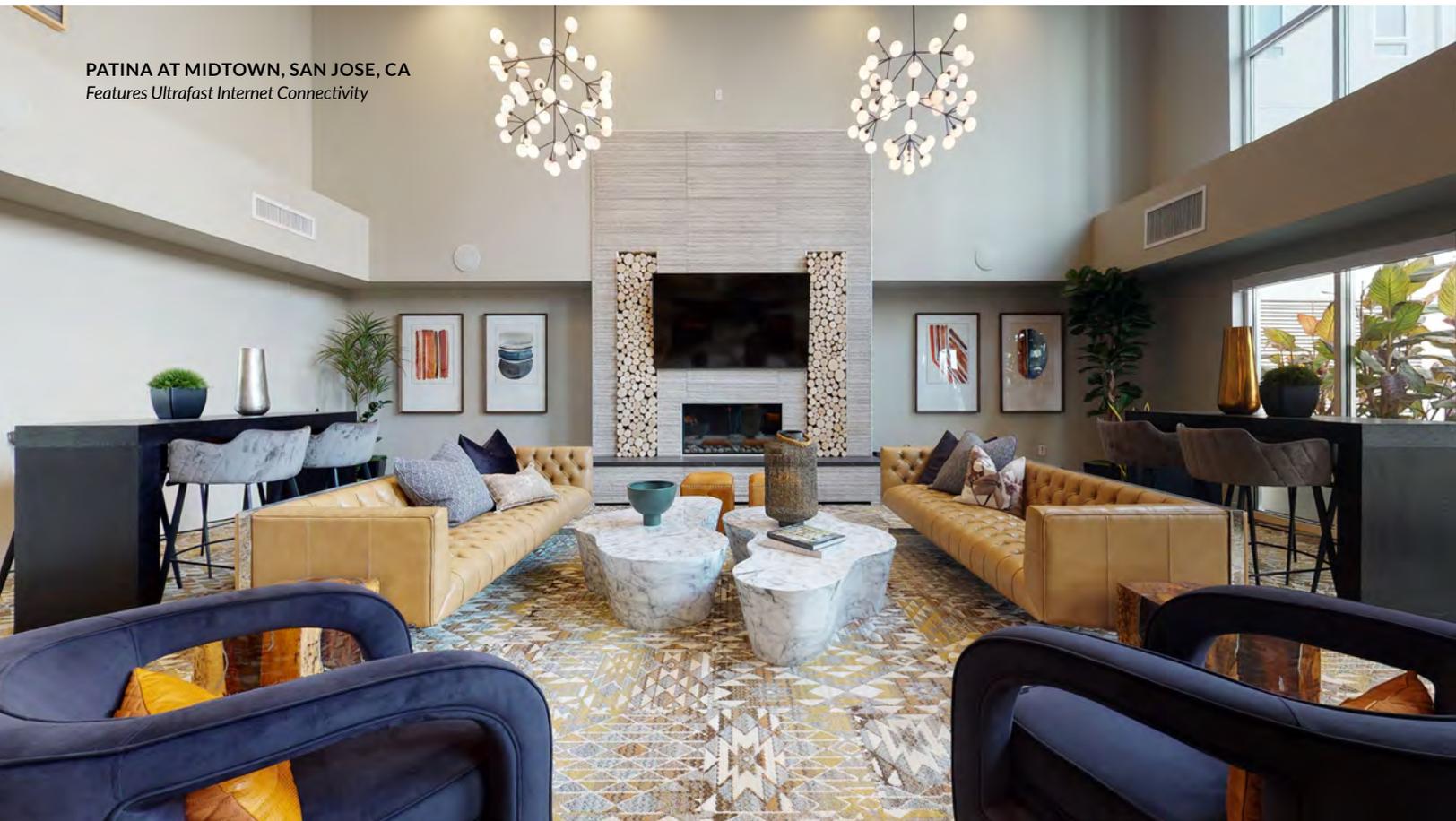
Essex has a robust and well-integrated ERM function. Our ERM approach allows for both the identification and assessment of risk across several risk areas as well as the articulation of mitigating efforts and associated ownership responsibilities to achieve those efforts. A Company-level ESG/CSR committee oversees ESG reporting, goal setting, and development of Essex's CSR Report, while a Company-level ERM committee oversees the ERM strategy and objectives including ESG risks and mitigating strategies. These committees consist of senior leadership and subject-matter experts from across the Company.

As we continue our efforts to develop and integrate ESG more completely into our business strategy, we are also looking to integrate climate risks into our ERM risk analysis. The completion of our Climate Risk Analysis sets the foundation for our initial risk analysis, and the identified risk factors can now be included in annual assessments. Our approach ensures effective governance, oversight of ESG strategy and risks, and incorporation of mitigating measures.

### Keeping Data Secure

Given our 2022 goal to roll out Smart Home to the entire portfolio, protecting the data of our business and residents is more paramount than ever. We regularly review and update our cybersecurity practices and processes, including assessments conducted by a best-in-class consultant in 2019 and 2022. We require all associates to be familiar with our Cybersecurity Policy, and we conduct simulated phishing campaigns monthly. Based on the results of those campaigns, we assign additional cybersecurity training, as needed. We regularly update these training sessions and campaigns based on the latest information around cybersecurity and social engineering tactics. In 2021, 778 hours of Cybersecurity and Data Privacy training was provided.

**PATINA AT MIDTOWN, SAN JOSE, CA**  
*Features Ultrafast Internet Connectivity*



We work closely with a third-party specialist to bring expertise to Essex and support our organization in protecting confidential Company data. Our monitoring tools continuously look for threats to our host or network, and we analyze and evaluate any identified threats against global databases of known threats and threat actors. We maintain an Operations Center team that reviews and monitors these threats 24/7. Since 2016, Essex has not had any cyber breaches nor incurred any expenses in connection with cyber breaches. In addition, we purchased cyber insurance to help defray the costs in the event of an information security breach.

### **Ethical Company**

Essex has always been committed to integrity and ethics, and it is a key part of our corporate culture. We require all new hires to take training on our Code of Business Conduct. Associates receive updated business ethics training every two years to refresh their awareness of the Essex Code of Business Conduct. We monitor compliance for all associates, officers, and directors to ensure compliance with our Code. To maintain confidentiality in reporting any violations, we maintain an anonymous compliance hotline, Convercent.

Our strong commitment to ethical business extends to our [Policy Regarding Contributions to State and Local Public Officials and Candidates](#) as well. All direct or indirect

contributions toward political campaigns require approval from our Compliance Manager. Our lobbying activities and disclosure comply with all federal regulations and are focused on advocacy for rental property owners.

We have developed several other policies that guide our ethical conduct, including our Anti-Fraud Policy, Anti-Bribery Policy, Conflict of Interest Policy, and [Human Rights Statement](#).

### **Responsible Procurement**

Maintaining safe, clean, and inviting communities is integral to our successful performance. This requires collaboration with a variety of different vendors to maintain our properties to our high standards. In 2021, more than 90% of our third-party vendors were local, which benefits the communities in which we operate as well as the environment.

We choose to work with responsible vendors, all of which have acknowledged our Vendor Code of Conduct. We expect our vendors to comply with this Code, and Essex maintains the right to immediately remove any vendor that behaves in a manner that is unlawful or inconsistent with this code. We encourage our vendors to report potential violations from any party either anonymously through Convercent or by contacting our Internal Audit Department.



# CREATING VALUE FOR OUR STAKEHOLDERS

At Essex, we deliver better returns for all our stakeholders by investing in our communities, having strong governance, developing and acquiring sustainable communities, and procuring responsibly.



## STRONG GOVERNANCE



INDEPENDENT BOARD DIRECTORS TOTALING 78%



AN INDEPENDENT LEAD BOARD DIRECTOR



WOMEN TOTALING 33% OF BOARD DIRECTORS



BOARD OVERSIGHT ON ESG MATTERS



TWO BOARD DIRECTORS SELF-IDENTIFYING AS "DIVERSE"



## SUSTAINABLE RETURNS



A 55% CUMULATIVE SAME-PROPERTY NET OPERATING INCOME (NOI) GROWTH OVER THE PAST DECADE



A 28-YEAR INCREASE IN DIVIDENDS



THE ONLY APARTMENT REIT IN THE S&P 500 DIVIDEND ARISTOCRATS INDEX

## NEW DEVELOPMENTS



LEASED UP \$0.9 BILLION IN NEW SUSTAINABLE CONSTRUCTION PROJECTS



DEVELOPED AND DELIVERED 1,482 NEW ENERGY-EFFICIENT APARTMENT HOMES



INVESTED \$144 MILLION IN PORTFOLIO UPGRADES, MAKING THEM MORE ATTRACTIVE FOR RESIDENTS

## RESPONSIBLE PROCUREMENT



INVESTING IN LOCAL COMMUNITIES BY USING MORE THAN 90% OF LOCAL SUPPLIERS



ESTABLISHING ENVIRONMENTAL AND SOCIAL STANDARDS, THROUGH OUR VENDOR CODE OF CONDUCT, THAT ALL VENDORS MUST MEET

# CSR Factsheet

Creating Quality Communities  
in Premier Locations

## SUPPLEMENTAL INFORMATION / ENVIRONMENTAL\*

INDICATOR	UNIT	2016	2017	2018	2019	2020	2021
Absolute Energy Usage - Electric	MWh	86,940	87,322	86,592	85,748	79,304	73,946
Absolute Energy Usage - Natural Gas	MWh	182,436	190,048	194,947	190,966	172,831	171,138
Total Energy Usage	MWh	269,375	277,370	281,540	276,714	252,134	245,084
Like-for-Like Energy Usage - Electric	MWh	71,673	69,249	67,001	66,092	61,264	56,612
Like-for-like Energy Usage - Natural Gas	MWh	168,155	165,212	167,067	164,507	148,556	139,237
Total Like-for-Like Energy Usage	MWh	239,828	234,461	234,068	230,599	209,820	195,849
Percentage of Electric Energy Usage Derived from On-site Renewable Sources	% of Total Energy Usage	0.72%	1.25%	2.83%	5.81%	8.49%	11.5%
Total Renewable Energy Generation	MWh	629	1,095	2,452	4,984	6,736	8,494
Installed Capacity of Solar Power	KW (system size)	434	3,206	3,178	4,438	5,326	6,587
Direct GHG Emissions (Scope 1)**	Metric Tons of CO <sub>2</sub> eq	33,064	34,443	35,331	34,610	31,323	31,016
Indirect GHG Emissions (Scope 2)**	Metric Tons of CO <sub>2</sub> eq	21,547	21,512	20,955	19,103	16,388	14,823
Total Investment in Low Carbon Opportunities	USD				\$19,142,367	\$5,468,958	\$16,388,556
Absolute Whole Building Water Usage	Kgal	2,792,425	2,918,318	2,991,666	2,858,640	3,144,655	2,992,769
Like-for-Like Whole Building Water Usage	Kgal	2,518,772	2,561,145	2,656,342	2,514,113	2,739,020	2,584,146
Like-for-Like Water/Occupant Ratio	Gallons	27,093	27,210	26,783	26,389	29,669	28,776
Total Waste Generated in Like-for-Like Community Operations	Metric tons			73,219	72,474	77,733	79,481
% of Community Waste Recycled in Like-for-Like Community Operations	% of community waste			36%	36%	38%	38%
% of Community Waste Composted in Like-for-Like Community Operations	% of community waste			4%	3%	3%	5%

## SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY CONTRACT TYPE	2017		2018		2019		2020		2021	
Permanent	1806		1822		1846		1797		1752	
Temporary	2		5		3		2		5	
Total	1808		1827		1849		1799		1757	

TOTAL WORKFORCE BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME)	2017		2018		2019		2020		2021	
Full-time	1777		1794		1815		1771		1734	
Part-time	31		33		34		28		23	
Total	1808		1827		1849		1799		1757	

TOTAL WORKFORCE BY GENDER	2017		2018		2019		2020		2021	
	#	%	#	%	#	%	#	%	#	%
Male	1022	56%	1035	57%	1047	57%	1040	58%	1,019	58%
Female	787	44%	792	43%	802	43%	759	42%	738	42%

NEW HIRES BY GENDER	2017		2018		2019		2020		2021	
	#	%	#	%	#	%	#	%	#	%
Male	260	54%	230	53%	248	43%	281	65%	324	59%
Female	220	46%	207	47%	332	57%	151	35%	226	41%

\* The energy usage and GHG emissions indicators cover areas under operational control, corresponding primarily to usage and emissions from common areas and shared services. Water usage corresponds primarily to whole building consumption. The absolute indicators (energy, GHG emissions, and water) include all communities that are owned and in operation in that reporting year. Like-for-like energy and water data includes communities that are managed and operational in all six reporting periods. Like-for-like waste data includes communities that are managed and operational in the last four reporting periods.

\*\* The greenhouse gas emissions inventory has been developed using the GHG Protocol Corporate Accounting and Reporting Standard of the World Resources Institute and the World Business Council for Sustainable Development, including the use of regional emission factors provided by the Environmental Protection Agency.

## SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY AGE GROUP	2017		2018		2019		2020		2021	
	#	%	#	%	#	%	#	%	#	%
<= 25	198	11%	165	9%	202	11%	180	10%	176	10%
26-35	568	31%	582	32%	573	31%	544	30%	527	30%
36-45	438	24%	449	25%	437	24%	426	24%	422	24%
46-55	380	21%	385	21%	387	21%	375	21%	351	20%
56-65	205	11%	218	12%	224	12%	232	13%	246	14%
> 65	20	1%	28	2%	26	1%	42	2%	35	2%

NEW HIRES BY AGE GROUP	2017		2018		2019		2020		2021	
	#	%	#	%	#	%	#	%	#	%
<= 25	108	23%	86	20%	133	23%	105	24%	145	26%
26-35	198	41%	179	41%	226	39%	175	41%	204	37%
36-45	82	17%	87	20%	107	18%	75	17%	103	19%
46-55	55	11%	51	12%	70	12%	54	13%	67	12%
56-65	36	8%	33	8%	36	6%	20	5%	31	6%
> 65	1	0.2%	1	0.2%	8	1%	2	0.5%	1	0.2%

GENDER REPRESENTATION BY POSITION	2021			
	Male #	Male %	Female #	Female %
Corporate - Top Executives, VPs, Assistant VPs, Directors, and Managers	70	51%	66	49%
Corporate - Below manager position	94	39%	145	61%
Field - Regional Directors/Managers, Community Managers and Assistant Managers	96	28%	242	72%
Field - Leasing Specialists, Leasing Managers, Relationship Reps, Bookkeepers	119	38%	194	62%
Field - Maintenance Supervisors and Techs	534	98%	10	2%
Field - Porter, Landscaper, Painter, Security Guard, Amenities Attendant	103	56%	82	44%

TRAINING AND CHARITABLE CONTRIBUTIONS	UNIT	2017	2018	2019	2020	2021
Total Training Hours	# of person-hours	64,732	46,272	36,296	50,303	36,349
Total Investment in Training & Development	USD	\$236,396	\$307,092	\$305,105	\$392,754	\$374,883
Total Charitable Contributions	\$	\$53,331	\$24,910	\$47,816	\$93,583	\$202,374

HEALTH AND SAFETY	UNIT	2018	2019	2020	2021
Lost Time Case Rate	LTC Rate	2.05	2.34	1.70	2.52
Total Recordable Incident Rate	IR Rate	6.84	5.72	5.33	6.28

## GRI CONTENT INDEX

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
<b>GRI 102: DISCLOSURE</b>		
<b>102: ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	About this Report - p. 2
102-2	Activities, brands, products, and services	About Essex - p. 4
102-3	Location of headquarters	Back cover - p. 62
102-4	Location of operations	About Essex - p. 4
102-5	Ownership and legal form	About this Report - p. 2
102-6	Markets served	About Essex - p. 4
102-7	Scale of the organization	About Essex - p. 4 <a href="#">2021 10-K</a>
102-8	Information on employees and other workers	People Performance Indicators 2021 - p. 31 Supplemental Information / Social - p. 51
102-9	Supply chain	Responsible Procurement - p. 48
102-10	Significant changes to the organization and its supply chain	<a href="#">2021 Annual Report</a>
102-11	Precautionary Principle or approach	Sustainability Certifications - p. 41 Climate Change - p. 39
102-12	External initiatives	Sustainability Certifications - p. 41 Commitment to Human Rights - p. 28 <a href="#">Human Rights Statement</a> <a href="#">Climate Change Policy Statement</a> <a href="#">Environmental Policy Statement</a>
102-13	Membership of associations	<i>Bay Area Council, Building Industry Association Bay Area (BIA), California Apartment Association (CAA), Housing Industry Foundation (HIF), National Association of Home Builders (NAHB), National Association of REITs (Nareit), National Multifamily Housing Council (NMHC), San Francisco Apartment Association (SFAA), Silicon Valley Organization (SVO), Urban Land Institute (ULI), Washington Multi-Family Housing Association (WMFHA)</i>
<b>102: STRATEGY</b>		
102-14	Statement from senior decision-maker	President's Letter - p. 8
102-15	Key impacts, risks, and opportunities	CSR Goals - p. 12 CSR Governance - p. 11 Stakeholder Engagement - p. 14 Materiality Assessment - p. 14 Climate Change - p. 39 Environmental Impact 2021 - p. 43
<b>102: ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	Ethical Company - p. 48 <a href="#">Essex Code of Business Conduct and Ethics</a>
102-17	Mechanisms for advice and concerns about ethics	Ethical Company - p. 48
<b>102: GOVERNANCE</b>		
102-18	Governance structure	Corporate Governance - p. 46 CSR Governance - p. 11
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Governance - p. 11
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement - p. 14 Materiality Assessment - p. 14
102-22	Composition of the highest governance body and its committees	Corporate Governance - p. 46
102-26	Role of highest governance body in setting purpose, values, and strategy	CSR Governance - p. 11 Nominating Committee - p. 46
102-29	Identifying and managing economic, environmental, and social impacts	Stakeholder Engagement - p. 14 Materiality Assessment - p. 14
102-32	Highest governance body's role in sustainability reporting	CSR Governance - p. 11 Stakeholder Engagement - p. 14 Materiality Assessment - p. 14

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
<b>102: STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	Stakeholder Engagement - p. 14
102-41	Collective bargaining agreements	<i>No employees covered by collective bargaining agreements.</i>
102-42	Identifying and selecting stakeholders	Stakeholder Engagement - p. 14 Materiality Assessment - p. 14
102-43	Approach to stakeholder engagement	Stakeholder Engagement - p. 14 Materiality Assessment - p. 14
102-44	Key topics and concerns raised	Stakeholder Engagement - p. 14 Materiality Matrix & Materiality Assessment - p. 14
<b>102: REPORTING PRACTICE</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">2021 10-K</a>
102-46	Defining report content and topic boundaries	About this Report - p. 2 Stakeholder Engagement - p. 14 Materiality Matrix & Materiality Assessment - p. 14
102-47	List of material topics	Materiality Matrix - p. 14
102-48	Restatements of information	<i>Like-for-like data for energy, water, and waste indicators for previous reporting periods has been updated to reflect a like-for-like criteria of 6 years for energy and water usage (2016 baseline), and 4 years for waste management (2018 baseline).</i>
102-49	Changes in reporting	<i>No significant changes in material topics and topic boundaries.</i>
102-50	Reporting period	<i>All information in this CSR Report covers the 2021 calendar year unless otherwise stated.</i>
102-51	Date of most recent report	About this Report - p. 2
102-52	Reporting cycle	About this Report - p. 2
102-53	Contact point for questions regarding the report	About this Report - p. 2
102-54	Claims of reporting in accordance with the GRI Standards	About this Report - p. 2
102-55	GRI content index	GRI Content Index - p. 53
102-56	External assurance	<i>This CSR Report has not been externally assured.</i>
<b>GRI 200: ECONOMIC ASPECTS</b>		
<b>201: ECONOMIC PERFORMANCE</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 14 Materiality Assessment - p. 14
103-2	Management Approach: The management approach and its components	CSR Goals - p. 12
103-3	Management Approach: Evaluation of the management approach	Environmental Impact 2021 - p. 43 Supplemental Information / Environmental - p. 51 Environmental Compliance - p. 37
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change - p. 39 <a href="#">TCFD report</a> <a href="#">2021 10-K</a> - p. 18
201-3	Defined benefit plan obligations and other retirement plans	Health and Well-being - p. 26
<b>GRI 300: ENVIRONMENTAL ASPECTS</b>		
<b>302: ENERGY</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 14 Materiality Assessment - p. 14 Environmental Stewardship - p. 37
103-2	Management Approach: The management approach and its components	CSR Goals - p. 12 Energy and Carbon Impact - p. 37 Renewable Energy Projects - p. 39
103-3	Management Approach: Evaluation of the management approach	Environmental Impact 2021 - p. 43 Environmental Compliance - p. 37
302-1	Energy consumption within the organization	Environmental Impact 2021 - p. 43 Supplemental Information / Environmental - p. 51
302-3	Energy intensity	Supplemental Information / Environmental - p. 51
302-4	Reduction of energy consumption	Environmental Impact 2021 - p. 43 Supplemental Information / Environmental - p. 51 Renewable Energy Projects - p. 39

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
<b>303: WATER</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 Environmental Stewardship – p. 37
103-2	Management Approach: The management approach and its components	CSR Goals – p. 12 Environmental Stewardship – p. 37 Water Management and Consumption – p. 40
103-3	Management Approach: Evaluation of the management approach	Environmental Stewardship – p. 37 Environmental Impact 2021 – p. 43
303-5	Water consumption	Environmental Impact 2021 – p. 43 Supplemental Information / Environmental – p. 51
<b>305: EMISSIONS</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 Environmental Stewardship – p. 37 Climate Change – p. 39
103-2	Management Approach: The management approach and its components	CSR Goals – p. 12 Environmental Stewardship – p. 37 Climate Change – p. 39 Renewable Energy Projects – p. 39
103-3	Management Approach: Evaluation of the management approach	CSR Goals – p. 12 Environmental Compliance – p. 37 Renewable Energy Projects – p. 39
305-1	Direct (Scope 1) GHG emissions	Environmental Impact 2021 – p. 43 Supplemental Information / Environmental – p. 51
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Impact 2021 – p. 43 Supplemental Information / Environmental – p. 51
305-4	GHG emissions intensity	Supplemental Information / Environmental – p. 51
305-5	Reduction of GHG emissions	Resource Management – p. 37 Climate Change – p. 39
<b>306: EFFLUENT AND WASTE</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 Environmental Stewardship – p. 37
103-2	Management Approach: The management approach and its components	Environmental Stewardship – p. 37
103-3	Management Approach: Evaluation of the management approach	Environmental Stewardship – p. 37 Environmental Impact 2021 – p. 43
306-2	Waste by type and disposal method	Environmental Impact 2021 – p. 43 Supplemental Information / Environmental – p. 51
<b>GRI 400: SOCIAL ASPECTS</b>		
<b>401: EMPLOYMENT</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 An Engaged E-Team – p. 23
103-2	Management Approach: The management approach and its components	CSR Goals – p. 12 An Engaged E-Team – p. 23 Steps to Success – p. 23
103-3	Management Approach: Evaluation of the management approach	People Performance Indicators 2021 – p. 31 An Engaged E-Team – p. 23
401-1	New employee hires and employee turnover	People Performance Indicators 2021 – p. 31 Supplemental Information / Social – p. 51
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Investing in Our Future – p. 28

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
<b>404: TRAINING AND EDUCATION</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 Steps to Success – p. 23
103-2	Management Approach: The management approach and its components	CSR Goals – p. 12 Diversity Equity and Inclusion (DEI) – p. 32
103-3	Management Approach: Evaluation of the management approach	People Performance Indicators 2021 – p. 31 An Engaged E-Team – p. 23
404-1	Average hours of training per year per employee (focused personal and professional development hours)	Steps to Success – p. 23 Supplemental Information / Social – p. 51
404-2	Programs for upgrading employee skills and transition assistance programs	Steps to Success – p. 23 Supplemental Information / Social – p. 51
<b>405: DIVERSITY AND EQUAL OPPORTUNITY</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 Diversity Equity and Inclusion (DEI) – p. 32
103-2	Management Approach: The management approach and its components	CSR Goals – p. 12 Diversity Equity and Inclusion (DEI) – p. 32
103-3	Management Approach: Evaluation of the management approach	An Engaged E-Team – p. 23
405-1	Diversity of governance bodies and employees	Diversity Equity and Inclusion (DEI) – p. 32 Corporate Governance – p. 46 Supplemental Information / Social – p. 51
405-2	Ratio of basic salary and remuneration of women to men	People Performance Indicators 2021 – p. 31
<b>413: LOCAL COMMUNITIES</b>		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement – p. 14 Materiality Assessment – p. 14 Affordable Housing Program – p. 17 Essex Cares – p. 21
103-2	Management Approach: The management approach and its components	CSR Goals – p. 12 Essex Cares – p. 21
103-3	Management Approach: Evaluation of the management approach	Great Places to Live – p. 17 Essex Cares – p. 21
413-1	Operations with local community engagement, impact assessments, and development programs	Affordable Housing Program – p. 17 Essex Cares – p. 21 Residence Assistance Program – p. 21 Community Assistance Program – p. 21 Small Business Assistance Program – p. 21 Employee Volunteer Program – p. 26

## SASB INDEX

SASB CODE	ACCOUNTING METRIC	RESPONSE AND/OR LOCATION
<b>ENERGY MANAGEMENT</b>		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy consumption data covers 100% of our floor area under operational control, corresponding primarily to common areas and shared services. For additional information, refer to p. 51 - <a href="#">Supplemental Information/Environmental</a> .
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	(1) 245,084 MWh (2) 88% (3) 11% For additional information, refer to p. 51 - <a href="#">Supplemental Information/Environmental</a> .
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	-7.5% For additional information, refer to p. 51 - <a href="#">Supplemental Information/Environmental</a> .
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	(1) 50% (2) 0.4% For additional information, refer to p. 37 - <a href="#">Environmental Compliance</a> .
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Essex actively monitors and benchmarks energy performance throughout its portfolio and conducts quarterly financial utility analyses to identify outliers and opportunities for implementing initiatives and technologies aimed at improving the energy efficiency and carbon footprint of our communities, as well as lowering utility expenses, producing financial returns, and/or contributing to the long-term value of our assets. For all new developments, Essex pursues green building certifications and strategies that not only reduce the energy intensity and carbon impact of the buildings and its occupants, but also contribute to the overall climate resilience of our properties and capture the benefits of transitioning to a low-carbon economy For additional information, refer to p. 37 - <a href="#">Resource Management &amp; Energy and Carbon Impact</a> , and p. 43 - <a href="#">Renewable Energy Generation &amp; Invested in Energy Efficiency</a> .
<b>WATER MANAGEMENT</b>		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 99.1% of total floor area. Water withdrawal corresponds primarily to whole building consumption. (2) 25,518,631 leasable square feet.
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 2,992,769 KGal (2) 45% For additional information, refer to p. 51 - <a href="#">Supplemental Information/Environmental</a> .
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	-5.6 For additional information, refer to p. 51 - <a href="#">Supplemental Information/Environmental</a> .
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Essex actively monitors water performance to identify conservancy and investment opportunities, as well as to detect inefficiencies. To address potential water stress and drive water use efficiency throughout the portfolio, conservancy goals have been established for reducing direct water use in common areas and indirect use throughout tenant-controlled areas and shared services. Strategies focus on improving resident awareness & engagement and investing in the implementation of native landscaping, smart irrigation technologies, and leak detection systems, as well as the installation of water efficient appliances and low-flow solutions within residents' homes. For additional information, refer to p. 40 - <a href="#">Smart Irrigation Systems &amp; Water Management and Consumption</a> .

SASB CODE	ACCOUNTING METRIC	RESPONSE AND/OR LOCATION
<b>MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS</b>		
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	(1) 0% of new residential leases contain a cost recovery clause for resource efficiency related to capital improvements. (2) Not applicable.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	(1) 97.7% (2) 6.2%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Essex's Smart Home program highlights smart home features such as electronic door locks, remote thermostats, water-leak sensors, and smart plugs. By using the latest high-performance, scalable, and future-proof technologies, this transformational strategy automates our apartments and promotes efficient living for our residents. To further educate our residents on how they can support our wide range of sustainability and energy conservation initiatives, we include a "Green Community" addendum to all leases.  Refer to p. 18 – <a href="#">Smart Living and Digital Transformation</a> and p. 37 <a href="#">Environmental Stewardship</a> .
<b>CLIMATE CHANGE ADAPTATION</b>		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	3,477,932 leasable square feet (6.4% of total leasable square feet).
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Essex completed a Climate Risk Analysis in 2022, which provided a more in-depth assessment of the climate-related risks we face and the potential solutions for mitigating such risks. The analysis explored the Transition and Physical risks facing our portfolio. Following extensive research, we developed a risk profile, based on the ERM risk scale, to assess transition risk. For our Physical risks, we built an interactive GIS map that leverages several databases to track physical climate risks in our property locations and provides a real-time look at each property's physical risk profile. We established recommendations for physical and transition risk mitigation based on this analysis.  Refer to p. 39 <a href="#">Climate Change &amp; Climate Risk</a> for risk mitigation and resiliency strategies and targets associated with climate change risk.  Refer to our <a href="#">TCFD report</a> for a complete description of climate-related analysis and mitigating risks.  Refer to p. 18 of our latest <a href="#">10-K Report</a> for additional risk factors associated with climate change.

## TCFD INDEX

In March of 2022, Essex published its first TCFD report which evaluated our climate risk exposure and highlighted our efforts to mitigate those risks. The following table summarizes the Physical and Transitional Risks we identified as well as the Opportunities we are pursuing to address them. Please visit our website to view the full version of our [TCFD report](#).

	PHYSICAL RISKS	TRANSITION RISKS	TRANSITIONAL OPPORTUNITIES
Short Term	<ul style="list-style-type: none"> <li>Increased storms could affect our apartment communities</li> <li>Wildfires threaten the security of our apartment communities</li> <li>Increased cooling degree days could increase energy costs for us and our residents</li> <li>Heating degree days could increase energy costs for us and our residents</li> <li>Drought/ Precipitation variability could impact infrastructure around our apartment communities</li> </ul>	<ul style="list-style-type: none"> <li>Increased administrative costs associated with required climate disclosure regulations</li> <li>Increased energy costs due to stringent renewable portfolio standards</li> <li>Higher energy prices due to decarbonization of electric sector and grid development</li> </ul>	<ul style="list-style-type: none"> <li>Align ESG and climate-related disclosure with voluntary disclosure frameworks</li> <li>Expand capabilities and implement information management system(s) to monitor GHG emissions across the value chain, including Scope 3 emissions</li> <li>Seek external assurance for key environmental and climate change performance metrics</li> <li>Explore the viability of participating in Direct Access Lottery programs for purchasing power from competitive providers instead of regulated electricity utilities</li> <li>Consider participating in demand response programs</li> <li>Increase on-site renewable energy capacity (portfolio system size) and develop program to drive reductions in assets with highest energy usage intensity</li> </ul>
Medium Term	<ul style="list-style-type: none"> <li>Extreme heat days could impact our energy costs</li> <li>Riverine flood could cause damage to our facilities</li> <li>Coastal flood could cause damage to our apartment communities</li> </ul>	<ul style="list-style-type: none"> <li>Increase in administrative and compliance costs for meeting building benchmarking, audit and retro commissioning planning ordinances</li> <li>Increase costs for energy and carbon retrofits due to changes in energy and carbon intensity requirements or regulations</li> <li>Changes to renewable incentive programs that could result in longer payback times for onsite renewable energy systems</li> <li>Increased development and renovation costs due to more stringent building and energy code regulations</li> <li>Higher insurance costs and/ or reduced availability of insurance coverage</li> <li>Higher cost of materials for development projects due carbon pricing programs</li> </ul>	<ul style="list-style-type: none"> <li>Define scope of properties subject to ordinances and determine action plan for complying with new audit and retro commissioning requirements</li> <li>Define scope of properties subject to ordinances and determine action plan for complying with new audit and retro commissioning requirements</li> <li>Explore and pursue actions that can lead to exemptions from energy audit and retro commissioning processes within applicable ordinances</li> <li>Develop monitoring system for applicable rebates/subsidy programs for energy efficiency, electrification, or renewable energy technology and solutions</li> <li>Expand capabilities for ongoing tracking of energy and carbon intensity and performance at building level</li> <li>Explore the implementation of energy storage systems</li> <li>Continue exploration of providing PV solar energy to residents</li> <li>Maximize the implementation of viable PV systems prior to rollout of NEM 3.0 to grandfather in protections</li> <li>Increase internal expertise in around designing and managing for net zero buildings</li> </ul>

			<ul style="list-style-type: none"> <li>• Incorporate climate-related risk and resilience screening within the due diligence process for acquisitions and developments</li> <li>• Leverage applicable incentive programs for increasing building resilience</li> <li>• Implement embodied carbon reduction strategies that limit the use carbon-intensive materials and explore low-embodied carbon substitutes</li> </ul>
Long Term	<ul style="list-style-type: none"> <li>• Sea level rise could threaten the habitability of our apartment communities along the coastline</li> <li>• Water stress could impact our water costs</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in value of real estate assets due to not meeting energy or carbon intensity expectations (stranded asset risk)</li> </ul>	<ul style="list-style-type: none"> <li>• Expand capabilities for tracking of energy and carbon intensity and performance at building level</li> <li>• Benchmark against assets against pathways and develop energy retrofit and/or decarbonization planning for underperforming assets</li> <li>• Incorporate the evaluation of energy intensity, GHG intensity and stranded asset risk within the due diligence process for potential acquisitions</li> </ul>

## FORWARD-LOOKING STATEMENTS

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The Company has not sought any external assurance for this report, and the data summarized in this report was sourced from responsible business units within the Company. Certain information set forth in this report contains forward-looking statements and although such statements are based on what the Company reasonably believes to be achievable, there can be no guarantee as actual results, and future events could differ. This material has been distributed for informational purposes only.



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