Equity Residential

Equity residential Environmental management system and Policy

Approved: 08/31/2023
Revised: 08/15/2024

CONTEXT OF THE ORGANIZATION

Equity Residential's Environmental Management System (EMS) was formally developed and published in August 2023 and will be revised periodically as the EMS evolves. This EMS has been written to align with the ISO 14001:2015 standard. The EMS establishes a systematic approach to Equity Residential's sustainability activities verifying the activities are conducted in a manner that is consistent with the goals of this EMS, State and Federal environmental regulations and Executive Orders.

Organization and Context

Equity Residential's ESG Program actively manages environmental impacts and climate-related risks and opportunities through optimized, financially responsible capital investments and technologies. We methodically focus on energy, water, and emissions to advance the Program's policies, targets, and resilience outcomes. Together our Program drives long-term asset value, responsibly manages risks, and engages our communities, residents, employees, and shareholders as part of our broader ESG strategy and commitment to good corporate citizenship and maximizing investment performance.

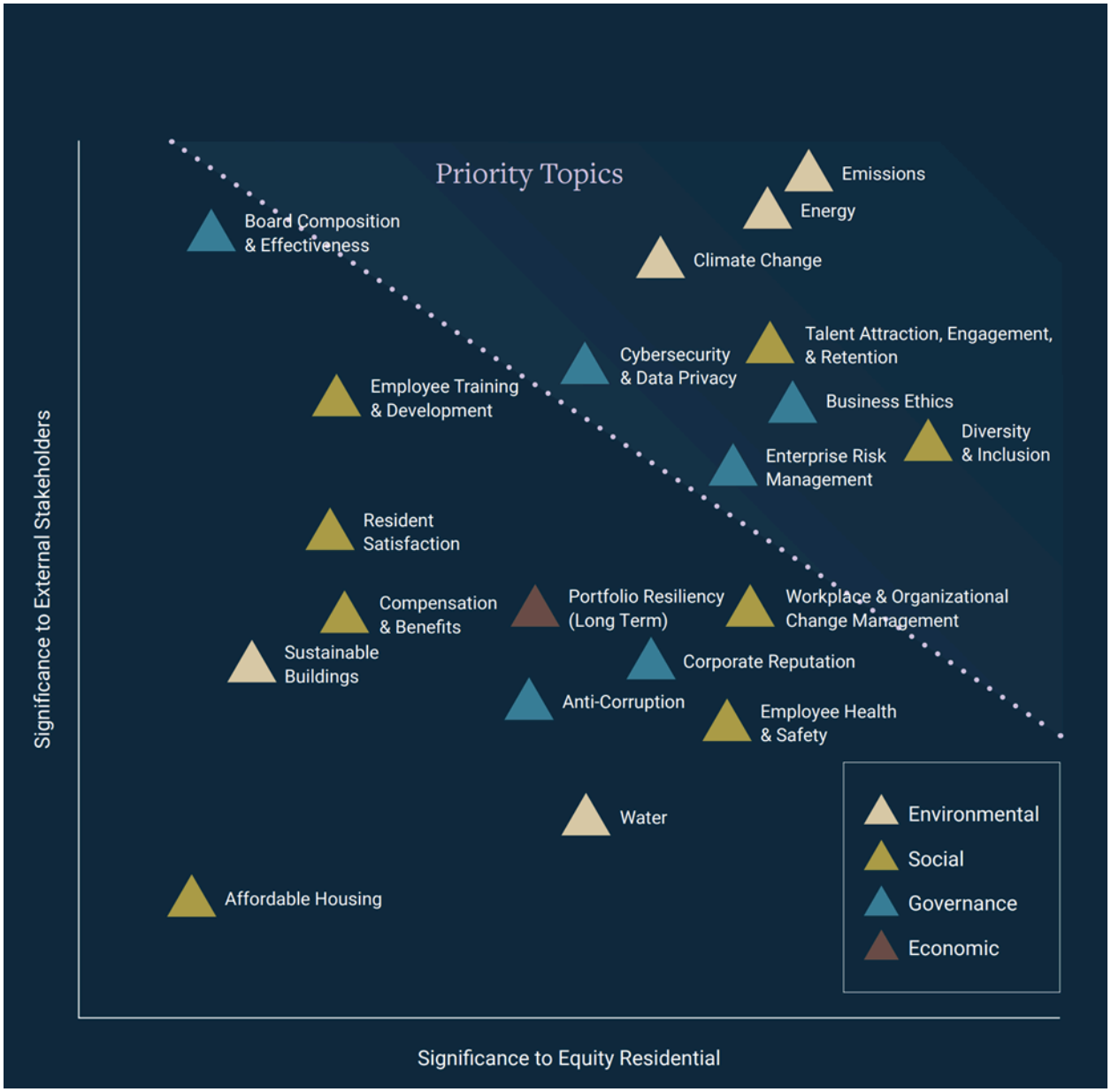
Needs and Expectations of Stakeholders

We take an active approach to stakeholder engagement and believe continuous engagement with our stakeholders is integral to achieving our mission and is part of the foundation on which we build trust with our residents, employees, investors, and our other stakeholders. Our stakeholders are determined as part of our materiality process. We engage regularly with our diverse stakeholder groups through the following methods:

Stakeholder Groups and Engagement Methods

- Residents - periodic surveys, resident events, email communications social media
- Employees - regular surveys, regular town hall meetings and social events, employee blog
- Investors - quarterly earning calls, conferences, meetings and property tours, outreach
- Vendors and suppliers - regular on-site meetings and virtual status meetings
- Non-Governmental Organization (NGO) Foundations and Communities - philanthropy programs, volunteer activities
- Governments and policymakers - engagement through local and national trade associations
- Potential candidates and universities - career website, university career fairs, social media
- Industry associations and external initiatives - regular engagement with national and regional industry associations

Material Aspects and ESG Topics of Discussion



We are committed to regularly assessing the ESG landscape every three to five years to focus our management strategy and reporting approach on the most important issues for our business and stakeholders. This will involve identifying not only sustainability impacts on our company but also the potential impacts of our company on the ecosystem and surrounding communities. For select priority topics, we measure the impact of the topic on our external stakeholders.

	Emissions, Climate Change	Energy
Impact on External Stakeholders	**Negative:** Greenhouse gas emissions are a key driver of climate change and the many far reaching negative impacts and risks that climate change will exacerbate, such as increase in extreme weather events and degradation in ecosystems and health.	**Positive:** Residents consume energy in our buildings to help them live comfortably in their homes. Energy usage is one of the largest utility bills residents pay and an expense they pay on a monthly basis. All efforts we make to drive energy efficiency, such as implementation of LED lighting or efficient HVAC systems and appliances help residents drive down their monthly costs.
Metric to Measure Impact	Avoided Scope 1, 2, and 3 emissions (mtCO2e)	Reduction in energy usage against baseline (MWh)
Impact Measured	Amount of renewable energy offloaded to the grid (MWh)	Estimated annual utility savings due to implementation of energy efficiency initiatives ($)

The highest-priority ESG topics deemed most material to our internal and external stakeholders are:

Environmental	Social	Governance
Emissions Energy Climate Change	Diversity & Inclusion Talent Attraction, Engagement and Retention	Business Ethics Enterprise Risk Management Cybersecurity and Data Privacy

Environmental Management System

A structured approach to energy and environmental management should include a repeated framework similar to that of a Plan, Do, Check, and Act model. This type of approach is outlined in the International Organization for Standardization (ISO) certifications under frameworks such as ISO 140001 Environmental Management System (EMS) and ISO 50001 Energy Management System (EnMS).

While our process is not ISO certified, our energy and environmental management approach is aligned with these established frameworks in mind. We manage our environmental impact* and energy and environmental matters by leveraging a framework similar to that of a Plan, Do, Check and Act model, in reference to ISO 14001.

We value this systematic approach because it includes evidence-based decision making, emphasizes a culture of continual improvement, lends itself to transparency, and maintains expectations with all levels of the organization. Our EMS assists with achieving the highest level of performance in energy and water efficiency, waste management, tenant engagement, sustainable building, sustainable operations, green building certifications, materials selection, and community involvement.

The figure below is an example of our actions as they align to a best practice approach of energy and environmental management.

PLAN	**DO**
We assess our portfolio and assets to identify trends, gaps, and opportunities to pursue, and leverage these insights to develop a plan for the portfolio or asset with the buy-in of upper management. ● Leverage centralized data system for analysis ● Commit upper management and engage stakeholders ● Research regulatory compliance ● Conduct resilience assessments ● Establish policies ● Set goals ● Define teams	We use our plan to prioritize initiatives, programs, and processes to implement across the portfolio. ● Benchmark and baseline current performance ● Define opportunities ● Prioritize opportunities against Planning stage ● Define specifics around goals ● Enable, initiate implementation of objectives
CHECK	**ACT**
We make sure to have processes in place to collect, track, and monitor relevant data and progress over time. ● Monitor in real-time ● Benchmark ongoing performance with central system tools ● Understand variables and course correct ● Assess utility billing ● Ensure O&M best practices ● Review and document progress regularly	We review the results of our progress, which allows us to create and modify our action plans in an ongoing process of continuous improvement. ● Acknowledge success ● Review results ● Meet compliance requirements ● Achieve certification and recognition ● Solicit feedback

Equity Residential's EMS encompasses environmental-related activities at the corporate level and across all our properties with a focus on leveraging our EMS to ensure positive financial and environmental impacts. *Environmental impact in the context of our EMS is defined as our impact on environmental matters such as energy, water, emissions, waste, and climate. This does not include environmental contamination management or related compliance.

LEADERSHIP

Leadership Commitment and Environmental Policy

Our Board of Trustees and Executive Management demonstrate leadership and commitment to this EMS, as well as its underlying objectives and initiatives. Our Board of Trustees is the highest committing decision-making body with oversight of our EMS at Equity Residential.

It is Equity Residential's policy to manage and maintain our operations and properties in such a manner to uphold our commitment to:

- Protecting the environment and using natural resources as efficiently as possible,
- Protecting natural spaces by not developing on greenfield properties and applying the mitigation hierarchy framework for all wholly owned development projects,
- Reducing emissions and production of waste from our operations,
- Setting targets and objectives to reduce our environmental impacts,
- Monitoring and continuously improving environmental performance in our operations,
- Raising awareness internally and externally around environmental sustainability,
- Training employees on the environmental impacts of their work activities,
- Complying with relevant environmental laws and regulations, and
- Reporting regularly on environmental issues to stakeholders and engaging stakeholders as needed.

In addition to our environmental commitments, we have a commitment to uphold our social and governance policies, including but limited to human rights, labor rights, inclusion, anti-discrimination, anti-harassment, workplace safety, and our Code of Ethics and Business Conduct. We also have a commitment to promote our values of integrity and transparency in regular engagement with stakeholders, including investors.

Organizational Roles and Responsibilities

Our Board and executive oversight of environmental matters acts as a necessary foundation for Equity Residential's ESG program. The Corporate Governance Committee of our Board of Trustees has oversight of the Company's ESG activities, including implementation of this EMS. The Committee receives regular updates on ESG topics, provides input on these topics, and reviews the annual ESG report.

Our executive-level ESG Steering Committee meets quarterly and oversees our ESG strategy and goals. The ESG Steering Committee Charter governs the group's roles and responsibilities.The following groups report up to the ESG Steering Committee.

Groups Reporting to the ESG Steering Committee	Responsibilities
ESG Working Group	At the corporate level, our cross-functional ESG Working Group manages progress on our strategy and directs communications between our functional material topic owners and the ESG Steering Committee.
Energy and Sustainability Management Team	Our Energy and Sustainability Management Team includes six full-time individuals from our Investments Team and is responsible for developing our environmental targets and seeking investment opportunities in capital projects, including new developments and renovations, that conserve energy and water, manage waste, generate clean energy, or meet building performance standards. The team meets regularly to review performance and addresses discrepancies.
Investments Team	Our Investments Team is responsible for executing initiatives and defining energy management strategies aligned with industry best practices.

PLANNING

Action to Address Risks and Opportunities

Equity Residential proactively manages potential EMS risks, including those related to climate change. We regularly assess environmental risks and opportunities and bring significant issues to the attention of senior leadership.

Throughout the year, the Energy and Sustainability Management Team evaluates opportunities to reduce utility usage and greenhouse gas (GHG) emissions, track environmental risks and opportunities, and monitor regulatory compliance developments as they relate to environmental sustainability (e.g., benchmarking laws and energy audit ordinances). We identify opportunities and risks through market research, trend analysis, participation in industry events, and discussions with industry peers. Following approval from senior leadership, opportunity capture and risk mitigation strategies are implemented in coordination with relevant departments and stakeholders.

Some specific actions taken for our properties include:

- Evaluating all potential acquisitions and developments for climate-resiliency,

- Establishing baseline environmental performance for new acquisitions,
- Developing customized operations and maintenance (O&M) guidelines to address issues which require more specific and ongoing attention for certain properties,
- And ensuring all our stabilized assets have crisis response plans and procedures and hold crisis response meetings bi-annually to prepare for and update their response to crises.

Environmental Objectives and Planning to Achieve Them

Equity Residential's progress toward our environmental objectives is monitored by the ESG Steering Committee and communicated internally. We publicly disclose our environmental progress yearly through Equity Residential's annual ESG Report. We review progress against our targets annually and will continue to update their ambition in line with the latest expert guidance.

Our environmental objectives are to:

- Conduct portfolio-wide mid-level risk assessments and develop mitigation and resilience plans for high-risk properties by 2024.
- Reduce Scope 1, 2 and 3 GHG emissions intensity per square foot by 30% by 2030 (from a 2018 baseline), aligned with a scenario that keeps global warming well below 2°C.
- Reduce energy intensity per square foot by 20% by 2030 (from a 2018 baseline) to align with our science-based emissions target.
- Reduce portfolio-wide water consumption intensity per square foot by 10% by 2030 (from a 2018 baseline).
- Maintain a waste diversion rate at 15% or higher across our portfolio.

For each target, the Energy and Sustainability Management Team develops initiatives and maintenance programs to focus on environmental performance and resource efficiency. Associated metrics are tracked to monitor and report progress and achievement. Each objective is designed to be fully integrated into Equity Residential's existing business processes.

For example, we are focused on meeting our new emissions and energy reduction targets to align with a transition to a low-carbon economy. Our emissions reduction strategy centers around prioritizing energy efficiency and on-site renewable energy, and supplementing with off-site renewable energy when needed. We plan to leverage the unique opportunity we see around building performance decarbonization regulations in our markets to support our efforts, realizing synergies between energy efficiency, cost savings, compliance, and carbon reductions.

We also leverage Green Bonds to finance our sustainable developments and acquisitions. Once a conservation opportunity is assessed and confirmed, a project is designed and underwritten. Upon review and approval, the project is executed. Based on a variety of factors post-project measurement and verification of actual to expected results is performed.

SUPPORT

Resources

The Energy and Sustainability is the key internal resource for implementing Equity Residential's EMS and supporting Equity Residential's sustainability goals. This team is made up of full-time, in-house professionals with the necessary environmental competence, experience, and training to appropriately lead and serve Equity Residential's EMS and sustainability strategy. As an in-house team, Equity Residential has access to internal documents, senior leadership across the organization, and corporate-wide research tools and news outlets.

Competence and Awareness

As the team responsible for Equity Residential's EMS and ESG program, the ESG Steering Committee is acutely aware of Equity Residential's environmental goals, policies, and strategies. Likewise, the team is aware of the impacts of achieving or failing to achieve our goals and the potential implications of deviating from the EMS as outlined here.

Communication

Equity Residential formally reports on progress made towards its environmental targets and implemented initiatives on an annual basis to internal and external stakeholders. See section titled "Stakeholder Groups and Engagement Methods" for a full list of relevant stakeholders. This communication is facilitated through Equity Residential's annual public ESG report, incorporated into Equity Residential's corporate annual report, and shared through email and Equity Residential's website. The ESG Steering Committee also facilitates informal communications with internal and external stakeholders to share updates on Equity Residential's environmental performance and new initiatives.

Documented Information

All documents relevant to Equity Residential's EMS and ESG program are filed and retained within Equity Residential's internal filing system drives and third party data platforms, including EnergyCap. The documents are adequately protected in Equity Residential's internal servers and backed up on Equity Residential's cloud platform. Corporate ESG Steering Committee members have access to Equity Residential's internal filing system drive .

OPERATIONS

Operational Planning and Control

All operations associated with the EMS and Equity Residential's ESG program are planned and facilitated by the ESG Steering Committee. When operational EMS processes overlap with processes currently in place in other departments or at the property level, the ESG Steering Committee collaborates with these other teams to create an integrated process that ensures seamless implementation of program initiatives. Our team engages these third parties in regular discussion to ensure external parties and processes are consistent with our goal to provide both financial and environmental value to Equity Residential. To that end, we work closely with our value

chain to ensure our suppliers operate in an environmentally sustainable manner and provide environmentally sustainable products.

PERFORMANCE EVALUATION

Monitoring, Measurement, Analysis, and Evaluation

We monitor environmental performance against our targets on an ongoing basis. We monitor and measure property-specific environmental performance, portfolio-wide opportunities captured, and potential risks using utility bills, property feedback, and other information. Actual environmental performance is measured against anticipated environmental performance, as projected by the Energy and Sustainability Management Team prior to project implementation. Results are rolled-up annually into environmental data points and shared publicly in Equity Residential's annual ESG Report.

Internal Audits

Internal audits are conducted by Equity Residential's internal audit team for a sample of properties (based on the annual risk assessment) on a regular basis.

Metrics that we use in our annual ESG report as well as ESG surveys such as GRESB, CSA and CDP are reviewed by internal functional owners of those metrics and certain processes and metrics are audited by a third-party firm. The Audit Committee, made up of our Board of Trustees members, is responsible for overseeing the company's ERM strategy and performance, which includes business continuity, crisis response and climate risk management.

We screen our portfolio through utility data auditing and analysis to target and prioritize sustainability retrofits including LED lighting, on-site renewable energy, efficient central system upgrades, heating and cooling controls, ventilation sealing and improved insulation. In many cases, we use third-party audits to holistically survey building performance. We have developed dynamic roadmaps for each market that include building energy and water audits.

Management Review

The ESG Steering Committee and senior management regularly review ESG program initiatives captured in the EMS. These review sessions provide senior leadership with status updates on the risks avoided, opportunities captured, and other updates regarding the environmental actions described in the section titled Planning. These sessions also provide an opportunity for the ESG Steering Committee to provide overall updates on long-term strategic planning, propose changes to the ESG program, and request resources to achieve corresponding goals. These reviews inform whether further changes to the EMS and the ESG program are necessary, and if so, what actions are necessary to enact them.

IMPROVEMENT

Nonconformity and Corrective Action

If a nonconformity occurs the ESG Steering Committee conducts an analysis of what happened, the consequences, and how the nonconformity can be corrected and avoided in the future. Once a solution has been identified, The ESG Steering Committee will discuss the solution with senior management and relevant stakeholders and implement the necessary action. The ESG Steering Committee team will monitor the corrective action and follow up to ensure it is effective periodically after implementation. Timing will depend on the scope and extent of the corrective action. Equity Residential will continually improve upon the effectiveness of the EMS to advance and enhance our environmental performance. The ESG Steering Committee team reviews and updates this EMS annually.

ENVIRONMENTAL POLICIES, PROCESSES, AND PRACTICES

*Environmental impact in the context of our Policies, Processes, and Practices includes environmental contamination management or related compliance as well as socially-related topics.

Acquisitions Due Diligence

Sustainability is a key factor in our decision making when it comes to making new investments. As such, we consider the following environmental components in our acquisitions due diligence processes.

- Location
  - Proximity to sensitive habitats or biodiverse areas such as wetlands is noted
  - Phase I Environmental Site Assessments for environmental compliance and review, and contamination risks
  - Compliance with any relevant, current or pending building-specific requirements such as benchmarking or Building Energy Performance Standards
  - Proximity to public transportation
- Sustainability Attributes
  - LEED or other green building certification status
  - Availability of on-site, clean or renewable energy
  - Gray water use or water recycling
  - Baseline environmental performance (absolute energy and water usage, emissions, waste production and intensity)
  - Energy, and water usage and intensity
  - Installations and measures that enable energy and water efficiency (e.g. lighting retrofits and central systems controls)
  - Installations and measures that promote indoor environmental quality
  - Availability of waste, recycling, and/or compost services
  - Exposure and resilience to climate change risks such as flooding and wildfires, as well as natural hazards such as seismic events
  - EV Charging

We also consider the following **resident-related** considerations in our acquisitions due diligence processes.

- Installations and measures that promote building safety

- Installations and measures that promote health and well-being for residents
- Socio-economic demographics of the neighborhood
- Access to local transportation options such as public transportation, bike lanes, walking paths, etc.

Sustainable Development and Construction

The goal of the Equity Design Standards is to provide a resource that enables our teams to create and build beautiful, sustainable, and resilient spaces that are functional, showcase natural materials and operate efficiently. These are shared with our designers, architects, contractors, and other partners during the initial design phase of a new development project. During construction, our contractors provide updates on environmental and social aspects, they are audited externally by a third-party, and are regularly reviewed by and visited on site by our development team. We are committed to investing in green buildings and aim to continuously expand our portfolio of low carbon buildings and achieve green building certifications such as LEED or NGBS through our Equity Design Standards. Components addressed in the Equity Design Standards include:

- Construction Process, Certification and Commissioning
- Energy Use, Energy Modeling, Emissions, Generation and Electrification
- Water Use and Efficient Design
- Resilience and Climate Impacts
- Procurement and Materials Selection
- Resident Comfort

Site Selection

- Focus on locating projects that provide access to outdoor natural amenities, proximity to employment centers to reduce commuting time, access to public transporta tion, bike lanes, and commercial and retail amenities,
- Protecting natural spaces and limiting development of greenfield sites through conducting feasibility assessments
    - If development does occur on greenfield sites, these are developed as green certified buildings.
- Focus on urban brownfield redevelopment and striving for urban redevelopment and urban revitalization.
- Incorporation of planting and other natural elements when developing brownfield sites.
- Evaluation of proximity to sensitive or biodiverse areas at a high-level during Phase I environmental site assessment, during the entitlement process, and/or historical or archaeological reviews
    - Areas evaluated include, where relevant: wetlands; farmland; floodplains; habitats for native, threatened, or endangered species; historical and heritage sites
    - If development does occur near a sensitive or biodiverse area, we consider protection where possible, restoration of disturbed land, or other conservation measures (such as preventing contaminants from entering water ecosystems) to minimize impact in alignment with our **Biodiversity Policy and Commitment**
- Evaluation of exposure to climate change risks such as flooding and wildfires, as well as natural hazards such as seismic events

Overall Building Design and Planning

- Target LEED Gold or above for our wholly-owned developments and LEED or NGBS certifications on jointly developed projects.
- Use of integrative design planning by involving numerous stakeholders throughout the pre-design, design, and construction process
    - Goals of integrative design planning are to drive energy and water conservation and meet minimum energy and water use intensity post-occupancy, as well as sure resident health and well-being
- Evaluation of on-site renewable energy installations, electrification, Passive House, and high energy and/or water efficiency technologies
    - If on-site renewable energy is feasible, designs are targeted for on-site renewable energy to meet on average of 85% of the buildings' common area electric use
- Strive for building designs to exceed relevant local energy code or emissions standards, including anticipated Building Energy Performance Standards.
- Evaluation of design measures that can enhance building resilience and mitigate potential climate risks
- Evaluation of the socio-economic impact of development including factors such as housing affordability, impact on crime levels, local income generated, and local jobs created.

Energy and Water Management

- Installation of whole building meters and sub-meters for tracking energy and water usage as well as other measures to ensure post-construction energy and water monitoring over the lifespan of the building.
- Commissioning and energy modeling of central HVAC systems, domestic hot water, and interior lighting controls.
- Commissioning of water systems to ensure pumps and variable speed drives are working efficiently.
- Specification of ENERGY STAR or other high efficiency equipment and appliances such as space heating, ventilation, and water heating.
- Installation of building energy management systems and energy use analytics on a selected basis.
- Installation of programmable thermostats and occupant controls.
- Specification of LED lighting and reviewing lighting design to meet target efficient lighting power densities.
- Specification that HVAC units use refrigerants with low Global Warming Potential (i.e. lower fugitive emissions) where accessible.
- Specification of WaterSense or highly efficient indoor and outdoor water fixtures
- Installation of leak detection systems and occupant sensors.
- Installation of native and drought tolerant landscaping, drip irrigation, and systems to reuse stormwater and greywater for non-potable applications such as irrigation.

Materials and Sourcing

- Review of environmental and health attributes of building materials and preference for products that disclose environmental impacts and potential safety hazards such as through:
    - Environmental Product Declarations and life cycle assessment reports
    - Health Product Declarations and safety data sheets
- Preference for materials that are locally extracted or recovered, have low embodied carbon, and/or are rapidly renewable or made of recycled content

- Only use wood-based materials and products certified by the Forest Stewardship Council (FSC)
- Review of landscaping plan to ensure no invasive plant species are being used

Health and Wellness

- Installation of measures that promote building safety
- Installation of forced air systems that use a minimum of MERV 8 filters as required by local code
- Specification of ventilation systems to promote high indoor air quality
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- Evaluation of measures to promote thermal and acoustical comfort, including through implementing occupant controls and soundproofing
- Incorporation of biophilic design, daylighting, and access to outdoor spaces to promote mental health
- Incorporation of fitness centers, pools, and/or bike rooms to promote physical activity
- Incorporation of facilities that are able to provide nourishing and health foods such as restaurants or small groceries in mixed use properties.

We also work closely with our contractors and partners in the development process to minimize the **impact of our development projects themselves** on the surrounding neighborhood and environment. Practices in place for our development projects include:

Waste Management

- Development of erosion and sediment control plans
- Development of waste management plans and education on local waste separation facilities if available
- Education for employees and contractors on waste management best practices
- Signage on how to dispose of construction waste and how certain materials can be diverted, for instance construction and demolition materials, vegetation, rocks, and soil
- Diversion rate requirement to align with certification standards
- On-site monitoring of hazardous and non-hazardous waste common in construction and development waste such as wood, glass, plastic, asbestos, lead-based paint, contaminated soil, etc.

On-Site Safety

- Availability of medical personnel, on-site health and safety professional, and personal protective (PPE) and life saving equipment
- Continuous focus on safety practices through demonstration of safety leadership
- Communication of safety information through signage
- Application of general safety rules around equipment operation and maintenance, safe use of chemicals and first aid
- Use of safety training that highlight how to manage safety risks on-site
- Inspections to identify potential safety and health hazards

Community Impact and Engagement

- Minimization of light, noise, and air pollution and other potential impacts to the surrounding community to reduce the risk of nuisances and disruptions and ensure community health and well-being
- Implementation of measures to enhance public spaces and parks and and create employment opportunities in local communities
- Implementation of a communication plan throughout the entitlement, zoning, and construction process, including through meetings, social media, newsletters, and others
- Implementation of a community monitoring plan through various media including online reviews, emails, letters and personal conversations
    - There is accountability for performance and any identified stakeholders, groups that are impacted, or community concerns are addressed in a timely fashion
- Support for charities and community groups

Case Studies*:*

Urban Redevelopment and Revitalization*:*The Alcott, our new 44-story, 470-unit residential tower is located in the heart of Boston's historic West End neighborhood, and was built in an urban infill location, revitalizing an area that was once a parking garage. It now creates nearly one acre of open space in the urban area with a Walk Score of 98. Alcott is certified at LEED Gold demonstrating many green features including energy efficient appliances, low-flow water fixtures, smart thermostats and black-out shades to reduce heating and cooling. The development also offers tenant amenities focused on health and wellness including a fitness center, yoga studio, outdoor pool, bike room and outdoor green space, dozens of electric vehicle charging stations and is smoke free.

Embodied Carbon and Mixed Use: Reverb is a 312-unit, 11-story, mixed-use high-rise community in Washington, DC with 26 affordable units, recently certified to LEED Gold. The 11-story building features ground-floor retail and amenities such as a penthouse level with a clubroom and fitness center, rooftop terrace with pool, pet spa, and a coworking lounge. Reverb includes a variety of sustainable design features including ENERGY STAR appliances, energy efficient lighting, continuous exterior wall insulation, bioretention cells, a green roof, rooftop solar panels, and variable refrigerant flow (VRF) HVAC technology within the units to reduce operational energy use and emissions. To reduce embodied carbon, we also used EcoPact concrete, which we estimate was produced with 30% less emissions compared to standard (CEM I) concrete.

Resident Health and Well-being Related to Sustainability

Equity Residential is not only focused on sustainability in the areas of our buildings that we control, but for our residents as well. By focusing on the installation of high-efficiency fixtures and appliances in our renovation program, such as higher efficiency water fixtures, lighting, appliances, and programmable thermostats, we help reduce the impact of our residential units on the environment and reduce their utility costs. Focusing on health and well-being measures also ensure our residents can thrive. When health and well-being measures are implemented, they are monitored over the lifespan of the building. We also provide education to residents on health and well-being measures in place in their building so they are aware of offerings and are encouraged to take advantage of them.

We continue to conduct assessments to identify areas where we can continue to improve the health and well-being of residents and integrate those actions.

Utility Data Management

Utility information including usage data for electricity, natural gas, oil, and water as well as weather data is captured in Equity Residential's utility management system. This data is used to:

- Monitor energy and water consumption, related costs, and GHG emissions,
- Flag unusual consumption for further investigation,
- Underwrite conservation measures, perform measurement and verification, and manage ongoing performance of properties,
- Target and prioritize sustainability retrofits,
- Inform third-party audits to holistically survey building performance,
- Validate the success of energy savings projects, and
- Monitors and manages energy performance in real time, troubleshooting as needed to maximize generation and impact for larger capital investments (e.g., solar PV and cogeneration).

Energy and Emissions Management

Using our EMS framework, our Energy and Sustainability Management Team is responsible for managing energy and emissions-related initiatives across four core categories to support our emissions strategy and goals:

- Utility Data Auditing and Analysis (see section on "Utility Data Management")
- Energy Management and Compliance
- Building Energy Systems and Performance
- Renewable and Clean Energy Installation

We believe buildings that are ENERGY STAR Certified are able to avoid emissions as they are more efficient than 75% of like buildings in the U.S. Given this energy rating is based on the annual operational efficiency of our buildings, the energy and emissions management program described here, and the corresponding initiatives that are implemented, are key to reducing our buildings' emissions footprint.

<u>Energy Management and Compliance</u>

We continue to refine our market-specific roadmap using energy benchmarking and evaluating building energy performance standards and other carbon reduction policies in certain markets to prepare Equity Residential for the transition to a low-carbon economy. Activities include:

- Monitoring our performance relative to near- and intermediate-term requirements using energy audits and understanding emissions impact.
- Adjusting our capital planning, incentive opportunities, assessment of total cost of ownership, end-of-life planning, and asset-level strategy to meet the necessary requirements.
- Advising on policies, meeting shared objectives, and staying up to date on new innovations, technologies, and incentives needed to decarbonize.
- Providing information to our property managers to ensure they are aware of regulatory requirements and best practices on operating energy efficient buildings.

Building Energy Systems and Performance

Sustainability retrofits to building energy systems that we evaluate across our portfolio include:

- LED lighting
- Efficient central system upgrades
- Heating and cooling controls
- Ventilation sealing and improved insulation

Renewable Energy and Clean Energy Installation

We are committed to offsetting a considerable amount of building energy use with on-site clean and renewable energy, including solar PV, solar thermal, and cogeneration, where it is physically possible and financially viable. We continue to benchmark existing and proposed municipal- and state-level goals and requirements for sustainable building design, including conducting gap analyses for net zero energy, passive house, and associated cost assessments for new developments to better understand pathways to electrification.

Examples of Implemented Energy and Emissions Initiatives

Building Pilot Program

Equity Residential was one of six partners to receive a grant in 2022 from the New York State Energy Research and Development Authority (NYSERDA) to innovate and set new design standards critical to meeting New York State's aggressive climate goal to reduce 85% of greenhouse gas emissions by 2050. With this grant, we piloted innovative energy efficiency and electrification retrofit analyses on 2 buildings in NY that will help us better understand scalable technology solutions.

Fifth Wall Climate Technology Fund

In 2021, we committed $10M to a venture capital "climate technology fund," sponsored by Fifth Wall, a prominent real estate technology fund promoter, devoted to discovering and commercializing new technologies to decarbonize the global real estate industry. This investment provides us with access, exposure and input around these technologies and advances our decarbonization planning. To date we have piloted technologies including Turntide, Runwise, and virtual net-energy metering (VNEM).

HVAC Technology Pilot

We piloted a new technology that uses wireless controls, sensors, and a software platform to operate our building heating systems better and are expanding the roll out to additional sites.

Smart Home Program

We provide Smart Homes packages to our residents, which include the installation of smart keyless locks, thermostats, water leak sensors and an internet connected hub, and are continuing to evaluate the benefits including resident comfort, energy savings, cost savings, and leasing and maintenance efficiencies.

Resident Demand Response Program

Our Resident Demand Response platform leverages smart meters and artificial intelligence to provide residents information on how and when to reduce their in-unit electric usage and earn money from their local utility, all via a simple app.

Water Management

We take a multi-pronged approach to water management by leveraging data and technology to benchmark monthly usage and identify opportunities for conservation, efficiency, and finally reuse.

We are working towards improving our monitoring of water consumption data by:

- Uploading the entire portfolio's water consumption data into the EPA ENERGY STAR Portfolio Manager and begin benchmarking water usage against the database.
- Installing new submeters and irrigation deduct meters and creating a water appliance inventory, including in-unit systems, and building cooling towers, chillers, pools, and irrigation systems.

Opportunities we have identified so far to reduce water consumption include:

- Installing leak detection sensors and deploying on-site teams to investigate potential leaks.
- Installing efficient water fixture replacements, including WaterSense® plumbing fixtures and low-flow toilets.
- Incorporating various water quality protection practices, including stormwater systems controls, green roofs and rainwater harvesting and flow-through planters.
- Considering alternatives to landscaping, including scaling back landscaping, utilizing artificial turf, decommissioning water features, and installing smart irrigation systems that utilize sophisticated automation technology to eliminate water waste based on site-specific data.

<u>Examples of Implemented Water Initiatives</u>

Water Sensing Technology

We are piloting a new water sensing technology that alerts for toilet leaks. Addressing toilet leaks are estimated to reduce whole building water consumption by as much as 40%. This technology monitors excessive water usage from failed toilet flappers and uses building friendly low-power communication technology to alert our service teams.

Smart Landscape Design

We are working with leading landscape architects in California to evaluate and understand best practices in landscaping water management to reduce water consumption and costs in water-scarce areas. We are evaluating design recommendations that incorporate turf removal, xeriscaping to include native and drought tolerant plants and drip irrigation installation, all while preserving and enhancing the aesthetic of our properties. While each

asset will have a unique micro-climate, design and other conditions, a strategic approach to landscape planning to provide adaptation against future water scarcity and droughts will be key.

Waste Management

We aim to increase our waste-to-landfill diversion rate through our partnerships with haulers, third-party vendors and property management teams, and support local composting and waste diversion targets through composting, education, and recycling efforts. Currently, single-stream recycling is available at all properties at a minimum, though our recycling programs are customized to meet the evolving needs and requirements of the municipalities where our communities are located.

Our construction waste strategy is designed to control and reduce the amount of construction and demolition waste generated from development projects. For all development projects, we are committed to:

- Implementing waste management plans during the project design phase,
- Having project specific targets for waste reduction and recycling,
- Educating our workforce and contractors on waste management techniques,
- Ensuring waste separation is effectively implemented at project sites,
- Buying and selling recycled products when feasible,
- And providing incentives for contractors to recover recycling building materials when feasible.

Equally important is providing waste education for our residents and tenants. We have green leasing terms in our commercial leases, which aim to increase recycling efforts, encourage biodegradable material use and reduce overall waste. With a few exceptions, all our new leases and renewals will include the green language going forward. Tenants also agreed to eliminate Styrofoam use and curb energy and water use.

Within our own offices, we incorporate building recycling programs, including signage, employee training and awareness, to support waste reduction amongst staff. We encourage reusable products in our kitchen spaces versus single use plastic and paper goods to further reduce our waste footprint. Our in-office procedures are shared with all staff to encourage recycling habits at all offices. We also have a composting program at our Corporate Headquarters in Chicago.

<u>Examples of Implemented Waste Initiatives</u>

Valet Living Trash Audit

We partnered with Valet Living to do a comprehensive waste management audit at all properties in California, which evaluated container sizes, identified commingling concerns, and refined pick-up schedules. We target new audits in select areas across our portfolio to optimize our waste management process for all three streams with the goal of reducing contamination and trash overages.

Composting

We rolled out organic composting at all our California properties where composting is offered following a statewide mandate resulting from SB1383. This includes food, green materials, paper products and landscaping waste. We have composting bins at every site and have been educating our residents on how to properly dispose of compostable materials.

Climate Risk Management

We do high-level portfolio screening of our physical climate risk using a third-party risk platform modeling different Representative Concentration Pathways (RCP) for each asset and evaluating asset-level hazards over time. This information is also used as a prescreening tool when evaluating potential acquisitions and during due diligence for new acquisitions and informs key decision makers of risks and trends. We screen for hazards at various RCP scenarios at different points in time. We assess and prioritize physical climate risks for our existing assets using a comprehensive climate risk resilience program that includes a set framework across three levels.

- High-level - Portfolio-wide climate risk assessment using a third-party climate risk data platform across multiple short, medium, and long-term timeframes and different Representative Concentration Pathways scenarios.
- Mid-level - In-house and / or third-party review of markets or a specific subset of assets to help determine assets that need additional analysis.
- Deep-dive - In depth studies of highest risk assets to understand hardening / adaptation (mitigation) options and potential capital required, which will help inform our long-term hold or sell strategy.

We conduct climate risk assessments and scenario analysis across our portfolio, and assess and prioritize transition climate risks on an ongoing basis by estimating the impact, probability, and timeframe (near, medium and long-term) of these risks. We conduct analyses throughout the year to identify and assess regulatory, technological, market-related and reputational transition risks as it relates to climate change. We continue to monitor and assess the impact of all transition risks identified on a regular basis.

Biodiversity Commitment

As an owner and operator of real estate in various markets nationwide, Equity Residential interacts with various species, habitats, ecosystems, and landscapes and strives to promote and protect the biodiversity of ecosystems in a manner intended to support sustainable development and usage of real estate. We do this by developing new projects in a sustainable manner. Please see our **Biodiversity Policy**.

Case Study

Key Biodiversity Area Screening: To minimize the impact of our operational assets, we conducted a location-specific, portfolio-level screen of Key Biodiversity Areas (KBA) for each site that may contribute significantly to the global persistence of biodiversity across terrestrial, freshwater, and marine ecosystems. Sites qualify as global KBAs, as defined by the International Union for Conservation of Nature (IUCN), if they meet one or more of 11

criteria, clustered into five categories: threatened biodiversity; geographically restricted biodiversity; ecological integrity; biological processes; and irreplaceability. We identified 18 sites that were within 50km of a KBA in this risk-assessment.

We plan to evaluate options for more robust biodiversity risk assessment in the future to gain insights on the KBAs our sites are in close proximity to and opportunities for how we may manage and mitigate these impact-related biodiversity risks at each site. Currently, across the portfolio, we implement efforts for specific sites that both support biodiversity and reduce other environmental impacts. Planting native vegetation for instance provides habitat for endemic species as well as encourages less resource intensive landscaping. We also preserve nearby wetlands to maintain local ecosystems and support stormwater management.

Texas, All Electric and LEED Gold: Lyle, is our new 334 unit, 5 story building located in North Dallas. Lyle is an all electric building expected to achieve LEED Gold. It has numerous sustainability features including: including energy efficient appliances, low-flow water fixtures, smart thermostats and black-out shades to reduce heating and cooling. The development also offers tenant amenities focused on health and wellness including a fitness center, outdoor pool with sundeck, outdoor (greenspace - confirm) courtyard with lounge seating, bike room, electric vehicle charging stations and is smoke free. To help mitigate against negative impacts to biodiversity, this site does not use invasive plant species in the landscape and uses non toxic pest control.