

# Corporate Social Responsibility and Sustainability Report



Equity Residential named  
2014 Sector Leader in  
Sustainability by the GRESB



G R E S B<sup>®</sup>  
Sector Leader 2014

December 2014

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On the cover: Our Prism at Park Avenue South project in midtown Manhattan includes numerous sustainability features and is expected to receive LEED certification. See page 14 for more details.

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2nd & Pine – Seattle, WA

Our 2nd & Pine high-rise under construction in downtown Seattle will contain many attributes reflecting our commitment to building sustainable projects, and is targeted for LEED certification.



## Introduction

At Equity Residential, our passion is providing great lifestyles in places people want to live, work, play and invest. Driving this passion is our commitment to serving the neighborhoods and cities in which we do business. We can think of no better way to serve than by ensuring the sustainability of our high-quality communities – ensuring that our communities contribute in a positive way to the environment, as well as to the greater social fabric of which our residents and employees are a part. To us, sustainability requires an all-inclusive approach, addressing not only specific environmental impacts such as water conservation, waste reduction and energy efficiency, but also the environmental and social impact to the community, including the relationships we have with our residents, employees and shareholders.

This report highlights the tremendous efforts of our employees toward this commitment. From building resource-conscious, transit-oriented projects, to our use of renewable energy, efficient appliances and eco-friendly materials, to providing over \$3 million annually in donations to nonprofit and charitable organizations, we are incredibly proud of the work done so far. We are also very proud of our performance in the 2014 Global Real Estate Sustainability Benchmark (GRESB) Survey – a globally-recognized third-party analysis of almost 650 real estate companies. In our first year of participation in GRESB, we were recognized as being a Regional Sector Leader – the top performer among all North American Large-Cap residential firms.

We will continue to invest our capital to make our portfolio more sustainable for our residents, employees, environment and investors. Sustainability awards and certifications are always appreciated, but are only a product of our greater goal, a more sustainable portfolio.

As we head into 2015, we will continue to challenge ourselves to find new ways of incorporating green practices and social responsibility into all aspects of our business – and together, in our mission as one team with this shared goal, we know we can deliver even more extraordinary results.

Our Board of Trustees fully supports our commitment to sustainability and our efforts to ensure that sustainability is an integral component of the company's overall business strategy.

Thank you for your continued support of Equity Residential.

David Neithercut, President and Chief Executive Officer



## About Our Company

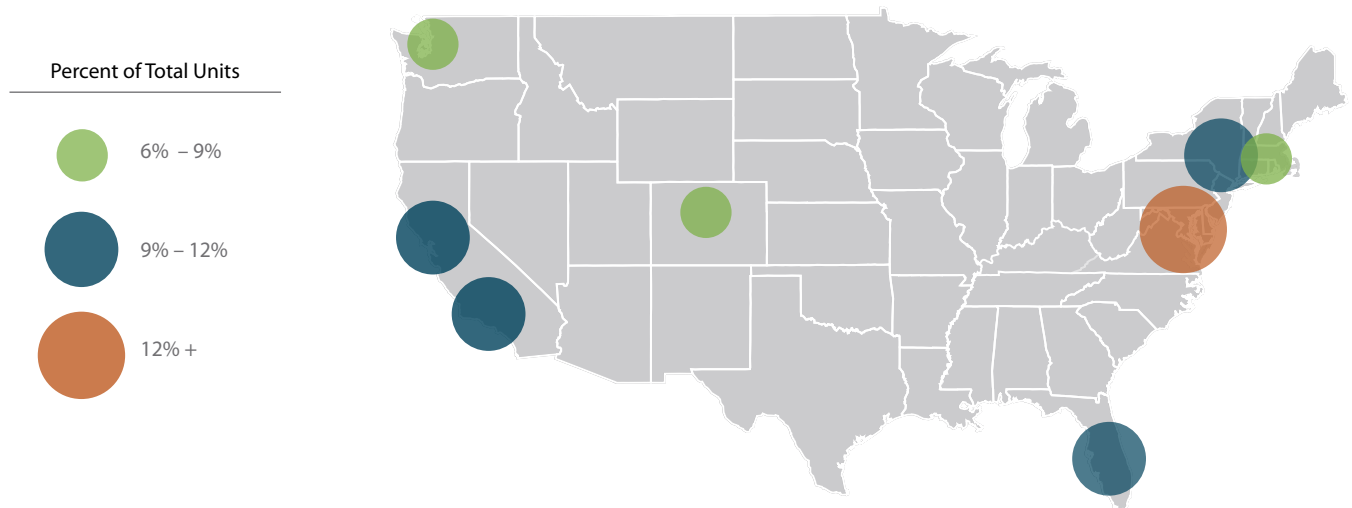
Equity Residential is the nation's largest publicly traded owner and operator of apartments, with a total market capitalization in excess of \$30 billion. Listed on the New York Stock Exchange since 1993, we were the first of our peers in the multifamily space to be included in the S&P 500.

Our portfolio of nearly 400 apartment communities is focused in Boston, New York, Washington DC, Southern California, San Francisco and Seattle, in primarily high-density, transit-oriented urban core locations that are an excellent fit for our sustainability efforts.

### Portfolio Summary

(as of September 30, 2014)

111,087 Total Apartments



All charts in this report were prepared using Equity Residential data.

At Equity Residential, sustainability and social responsibility are key drivers in our focus in creating the best apartment communities for people to live, work and play. In 2015 and beyond, Equity will continue its active role in the multifamily industry by sharing sustainability best practices with our peers, as well as engaging with groups like the National Multi Housing Council (NMHC) and the National Association of Real Estate Investment Trusts (NAREIT) to discuss performance measurement and disclosure in ways that highlight the unique qualities of multifamily real estate. We are proud to be a leader among our peers when it comes to sustainability, and plan to stay at the forefront of this expanding effort.

A young boy with dark hair, wearing a green sweater and an orange backpack, is seen from behind, looking into an open refrigerator. The refrigerator is filled with various food items, including bottles of juice and containers. The scene is brightly lit, suggesting a kitchen environment.

## Energy

38%

of prospects say an energy-efficient home is a strong influencer in their decision on where to rent

Keeping a close eye on energy usage and capturing efficiencies wherever possible is a core component of any sustainability strategy. Because of the size and geographic span of Equity's portfolio, we are able to see more, do more and use our scale more efficiently than any of our multifamily peers. At the heart of this effort is understanding what solution will have the largest impact in any particular location. For instance, solar power needs more than just the sun to be effective; utility rebates and energy costs are significant factors in determining where this technology will make the most sense. On-site cogeneration systems, which run off natural gas to produce heat and electricity for a building, work best in the Northeast. And our increasing use of systems like this has the added benefit of significantly reducing our CO<sub>2</sub> emissions.

Our state-of-the-art operating platform, including a database of more than 2.2 million utility bills accumulated since 2008, is one of the key tools we use to monitor and measure our portfolio, property and project-level performance. This visibility helps us quickly identify opportunities for savings, such as the programs described in the next few pages. It also helps identify the source of unexpected utility variance, and ensures that properties projected to improve their efficiency, in fact, do so. With this data, we can both proactively and reactively ensure our portfolio is running at peak efficiency. Furthermore, our platform helps us attract some of the leading partners in the industry to find innovative solutions for our energy needs.

## Solar

One of the paths to sustainability is to move away from fossil-based fuels and toward renewable resources like solar power. In 2012, we installed a half-megawatt of solar PV panels at four of our Northern California communities. Based on the fruits of our 2012 solar PV investments, we have added another megawatt of solar power to our portfolio bringing our total installed solar PV capacity to 1.5 Megawatts over 9 properties. All installed projects continue to perform ahead of initial expectations.

Our 2012 investments reduced grid electric use at these four properties by over 80%. The emissions reduction is estimated to offset all emissions that the approximately 1,100 apartments' residents produce on their daily commutes.

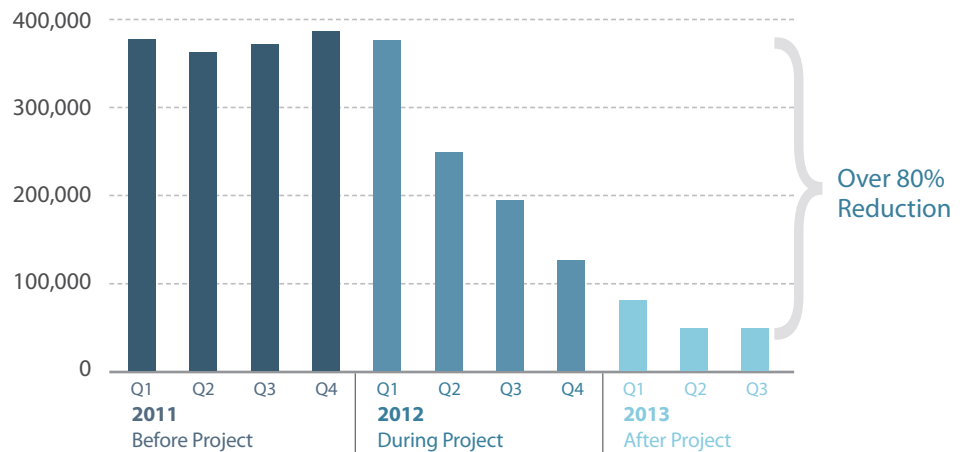
### Solar PV Property Electric Use

4 California Properties

(kwh grid electric use)

Our solar panel project  
reduced electric use at these  
four properties by over

80%



**Skyline Terrace – Burlingame, CA**

Skyline Terrace's views of the San Francisco Bay also made it an excellent candidate for solar power. The property features both photovoltaic panels, which produce electricity, and solar thermal panels, which provide hot water.



Trump Place 160 Riverside – New York, NY

# Cogeneration

In 2012, we identified cogeneration as a meaningful opportunity to reduce our reliance on the power grid and increase the efficiency of our on-site energy production in the Northeast. Cogen systems, also known as combined heat and power systems, are generators that run off natural gas, producing heat and electricity for the building.

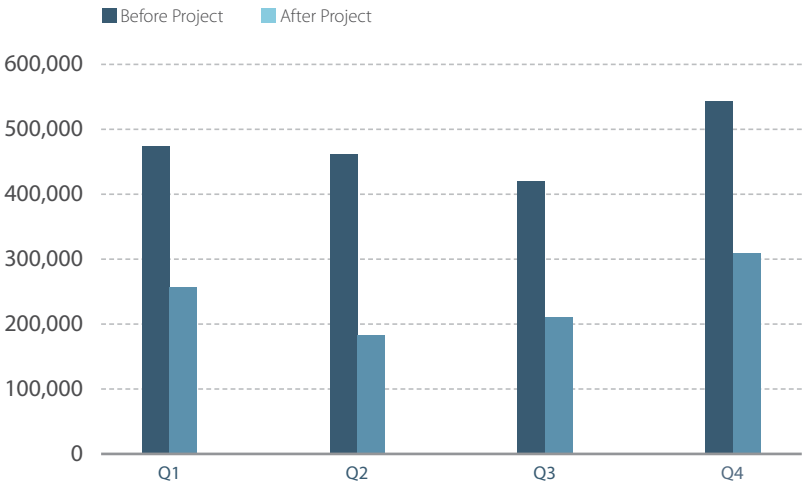
Our first system at Trump Place 160 Riverside, on the Upper West Side in New York, has reduced the property's grid electric use by almost 50%, as shown below.

Following the success of our 2012 and 2013 cogeneration acquisitions, we more than doubled our capacity in 2014 adding a half megawatt of capacity. This brings our total installed capacity of cogeneration to just under 1 megawatt with even more scheduled to come online in 2015.

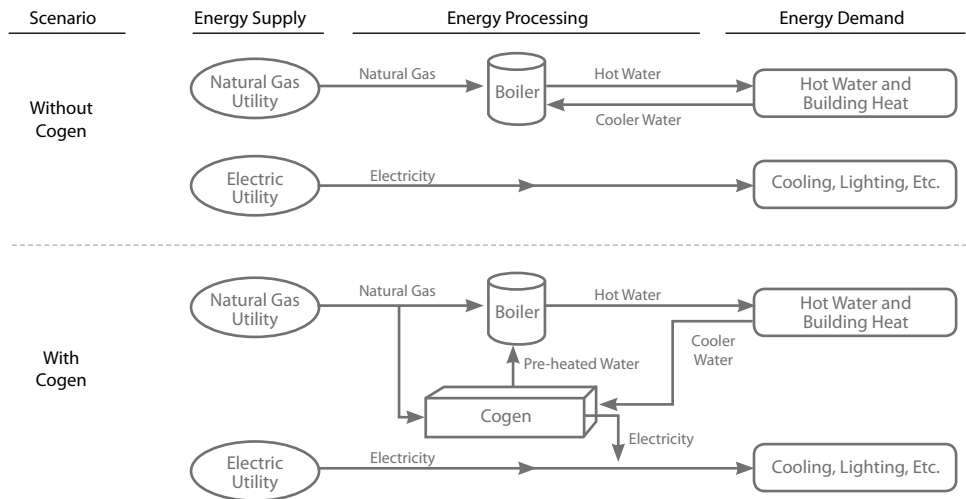
## Electric Grid Use – Cogen Electricity Impact Analysis

Trump Place 160 Riverside

(kwh grid electric use)



## Cogeneration Systems Provide Heat and Electricity





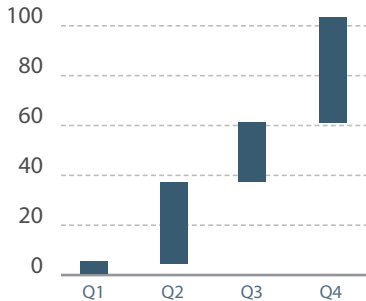
# Lighting: Better Light Using Less Energy

At Equity Residential, we've been converting our properties to more energy-efficient lighting for years, and saving energy and reducing emissions in the process. Innovations in LED lighting have increased the number of opportunities we have to upgrade from fluorescents, our previous efficient technology of choice. Some new LEDs use significantly less energy and last much longer than their fluorescent equivalents. LEDs not only help save energy, but also substantially reduce replacement cost as many of them are expected to last five to ten years. Installing more energy-efficient lights isn't just a cost-savings measure. During a recent project to retrofit a large parking garage with LED lighting, Equity reduced the wattage (the energy used by the lights) by 60%, while roughly doubling the level of light at the same time. It's a win-win situation where our residents benefit from a structure with better lighting, our employees can spend less time on lighting maintenance, the property will lower its electric cost and the community will experience a reduction in emissions.

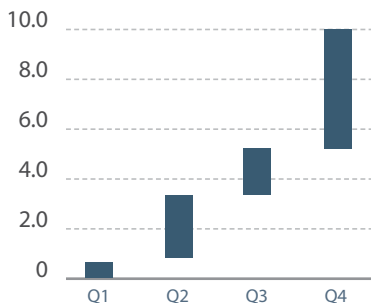
Lighting upgrades are performed through a continual four-step process: identify, design, execute and measure.

In 2014 we completed over 100 lighting projects reducing energy use in our portfolio by 10 megawatt hours per year.

## Projects



## Annual MwHs Saved



## 1 Identify



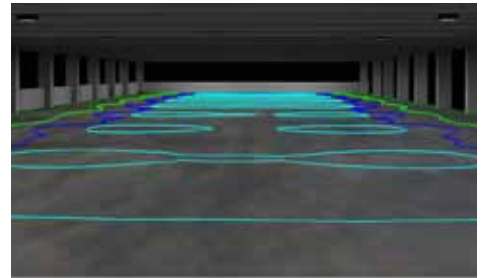
While improved lighting technology creates opportunities, in practice, we have to know which locations will benefit the most from the improved efficiency. Equity's extensive utility database provides a window into where energy savings will have the most benefit and is reviewed in combination with property lighting audits that determine which projects have the highest potential for a favorable impact.

## 3 Execute



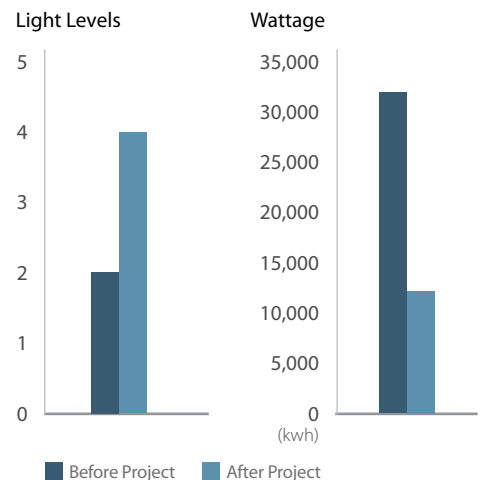
Even the best-planned project will fail without proper installation. Our teams carefully measure improvements against the design to ensure we achieve the expected results and apply what we've learned in the process to design even better systems in the future.

## 2 Design



Using our state-of-the-art 3-D lighting software helps us model and design new lighting systems that reduce the amount of energy used and improve the quality of the light.

## 4 Measure



Once the project is installed, a monitoring process is put in place to ensure that the conservation is ongoing or, in other words, sustainable.



## Research and Development Partnership with Sharp Labs



Market Street Village – San Diego, CA

In October 2012, Equity Residential and Sharp Labs (the research and development division of Sharp Electronics) participated in a technology innovation day at Stanford University. Sharp was interested in developing a new product using its existing solar panels, which we were already using at several of our properties with battery storage systems and other technologies. The partnership was born and Market Street Village in San Diego was chosen as the site to pilot an ambitious, never-before-seen system, which would generate energy from the sun, store that energy in the basement, use remote HVAC controls and integrate all three systems with an algorithm to optimize total performance.

The solar installation was completed in early 2013 with the remainder of the system coming online in the third quarter. After 18 months of operation and numerous upgrades and reconfigurations, the S4 system is preparing to go to market through Sharp in 2015.

SMART	SOLAR	STORAGE	SYSTEM
Reduces property energy demand at key times based on a combination of property and weather data.	Property creates its own energy directly from the sun.	Property stores energy in batteries for use at key times when the cost of energy is most expensive.	These components are integrated to optimize whole system performance.

## SHARP

“We’re excited about our partnership with Equity, the largest player in multifamily – a customer who sees the opportunities coming to market and wants to be the first to take advantage of what Sharp has to offer. Having the chance to pilot our new product in a real-life application and help bring it to market was exactly what we were hoping for. We think the combination of solar PV and battery storage is viable for a variety of commercial real estate applications and ideally suited for multifamily housing.”

Kirk Stokes, Director of Business Development, Sharp Labs

### Day-to-Day Operations

We’ve featured some of our more noteworthy projects in this report, but we give equal attention to those day-to-day operations that create a solid foundation of sustainability, such as the monitoring, maintenance and replacement of:

- Individual apartment HVAC systems
- Rooftop cooling units
- Cooling towers
- Boilers and boiler controls
- Building management systems
- Variable-speed drives for motors and pumps
- Occupancy and daylight controls





# Water, Recycling, Transportation

Our properties use more than 700 million gallons of water each year, so it only makes sense that this is an area of particular importance in Equity Residential's sustainability efforts. Since most of this water is used in the apartments by our residents, we have installed water-efficient faucets, showerheads and dual-flush toilets to help them in their conservation efforts. For the common areas of our communities, we have implemented solutions such as smart irrigation systems to control our water use where we can, when we can.

Recycling and paper reduction is another area where participation by our residents, our employees and our company all comes together to help reduce what goes into our nation's landfills – we have made significant strides by moving away from paper leases and checks to electronic leases and payments.

We pioneered offering car-charging stations at a select number of properties, providing resources for residents and visitors who have electric vehicles. By concentrating our portfolio in more dense, urban locations, we invest in areas where traditional car ownership has taken a back seat to easy access to public transportation and car-sharing programs.

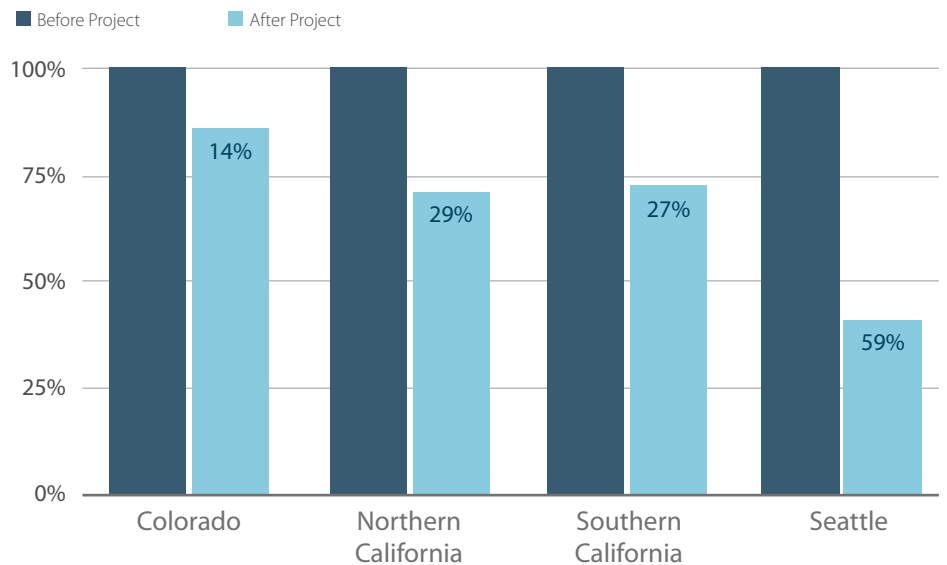
## Water

We generate more than \$60 million annually in water costs, the majority of which is used by our residents in their apartments. We've installed WaterSense fixtures and dual flush toilets at many properties so our residents can participate in our conservation efforts. The next largest water use in our portfolio is landscape irrigation. At many properties, the landscaping is self-sustaining, meaning it doesn't need to be irrigated beyond what is provided by rainwater. In other areas, though, irrigation creates a major opportunity to reduce water usage and cost. For instance, we installed smart irrigation systems at more than 40 properties in California, Washington and Colorado. These systems use weather data – such as rainfall, wind speed, temperature and humidity – and the type of landscaping, to determine the sprinkler schedule for different areas of a property. The cycle-and-soak process is also managed to minimize runoff. This allows us to use just the right amount of water at the right time, reducing the use of this precious and expensive resource. As a result, the properties that have installed smart irrigation systems have reduced their use of irrigation water by 24% from the pre-installation baseline.

Smart irrigation systems have reduced use of irrigation water at our properties by

24%

Percentage of Irrigation Water Reduction by Market







## Recycling

Recycling has evolved from something that was practiced only by a dedicated and ardent few to being the everyday response to dealing with waste. The municipal regulations where our communities are located have evolved in their thinking as well, so we have customized our recycling programs to meet the needs for each particular location. For instance, one of our Seattle communities, Uwajimaya Village, helped pilot the city's residential composting program, which allows residents to dispose of many non-recyclable items, including food waste, pizza boxes and paper towels, in an eco-friendly manner. To help our residents and employees deal with outdated or unwanted devices like cell phones and chargers, we partnered with Waste Management to provide an ongoing small electronics recycling program at all of our communities and offices.

Helping our residents recycle is only part of what we're doing. Since we are continually upgrading and renovating apartments across the country, we take particular care to ensure that appliances and other useful materials wind up where they can do the most good. For instance, after a major renovation at The Marks Apartments in Denver, usable cabinets, appliances, sinks and faucets were donated to Habitat for Humanity. What Habitat couldn't use was taken by a local recycler. As a result, 80% of the material from the renovation did not end up in a landfill.



## Transportation

Part of the appeal of living in an urban center is the ability to get around easily without owning a car. Our investment strategy recognizes the importance of easy (if not adjacent) access to public transportation and metrics such as "Walk Scores" that measure the ability of residents in a particular location to be able to walk to jobs, recreation, retailers, public transportation and nightlife. In 2011, we took that one step further by becoming the first apartment company to partner with Zipcar. We now provide on-site car-sharing at more than 50 of our properties with plans to expand that number, particularly along the West Coast. Since we've focused our portfolio in select core locations, if there isn't a Zipcar at one property, there's a good chance that there's a conventional or hybrid Zipcar available at another Equity property nearby.

"Zipcar offers all of the benefits of car ownership without the hassles.

This partnership is a win-win lifestyle choice for residents of Equity Residential properties and the surrounding neighborhoods. Since each Zipcar removes approximately fifteen personally owned cars from the road, we help alleviate the demand for parking and we reduce congestion and the carbon footprint making our cities more affordable, livable and sustainable.

We commend Equity Residential as a top, forward-thinking partner. This offering delivers an outstanding value to residents of Equity's properties since Zipcar members report saving \$7,200 per year versus car ownership."

*Scott Griffith, Zipcar Chairman and CEO*





A photograph of a modern, multi-story apartment building. The building features a mix of glass and concrete facades. Several balconies with glass railings are visible, some of which have plants. The top of the building has a rooftop garden with trees and plants. The sky is blue with some clouds. The overall scene is a high-angle shot of the building, showing its architectural details and the surrounding urban environment.

# Development

In addition to being an owner and operator, we are an active developer of apartment communities that we intend to hold. This means we're able to build sustainable features into our communities from the ground-up, often times by rehabilitating blighted or environmentally distressed parcels in the process. As of September 30, 2014, we had approximately \$2.1 billion of projects under construction, which will comprise approximately 4,200 apartments, with over 3,000 apartments in the pipeline having projected costs of approximately \$1.7 billion.

We evaluate all of our projects for sustainability certifications, such as:

- The U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) program
- The National Association of Home Builders NGBS (National Green Building Standard) program
- CalGreen and GreenPoint ratings (California)
- BuiltGreen (Washington state)

Of our new projects completed since 2011, four received LEED certifications, three received NGBS Silver certification, one is BuiltGreen certified and one is GreenPoint rated. Of our projects under construction, we are targeting four for LEED certification, six for CalGreen certification, seven for GreenPoint ratings and one for NGBS certification.





## Prism at Park Avenue South – New York, NY



This unique, 40-story, mixed-use rental and condominium development features a dramatic glass tower design that maximizes natural sunlight. This project, expected to be completed in mid-2015, is being co-developed by Equity Residential and Toll Brothers, one of the nation's leading condominium builders. Equity will develop and own approximately 305,000 square feet (floors 1-22) consisting of 269 apartments and 4,858 square feet of retail. Toll Brothers will develop and own approximately 170,000 square feet (floors 23-40) consisting of approximately 81 condominium homes.

When complete, Prism is expected to receive LEED certification and include sustainability features, such as:

### Energy

- Energy Star kitchen appliances (refrigerator and dishwasher)
- Efficient building envelope and HVAC systems designed using energy modeling
- LED or fluorescent lighting in all common areas
- Occupancy sensors for low-occupancy spaces
- Programmable thermostats in all apartments and common areas
- Cogeneration system
- Central HVAC systems
- Separate electric meters for each apartment
- Building Management System

### Air and Water

- Smoke-free
- Low-VOC carpet and paint
- WaterSense shower heads and faucets in apartments and common areas
- Low-flow toilets in apartments
- Indigenous or climate-friendly plantings

### Recycling and Transportation

- Sustainable building materials used when and where appropriate
- Entrance to subway station on-site
- Secure bicycle storage
- Recycling collection





## Urbana – Seattle, WA



Our mid-rise Urbana project, completed in early 2014, features 287 apartments and 31,225 square feet of retail space in the Ballard neighborhood of Seattle, a pedestrian-friendly community where people often live car-free and walk to restaurants, shopping and entertainment. Urbana received LEED Gold certification in July 2014 and sustainable features include:

### Energy

- Energy Star kitchen appliances (refrigerator and dishwasher)
- Efficient building envelopes and HVAC systems designed using energy modeling
- Central HVAC systems
- LED lighting in all common areas
- Fluorescent lighting in all apartments
- Occupancy sensors for low-occupancy spaces
- Programmable thermostats in all apartments and common areas
- Separate electric meters for each apartment
- Rigid exterior thermal insulation
- Solar panels incorporated into the roof design

### Air and Water

- Smoke-free
- Low-VOC carpet and paint
- WaterSense or low-flow shower heads and fixtures in apartments and common areas
- Dual flush or low-flow toilets in apartments
- Indigenous or climate-friendly plantings
- Water submeters for all apartments

### Recycling and Transportation

- Sustainable building materials used when and where appropriate
- Recycling centers designed for residents
- Secure bicycle storage and maintenance area
- Access to public transportation; Metro RapidRide D Line bus stop adjacent to project







## Westgate & Residences at Westgate I & II – Pasadena, CA



An 11.7 acre, three-phase development project within Pasadena's Westgate Master Plan, Westgate is a successful redevelopment of an under-utilized portion of Old Pasadena into an urban village. Westgate Apartments was completed in 2010, Residences at Westgate I was completed in 2014 and Residences at Westgate II will be completed in 2015. Combined there are 820 apartments and 19,940 square feet of retail, two public parks and two public plazas.

Westgate Apartments achieved LEED Silver Certification and Residences at Westgate I and II will be CalGreen Certified. This project delivers on the City of Pasadena's specific plan which called for the site to provide an "eclectic urban village," deliver housing and mixed use development to redevelop a key downtown brownfield site previously struggling with underuse. Sustainable features include:

### Energy

- Energy Star kitchen appliances (refrigerator and dishwasher)
- Efficient building envelope and HVAC systems designed using energy modeling
- Central HVAC systems
- LED lighting in all common areas
- Fluorescent lighting in all apartments
- Occupancy sensors for low-occupancy spaces
- Programmable thermostats in all apartments and common areas
- Separate electric and gas meters for each apartment

### Air and Water

- Smoke-free
- Low-VOC carpet and paint
- WaterSense or low-flow shower heads and fixtures in apartments and common areas
- Dual flush low-flow toilets in apartments
- Indigenous and climate-friendly plantings

### Recycling and Transportation

- Sustainable building materials used when and where appropriate
- Recycling centers designed for residents
- Secure bicycle storage
- Access to public transportation; Pasadena's Metro Gold Line Del Mar Station and Central Park
- Urban-infill development
- Electric Car-charging stations







Domain features 444 apartments that were constructed utilizing a modular housing product fabricated in a LEED and Energy Star certified factory in a manner that reduced waste and improved efficiency. This project was completed in late 2013 in a joint venture with an institutional investor that shared our passion for building sustainable projects. A five acre community park will also be built as part of this project and will be dedicated to the City of San Jose upon completion.

Domain received a Green Point Rated Certification in March 2014 and sustainable features include:

#### Energy

- Energy Star kitchen appliances (refrigerator and dishwasher)
- Efficient building envelope and HVAC systems designed using energy modeling
- Central HVAC systems
- Fluorescent lighting in all apartments
- Occupancy sensors for low-occupancy spaces
- Programmable thermostats in all apartments and common areas
- Separate electric meters for each apartment

#### Air and Water

- Smoke-free
- Low-VOC carpet and paint
- WaterSense or low-flow shower heads and fixtures in apartments and common areas
- Dual flush or low-flow toilets in apartments
- Indigenous or climate-friendly plantings

#### Recycling and Transportation

- Sustainable building materials used when and where appropriate
- Recycling centers designed for residents
- Secure bicycle storage
- Access to public transportation; Rapid Ride bus stop adjacent to project and two-block walk to light rail station

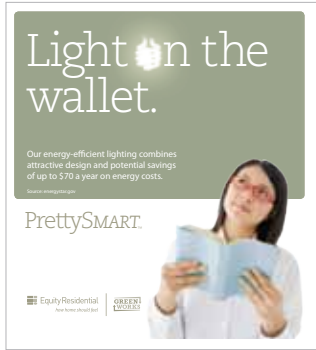




# Renovation

Equity Residential's extensive renovation program allows us to improve the energy efficiency and sustainability of our existing properties. In fact, Equity has installed eco-friendly products in over 63,000 apartments over the past six years, an amount larger than many of our peers' entire portfolios. Together, our development and renovation effort helps reduce our portfolio's impact on the environment while improving our residents' ability to live in an eco-friendly manner.

## Pretty Smart™



## Sustainability Practices in Renovation

Whether a total building renovation or an apartment-by-apartment upgrade, we improve performance by installing the following:

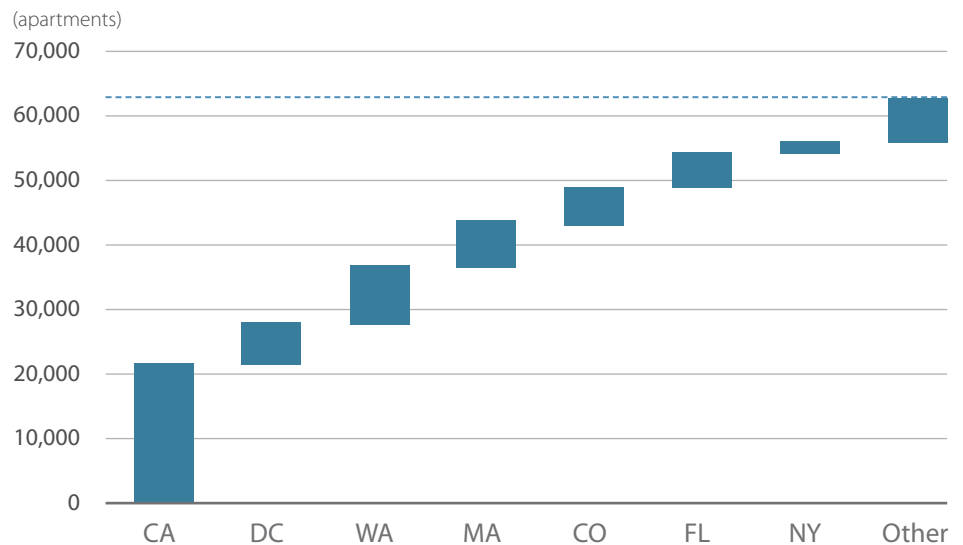
- Energy Star kitchen appliances
- Energy-efficient lighting
- Programmable thermostats
- Low-VOC paint
- Recyclable carpet
- WaterSense faucets and showerheads

In the past five years, Equity Residential has worked with 23 different utilities and municipalities to renovate our apartments with eco-friendly products and services that help lower residents' utility bills and reduce their environmental impact at no cost to our residents. In addition to the products listed above, this includes services such as home energy audits, duct and window sealing and HVAC upgrades.

Our work doesn't end once the new products and systems are installed. Our Pretty Smart program educates our customers on which sustainable features are available in their apartments.

### Eco-friendly Apartment Renovations and Products

We have installed eco-friendly products in over 63,000 apartments either through local utility programs or renovations.







# Stakeholder Engagement

We understand that corporate sustainability is about more than just running a portfolio of properties in an energy-efficient manner. Taking care of the people who live, work and invest in those communities is at the heart of our efforts and guides our actions as individuals and as a company.





## Customers

By providing high-quality housing where people want to live, in a way they want to live, creates value not only for them but for Equity Residential's shareholders as well.

The key to our business is making sure that we're providing exceptional customer service to our prospects and residents. Our resident commitments are the heart of this directive: providing an exceptional move-in experience, allowing residents to cancel their leases within the first 30 days if they're not entirely satisfied, guaranteeing responses to routine service requests within 48 hours and providing programs to help residents when they buy a home or need to relocate. By setting the bar high and following through on our commitments, we are able to provide our residents with a place they'll want to live today – and continue to stay for many days to come.

We know that having an eco-friendly place to live is something that's important to our residents. One way we measure our progress and track results is by surveying our residents at different points in time during their stay with us and creating a metric called the "Customer Loyalty Score" or CLS. One critical measure of whether residents will renew is what happens during the first 30 days after they move in, since those who are satisfied during that initial window are much more likely to stay when it comes time to renew. This year, over 91% of respondents reported during our initial survey period that they're satisfied with their Equity Residential experience.

We also survey our customers to find out what makes one apartment community more desirable over another. Our most recent surveys show that about 38% of prospective residents who tour a community stated that living in a green or energy-efficient home is a strong influencer in their decision to choose their next apartment. More than half of these prospects said the same about living in a smoke-free community. Many of our communities are already carry that designation and we are progressing toward a smoke-free portfolio.

The message to us is clear: we want our residents to be highly satisfied with their living experience and a significant percentage of our potential residents want to live in a sustainable, smoke-free, energy-efficient environment. As our resident satisfaction surveys indicate, we listen to our customers. By undertaking significant retrofitting projects to install environmentally friendly fixtures and appliances, we are working to uphold our commitment to provide our residents with places they're proud to call home.



## Employees

Just like our residents, our employees come from everywhere. A richly diverse work environment captures the top talent, cultivates the best ideas, and creates the widest possible platform for success. By bringing together a deep array of backgrounds, perspectives and cultures, we know when we put our heads together, good things happen.

### Diversity

The cornerstone of our focused diversity effort is our cross-functional Diversity Council, which guides Equity Residential in looking for creative solutions to work across differences. Our goal is to create and sustain an inclusive environment where diversity will thrive, employees will want to work and residents will want to live.

Established in May 2003, the Diversity Council is charged with driving new, diversity-focused initiatives for recruitment, career development and education. Our vision of diversity includes race and gender, certainly, but also factors in age, experience, sexual orientation, physical ability and ethnicity.

### Total Wellbeing

One of the most meaningful connections Equity makes with our employees is providing access to a comprehensive, competitive Total Wellbeing benefits package – one that provides coverage and security for the physical, financial, career, social and community wellbeing of our employees and their families. Some program components include:

- Medical, dental and vision coverage
- Comprehensive physical wellbeing rewards program
- 401(k) plan that includes a 4% company match
- Life and accident insurance
- Supplemental life insurance
- Short- and long-term disability insurance
- Health care and dependent care flexible spending accounts

We consider our people to be the best in the business, so we go the extra mile to provide programs we know will help achieve their wellbeing goals. We began offering benefits to same-sex domestic partners in 2004, and offer adoption assistance for employees who want to expand their families. Our employees are eligible for apartment discounts of up to 20%, and have paid time off to accompany their children on the first day of school and spend a day working on a community service project. In many ways great and small, we are committed to the care of our employees.

### Employee Engagement

Much like our process that includes regular check-ins with our residents and prospects, we survey our employees annually to find out what they think of life at Equity. Each year our people resoundingly say they are proud to work at Equity, value one another as colleagues, believe in our mission and values and feel their skills are a good fit for their jobs.

### Training and Education

We are committed to providing our employees with the encouragement, guidance, time and resources to learn and apply the skills required to succeed in their jobs. In 2014, each employee completed an average of 16 hours of learning at an expenditure of \$1,250 per employee. Included in this training program is a course dedicated to sustainability.







## Our Community

Some of the groups we support with over \$3 million in annual donations include LaCocina, Chicago Cares, Mercy Housing, Housing Industry Foundation, DC Cares and Over the Rainbow.

At Equity Residential, we are actively engaged in the communities where our residents live, work and play. That engagement starts at the local level with our property management teams. Our property employees have chosen careers dedicated to serving customers and making their living experience as satisfying as possible, a spirit of service that carries over into our teams' communities. Every year, our teams host food drives, distribute toys at the holidays and host back-to-school events for the children who live with us. Our employees volunteer their time, together as teams and as individuals. In fact, we give every employee eight hours of paid time off to work in their community each year. In every market in which we operate (including our corporate home in Chicago), our teams come together each year to clean local parks, plant community gardens or paint schools. Equity supports this activity with donations to non-profit organizations in our local markets that are doing everything from providing housing to low-income residents and the disabled, to teaching people how to plant sustainable gardens in their own communities.

## Ethics

At Equity Residential, we are committed to following the highest standards of business ethics and conduct. The company expects all of its employees to support this commitment by acting honestly, fairly and with personal integrity in all aspects of their jobs. This shared ideal forms the basis of the public's trust in Equity, and ultimately, both an individual's and the company's success.

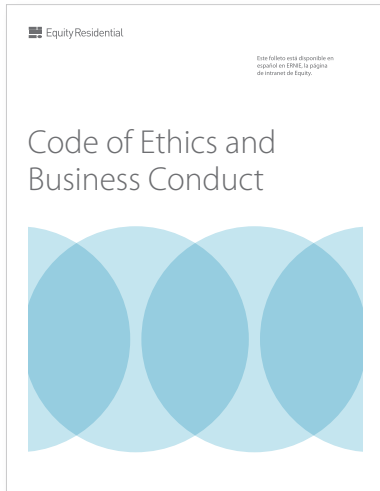
Equity is committed to doing what is right – for our residents, for our shareholders and for our employees. To underscore our commitment, we adopted a Code of Ethics and Business Conduct that is applicable to our Board of Trustees and all employees. To assist in the process of making the right decisions while doing business on behalf of our company, all employees are required to complete online training on our Code within 30 days of being hired and subsequently, every two years thereafter. We require any violations of company policy or of the Code, or any questionable conduct, to be reported.

The Code describes Equity's general standards and expectations of its employees. Its purpose is to:

- Help employees recognize ethical and legal issues
- Guide employees in the resolution of ethical and legal issues
- Provide procedures for reporting violations of the Code without risk of retaliation
- Support a positive work environment free from discrimination and any type of harassment
- Assure compliance with the law and governmental rules and regulations

## Call-to-Action Hotline

Equity uses a third-party hotline to provide an anonymous method for issues to be communicated to the company. Every property and company office is required to have a "Call-to-Action" poster that provides employees and vendors with contact information to report issues.







August 7, 2013 – Equity CEO David Neithercut and Equity employees from the New York market celebrate the 20th anniversary of Equity's Initial Public Offering on the New York Stock Exchange.

## Corporate Governance

Our Board of Trustees recognizes the importance of good corporate governance and is dedicated to maintaining high governance standards.

### Leadership

Our Trustees bring to the company's Board a wealth of diverse leadership experience that meets the company's strategic objectives and contributes to the Board's effectiveness as a whole. They also all bring public board and committee experience and have a thorough understanding of corporate governance practices.

### Independence

The Audit, Compensation and Corporate Governance Committees are comprised entirely of independent directors. Our independent lead director presides at regular executive sessions without management.

### Risk Oversight

The Board provides effective strategic oversight of the risk management activities of the company.

### Accountability

Our Trustees annually assess the performance of the full Board, individual Board members and Board committees to determine whether the current board leadership and structure continues to be optimal for the company.

### Share Ownership

To align the financial interests of senior officers and trustees of the company with those of the shareholders, the Board has established ownership guidelines for the senior officers and trustees of the company.

### Governance Practices

The Board's Guidelines on Governance, along with the charters and key practices of the Board's committees, reflect the Board's commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, with a view to enhancing shareholder value over the long term.

Our Board has implemented many corporate governance and executive compensation best practices over the years, some of which include:

- Aligning pay and performance by linking a substantial portion of compensation to achievement of a balanced mix of performance metrics, including business unit goals that include sustainability, that drive shareholder value;
- Maintaining a majority vote standard and director resignation policy for uncontested director elections;
- Maintaining a declassified Board of Directors;
- Prohibiting the repricing of options under our Share Incentive Plans; and
- Prohibiting executive officers or directors from engaging in derivative or other hedging transactions in our securities.





## Contact

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