



+Amplify  
ESG

# A Letter from Our CEO

---



## **Dear Investors, Colleagues, and Friends,**

With over 15,000 apartment homes across the country under Avanath's ownership, it is vital to amplify our impact and deliver homes and resident experiences that positively influence people and the planet. We have documented our environmental, social, and governance (ESG) journey in this Amplify ESG report, laying out the milestones of where we have been and, more importantly, where we are headed next. We are driving sustainability at our properties, with our residents, and across our organization. I am excited to share our achievements and show you how we remain a premier housing provider and good environmental steward.

Our environmental goals as well as our social impacts are reached through our property-level efforts. I am proud to say that Avanath is fortunate to have a workforce devoted to their craft and supportive of our overall goals at each property. As part of our mission to provide lifestyles within reach to all our residents, we provide a robust and customized selection of social services and resources to help everyone in our community reach their full potential.

Steering us toward success has been our yearly submission with GRESB, a global benchmark we use to identify performance against specified ESG indicators and how that performance measures against peers in our industry. Historically, we have raised our performance year after year and have maxed out on nearly all indicators of the management section, earning 4 or 5 stars across all three funds. Now that we have achieved scores above 80 two years in a row, a feat I hope to see continue, Avanath is pivoting our focus to property-level efforts in order to achieve our carbon reduction goals. As described in our Path to 2030, we have identified several key pitstops on our journey:

- Deploying solar energy
- Electrifying our properties
- Understanding and mitigating our climate-related risks
- Maintaining existing and earning new ENERGY STAR® certifications
- Educating and empowering our residents to adopt sustainable habits

Avanath is well-positioned to reach this 2030 destination, but we cannot do it alone. I am profoundly grateful for all of the connections we have made over the years and the partnerships we continue to forge with our property teams, residents, employees, community members, and industry stakeholders who will help us make our mission successful. Many of these key connections are highlighted throughout this report, providing you with a front-row seat into how we make progress and institutionalize environmental, social, and governance practices into Avanath's daily routine. On behalf of everyone at Avanath, I thank you for participating in our journey to achieve outstanding ESG performance in the multifamily industry. I look forward to our continued success.

Sincerely,

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

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

# Table of Contents

<b>3</b>	<b>Amplifying our ESG Program</b>	<b>27</b>	<b><i>Our Passengers: Calibrating Our Connections</i></b>	<b>50</b>	<b><i>Our Compass: Guiding Through Governance</i></b>
<b>4</b>	<b>A Rear-view Look: Our ESG Milestones</b>	28	Social Objectives	51	Governance Objectives
<b>5</b>	<b>Awards and Leadership</b>	29	Aligning with the Multifamily Impact Council	52	Avanath's Leadership Team
<b>6</b>	<b>GRESB Results</b>	30	Residents	54	A Front Row Seat: Forward-thinking Investor Relations with Dhara Patel
<b>9</b>	<b>Avanath's ESG Strategy</b>	31	A Front Row Seat: Creating Meaningful Resident Services with Noralisa Diaz	55	Management Practices
		32	Engagement	56	Policies
		34	Social Impact at Avanath	57	Reporting and Affiliations
<b>13</b>	<b><i>Our Vehicle: Driving Environmental Performance</i></b>	36	Case Study: The Impact of Esusu	58	Addressing Risk
14	Environmental Objectives	37	Pit Stop: Sharing Directions and Defining a Community	59	Risks Identified Across Regions
15	The Path to 2030	38	Case Study: Youth Programming: Leaving a Legacy with Long Beach Unity Festival at Northpointe	60	Looking Ahead
16	A Front Row Seat: Understanding Property-level Efficiency with Calvin Jackson	39	Employees		
17	GHG Emissions	40	A Front Row Seat: Defining Avanath's Employee Culture and Promoting Our People with Casey Fleckenstein and Gabrielle Wilson		
18	Case Study: Solar Procurement	42	Benefits		
19	Energy Management	43	Pit Stop: 401k Match Program		
20	Pit Stop: Audits and Treasure Hunts	44	Engagement		
21	Pit Stop: Electrification	46	Employee Demographics		
22	Water Conservation	47	DEI, Community, and Engagement		
23	Pit Stop: Water Saving Technology	48	Pit Stop: Engaging the Next Generation of Professionals		
24	Waste Management	49	Looking Ahead		
25	Pit Stop: Waste Management Partnership				
26	Looking Ahead				





## Amplifying our ESG Program: Gearing Up for Success

Avanath Capital Management is a leader in the affordable housing industry because of our attention to quality and care. We have long supported the prosperity of our residents, people, investors, and the planet by prioritizing accommodations and communities that go above and beyond for those who live and work with us. Inherent to our approach is a focus on environmental stewardship, social equality, impact, and responsible investing. Through these lenses, Avanath drives strong environmental, social, and governance (ESG) strategies.

We set policies and monitor progress through our [Amplify ESG](#) program, which sets the strategy to reduce our carbon emissions and reach goals in alignment with the Paris Climate Accord while aligning with our Mission to provide Lifestyles Within Reach.

### OUR MISSION

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

## 2023-2024

- Achieved an 80+ GRESB score and earned 4 or 5 stars across all 3 funds
- Obtained the prestigious Certified Organization for Resident Engagement & Services (CORES) Certification for our resident services efforts and strategy that is provided throughout our portfolio
- Launched a nationwide partnership with Waste Management enabling the ability to track waste data
- Exposed 100% of our residents to the benefits of Esusu credit support
- Completed a physical climate risk assessment on 100% of properties and established a cadence of review for the entire portfolio every five years for climate risk
- Completed first stage of resilience assessments for transition risk
- Named ENERGY STAR® Partner of the Year for the second year in a row (First affordable housing provider to earn such recognition)
- Obtained 30+ ENERGY STAR Certifications
- Joined the ENERGY STAR Affordable Housing Leadership Working Group, Urban Land Institute's Greenprint, and the U.S. Department of Energy's Better Climate Challenge
- Signed leases for rooftop solar across 20 properties in California
- Launched electrification projects and retrofits across the portfolio
- Filed the Renaissance Fund under Article 8 of SFDR

## 2022

- +Amplify ESG program launched
- Worked to increase GRESB score across funds
- Achieved 100% of properties tracked in ENERGY STAR® Portfolio Manager®
- Joined a coalition of organizations to create the Multifamily Impact Council (MIC)

## Pre 2022

- Formed ESG Council
- Developed a Carbon Strategy Policy and set targets to reduce whole building carbon emissions aligned with the Carbon Risk Real Estate Monitor (CRREM) tool and the goals of the Paris Agreement by 50%, based on a 2021 baseline year
- Completed first GRESB submission
- Launched a partnership with the University of California, Irvine, to help expose and educate the next generation of leaders in the affordable housing and ESG space
- Earned a WELL Health-Safety Rating across our entire portfolio (First affordable housing provider to do so)
- Achieved short-term energy and water reduction targets, reducing consumption by 10% four years ahead of schedule
- Conducted first GHG inventory
- Submitted to the United Nations Principles for Responsible Investment (UN PRI)

# Awards and Leadership

Avanath steps up to lead the affordable housing industry because we care about the people in whose livelihoods we invest.

<p><b>PREA IMPACT AWARD</b> The Renaissance Fund was a 2024 PREA Social Impact ESG Award winner for their efforts in building optimization and innovative and proven strategies for growing our resident services—ultimately enhancing lives, improving situations, and revitalizing</p>	<p><b>ENERGY STAR®</b> Partnering with ENERGY STAR and utilizing the ENERGY STAR® Portfolio Manager® platform to track our data allows us the ability to apply for recognition such as Partner of the Year, a status we are proud to have earned in 2024 for the second year in a row.</p>	<p><b>WELL HEALTH - SAFETY RATING</b> Recertifying our entire portfolio under the WELL Health - Safety Rating, the first affordable operator to do so, is a testament to how we run our operations with people in mind. From operational policies to stakeholder engagement and maintenance protocols, Avanath addresses health and safety to enhance human health and well-being.</p>	<p><b>CORES</b> Obtaining CORES Certification, which has a detailed and selective certification process, recognized Avanath’s commitment and competency in providing resident services coordination. We are proud to have received recognition for our efforts to create communities where people not only live but prosper.</p>	<p><b>UN PRI</b> Completing the United Nations Principles of Responsible Investment reports allows us to compare ourselves against global peers and move responsible real estate investing forward.  Our year over year survey scores increased by 300 bps to an overall weighted score of 87%, awarding Avanath with four to five star ratings across all categories.</p>	<p><b>GRESB</b> Submitting to this voluntary, annual industry standard helps us measure our ESG performance and see how we compare across our peers and the industry. As an indicator of our success, Avanath is proud to have maintained favorable scores in 2024 including earning 4 out of 5 stars. Learn more about our GRESB scores on the next page.</p>
--	--	--	--	--	--



# 87

## 2024 GRESB SCORE

*averaged across our portfolios*



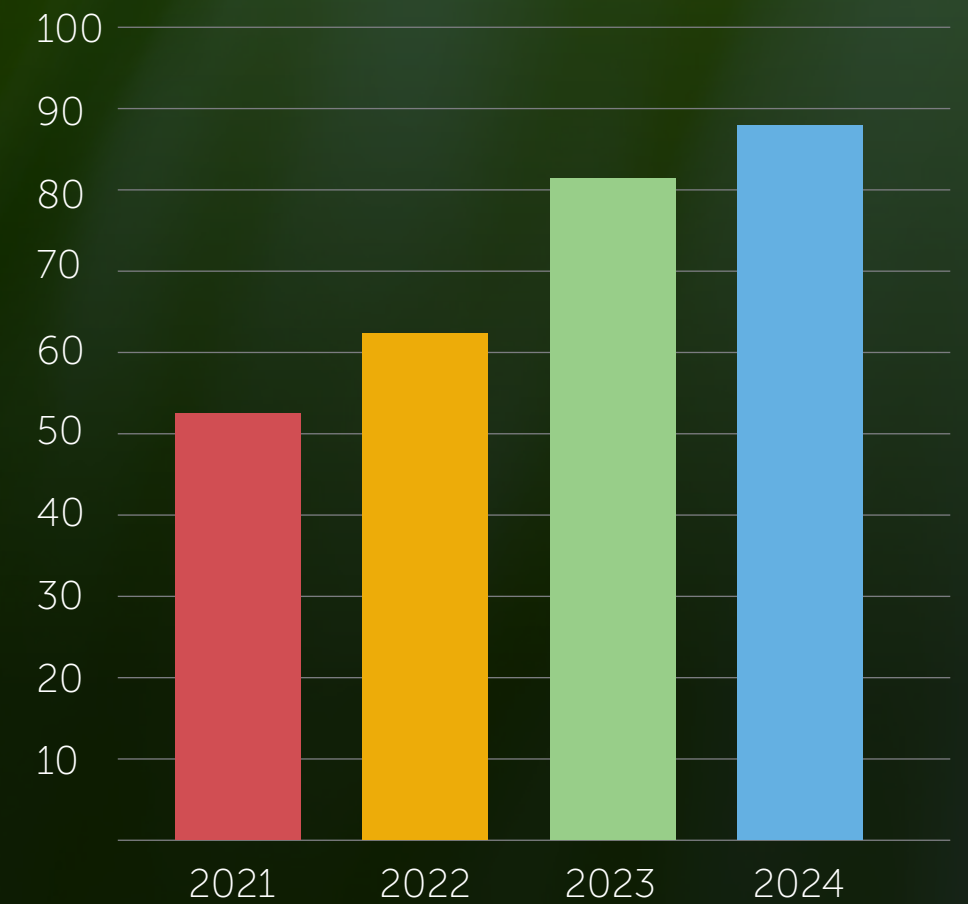
**4 OUT OF 5 STARS\***

### AVERAGE SCORING HISTORY

**2023** 81.3/100

**2022** 62.3/100

**2021** 52.5/100



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

# GRESB Results

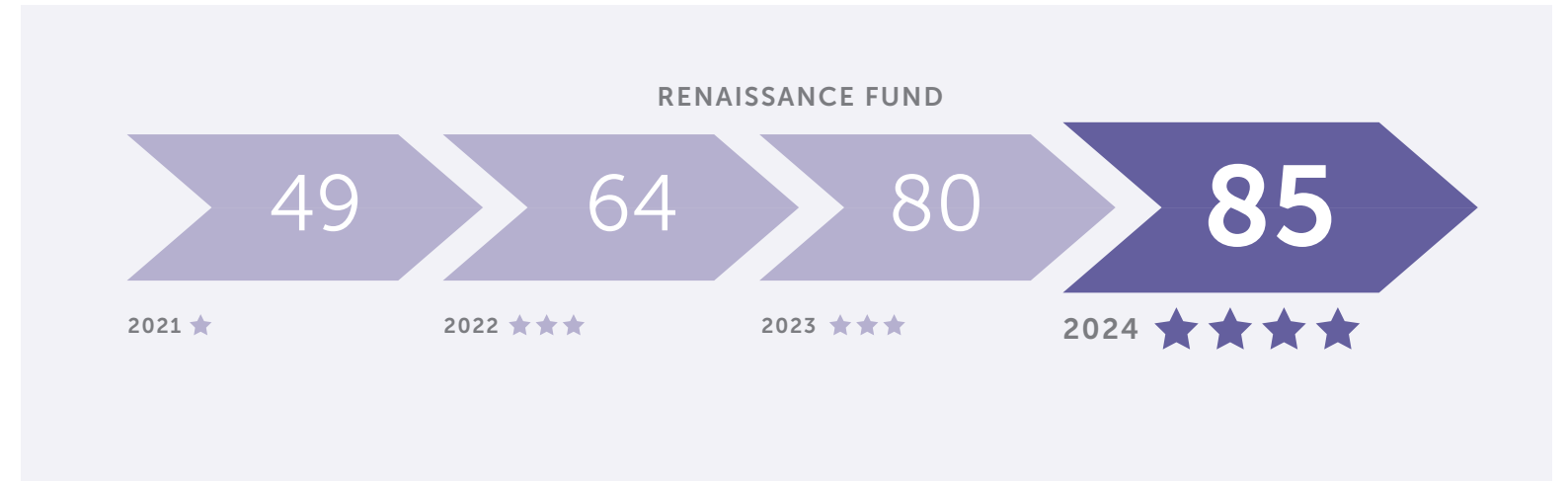
## PEER GROUP INFO

GRESB SCORING GROUP	FUND III	FUND IV	RENAISSANCE
Residential/Americas	19 <sup>th</sup> / 145	9 <sup>th</sup> / 145	23 <sup>rd</sup> / 145
Global Social/Affordable	6 <sup>th</sup> / 39	2 <sup>nd</sup> / 39	7 <sup>th</sup> / 39
USA Residential Social/Affordable	4 <sup>th</sup> / 9	1 <sup>st</sup> / 9	5 <sup>th</sup> / 9

## WHY GRESB IS SO IMPORTANT

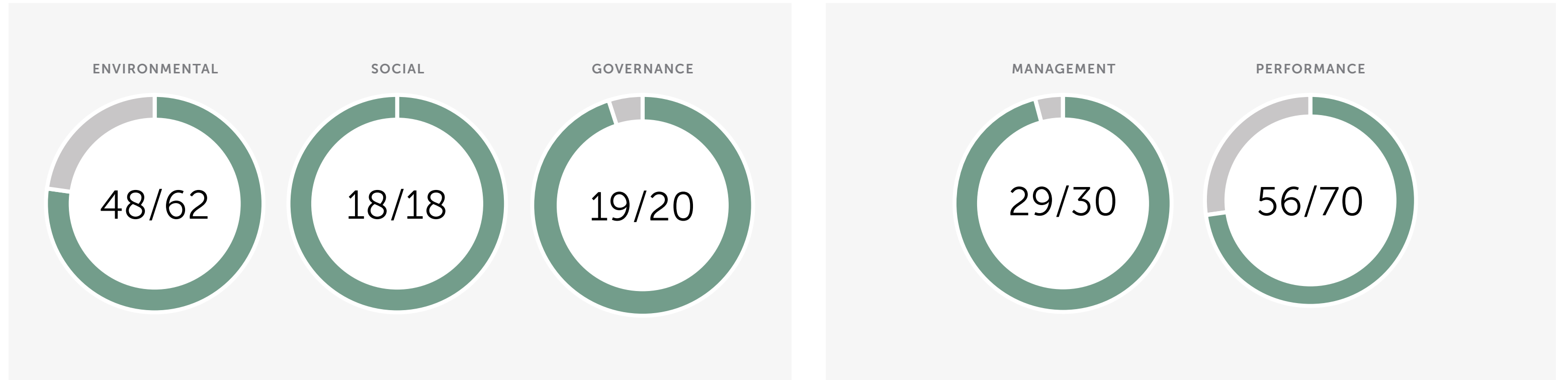
GRESB scoring validates our ESG performance and has become a prominent indicator of our success and a roadmap to identifying areas of ESG in which we could improve. Avanath continuously analyzes consumption data and operational efficiency to pinpoint gaps in performance. We look to capitalize on these improvement opportunities to secure better performance and subsequently raise our GRESB score.

## GRESB RESULTS BY FUND





## SCORING BREAKDOWN



Avanath is adaptable and continues to evolve to meet the needs of our stakeholders. We mark success—environmentally, socially, and diligently—through the guidance of our leadership. As leaders in the multifamily industry, we have been instrumental in paving the way toward sustainability in affordable housing, and we are not done exploring innovative pathways that may lead others on the same journey.



## OUR VEHICLE Driving Environmental Performance

Our best opportunities to drive portfolio-wide efficiency take place at the property level. Our buildings are the vehicle by which we reduce utility consumption, decrease our portfolio's environmental footprint, drive efficiency, improve resident comfort, and realize savings. We do so through:

### OPTIMIZING OUR BUILDINGS: (SEE PAGES 16-26)

Property-level upgrades and retrofits such as LED retrofits, low-flow plumbing fixtures, and operational inspections keep our buildings performing efficiently to benefit our residents and bottom line.

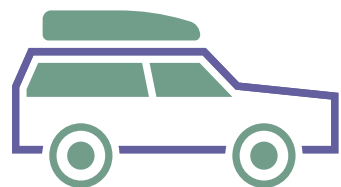
### SECURING REBATES AND GRANTS (SEE PAGES 18 & 21)

Avanath utilizes state, local, and federal grants like those provided through the Inflation Reduction Act (IRA) to subsidize improvement projects that allow us to amplify our service for stakeholders. To date, we've utilized over \$6 million in rebates or grants to add utility efficiency and decarbonize our buildings.

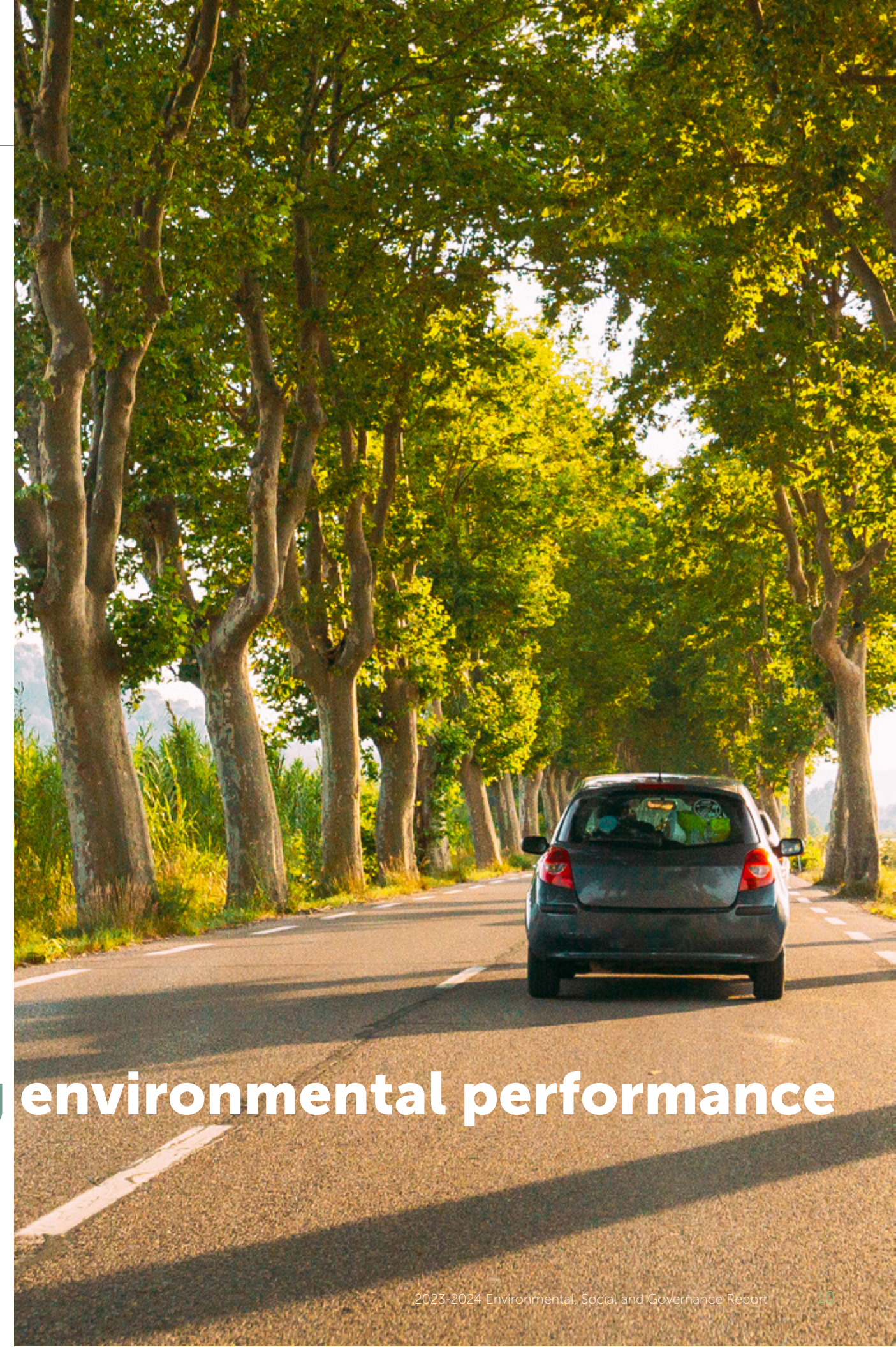
*In late 2024, Avanath was awarded \$8M+ in the form of an IRA grant through the U.S. Department of Housing and Urban Development's Green and Resilient Retrofit Program (GRRP) to add energy efficiency and climate resilience measures to our Scotland Yards II property.*

### PROCURING GREEN ENERGY (SEE PAGE 18)

Offsetting emissions from the source through solar procurement and green energy contracts supplies our buildings with clean, renewable energy that reduces our carbon footprint and subsidizes costs for us and our residents. As we transition to a low-carbon economy, our buildings will be ahead of the curve operating off low or zero-carbon energy sources.



**driving environmental performance**



## OUR PASSENGERS Calibrating Our Connections

People will always be at the heart of our business. Our people are on this journey with us, and we seek to keep them engaged in our ESG efforts. As an affordable housing provider, Avanath finds ways to uplift those who call our communities home, those who choose to work with us, and those who live around our buildings through:

### RESIDENT SERVICES (SEE PAGE 31)

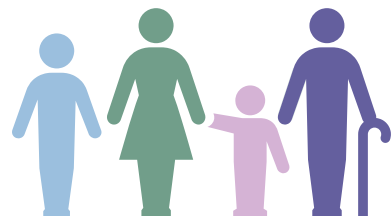
In nearly every community, we have resident services and coordinators who facilitate amenities and curated experiences to uplift and improve our residents' lives, delivering impactful services that truly make a difference in our residents' lives.

### EMPLOYEE BENEFITS (SEE PAGES 39-44)

Our employees help make our mission possible, so we look to provide them with safe, equitable, and diverse workplaces where they can show up as their best selves and advance their careers.

### COMMUNITY GIVING (SEE PAGE 47)

Giving back through time, providing space and opportunity, or monetary support is how we invest in our communities and create value for our employees and residents in and outside our properties.



calibrating our connections

## OUR COMPASS Guiding Through Governance

Our governance structure is formed by people who have honed their craft for decades and senior leadership who integrate our strategy across our range of business functions. It is these individuals who guide and support our ESG efforts, steering us toward success through:

### **AWARDS AND RECOGNITION (SEE PAGE 5)**

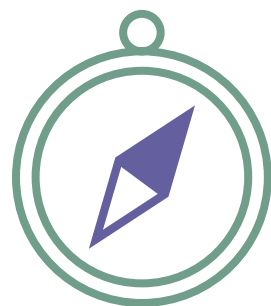
Avanath has a reputation for providing quality, sustainability-focused accommodations, and we are proud to see industry organizations validate and credit our efforts.

### **REPORTING AND TRANSPARENCY (SEE PAGE 57)**

Keeping stakeholders informed of our ESG progress is essential to our continued success. Submitting to reporting frameworks helps benchmark our performance and allows for peer review and comparison.

### **RISK AND RESILIENCE (SEE PAGE 58)**

Avanath is staying ahead of climate and transition risk, including changing environmental regulations, by mitigating any imposed risks to our people and properties. We are enhancing the resilience of our portfolio and will continue to provide for our stakeholders for years to come. Efforts made today help ensure our prosperity in the future. From renewable energy to extreme weather, we are staying ahead of regulations and mitigating risks to our people and properties.



**guiding through governance**



OUR VEHICLE

# Driving Environmental Performance



Our best opportunities to drive portfolio-wide efficiency take place at the property level. Our buildings are the vehicle by which we reduce utility consumption, decrease our portfolio's environmental footprint, drive efficiency, improve resident comfort, and realize savings.



# Environmental Objectives

---

## REDUCING

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

## INCREASING

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

## PERFORMING

- + Energy audits and technical assessments
- + Electrification upgrades and retrofits
- + Solar installation and expanded feasibility assessments across the portfolio

## TRACKING

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

## OBTAINING

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



# The Path to 2030

Avanath's roadmap to 2030 helps us visualize the path we need to take to achieve our goal of 50% reduction in GHG emissions intensity. At the onset of creating our ESG program, we knew our goals needed to align with the Paris Agreement. Today, we are continuing our efforts towards that international agreement to ensure that the rise in global temperature remains well below two degrees Celsius above pre-industrial levels. Our path ahead includes:

## Maximizing data coverage

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

**Utilizing rebates** to fund capital improvements that reduce resource consumption and improve building efficiency

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

**Utilizing offsets and renewable energy credits (RECs)** to remediate the remaining emissions associated with our business outside of our operational and procurement control

## Maintaining or earning

ENERGY STAR® certifications across our portfolio

## Understanding and mitigating

physical and transitional risks, including extreme weather and energy performance regulations, to ensure adequate capital planning and asset resilience

## Educating and encouraging residents

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

2020

2030

& beyond



## A FRONT-ROW SEAT: Understanding Property-level Efficiency with Calvin Jackson



**Calvin Jackson**  
Maintenance Supervisor,  
Acclaim at Germantown

With a range of properties under Avanath’s purview, it’s essential that we have the right people in positions to maintain day-to-day property performance—to be our eyes on the ground, ensuring that our operations are optimized and we are providing maximum service to our residents. Calvin Jackson, Maintenance Supervisor at Acclaim at Germantown in Maryland, is one of those experts with over 30 years of experience in this profession.

As Calvin would say, his role helps Avanath constantly “tune up” operations. Calvin mentioned that while conducting regular inspections at a property, he focuses on the day-to-day details to maintain efficiency and identify energy improvements that can enhance the building’s performance in line with its age and mechanical systems. Little tweaks can sometimes make a big difference, and knowing the inner workings of your building allows you to identify changes or issues that come up faster.

Beyond walking the properties, maintenance teams and supervisors receive regular training to stay up to date on protocols, and they are empowered to collaborate with one another as experts, sharing tips or troubleshooting solutions. Avanath is lucky to have teammates like Calvin, who are excited about sharing efficiency efforts. Their passion for optimizing property performance even extends to residents. Calvin shared how he can candidly speak with residents when servicing requests to share resources and knowledge about further efficiencies they can make within their homes.

Calvin and those in maintenance roles across Avanath’s portfolio are our force for optimization, and we are extremely grateful for their daily expertise and execution of our efficiency strategy.

In addition to on-site experts such as Calvin, Avanath is also partnering with utility companies to perform free HVAC maintenance inspections for the entire building and residential units, where available, to ensure that the boilers and air conditioning units are set at the most efficient and optimal levels.

*In a recent ENERGY STAR Treasure Hunt performed at the property in collaboration with the Environmental Protection Agency (EPA), Calvin was able to give first-hand feedback on the operations of the building’s performance and showcase the inspections he goes through to audit each performance area of the property as well as examples of efficiencies he identified and implemented.*

### Calvin’s Checklist:

- ✓ Installing LEDs, low-flow fixtures, and highly efficient equipment
- ✓ Regularly cleaning HVAC systems and hardware
- ✓ Checking the foundation for faults or signs of resettlement
- ✓ Proactively managing maintenance requests to find root causes and prevent further damage
- ✓ Cataloging requests and repairs to maintain order and records of improvements

# GHG Emissions

## DEMONSTRATING PROGRESS

GHG emissions at our properties are produced from the electricity and gas consumed in our buildings. Wherever possible, we are adding efficiency and clean energy to cut GHG emissions and make progress toward our reduction goals.

### TARGET

# 50%

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



### TACTICS

- Completing a 2022 GHG inventory, including direct emissions (scope 1) and indirect emissions (scope 2 and scope 3 emissions from resident energy use)
- Creating a 2030 roadmap to set a path to achieve our GHG emissions goal
- Developing and administering an energy conservation measure survey (ECM) to track projects across the 100+ Avanath multifamily properties
- Procuring green-sourced electricity and unbundled renewable energy credits (RECs) or green energy contracts
  - 33 green energy contracts have been executed
- Determining base year and year-over-year recalculation policies
- Adding training on GHG emissions reduction strategies for specified Avanath employees
- Producing on-site solar energy where feasible at our properties
- Conducting third-party energy audits

### CONSUMPTION

#### 2023 ABSOLUTE MARKET-BASED EMISSIONS\* BY SCOPE

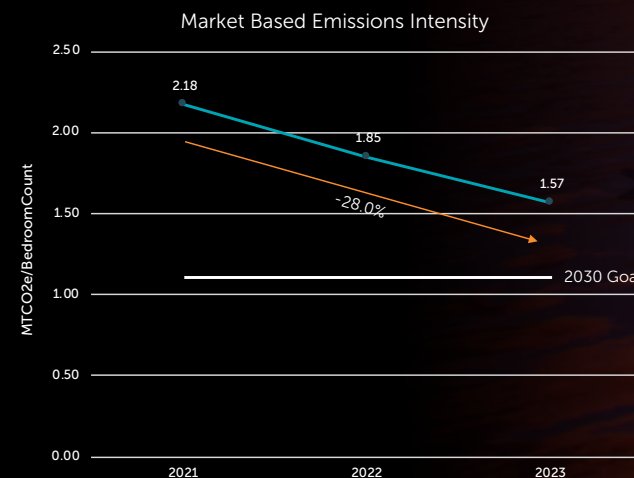
Total 41,729 MTCO<sub>2</sub>e (market based)

**SCOPE 1:** 2,181 MTCO<sub>2</sub>e (5.2% of total emissions)

**SCOPE 2:** 1 MTCO<sub>2</sub>e (0.0% of total emissions)

**SCOPE 3:** 39,547 MTCO<sub>2</sub>e (94.8% of total emissions)

#### EMISSIONS INTENSITY\*\*



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

\*\*Intensity metrics are based on the total bedroom count of owned properties across Avanath's portfolio in 2023.

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

## CASE STUDY: Solar Procurement

Across our portfolio, we have embarked on our solar strategy to identify where solar is feasible and where we can implement clean electricity to the benefit of our residents and net zero goal.

- Placed 20 assets under contract to install solar on the property with nominal cost to Avanath
- Two initial installations are in progress

### **Making the business case for solar:**

Avanath was the first affordable multifamily housing provider to get approval from Fannie Mae to install solar panels at its properties and utilize rebate dollars to do so. This strategy and financial tool will help Avanath proliferate the use of renewable energy across our portfolio with little or no up-front capital needed.

### **At River Run, Avanath is installing a 1MW solar array utilizing funding from Solar on Multifamily Affordable Housing (SOMAH)**

Electricity generated from this array is a win-win for both Avanath and our residents. Residents receive a credit on their energy bills ultimately leading to more disposable income that can be used on other things. Avanath gets to offset common area GHG emissions thereby reducing our carbon footprint and getting us closer to achieving our goals.

Avanath also receives RECs for all the power generated from this solar array. We intend to expand this solar strategy across the country, utilizing rebates to secure clean, reliable energy. As an affordable housing provider, we know we are doing something right when we can go the extra mile to generate savings for our residents, help our bottom line, and reduce our carbon footprint.



# Energy Management

## DEMONSTRATING PROGRESS

At Avanath we look to ensure each property is tuned to utilize energy in the most efficient way possible.

### SHORT-TERM TARGET ACHIEVED

Reduced portfolio-wide energy consumption by

# 10%

by 2025; Avanath reached this goal four years early in 2021.

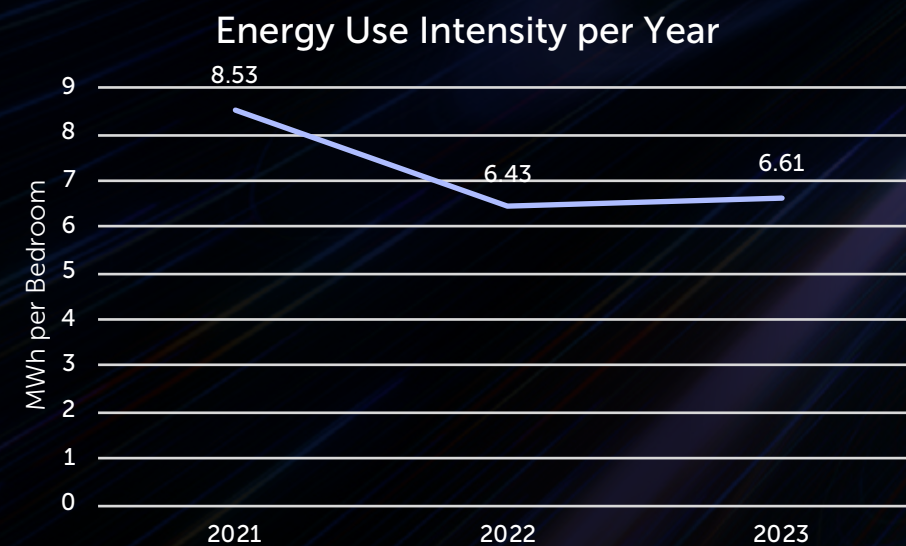


### TACTICS

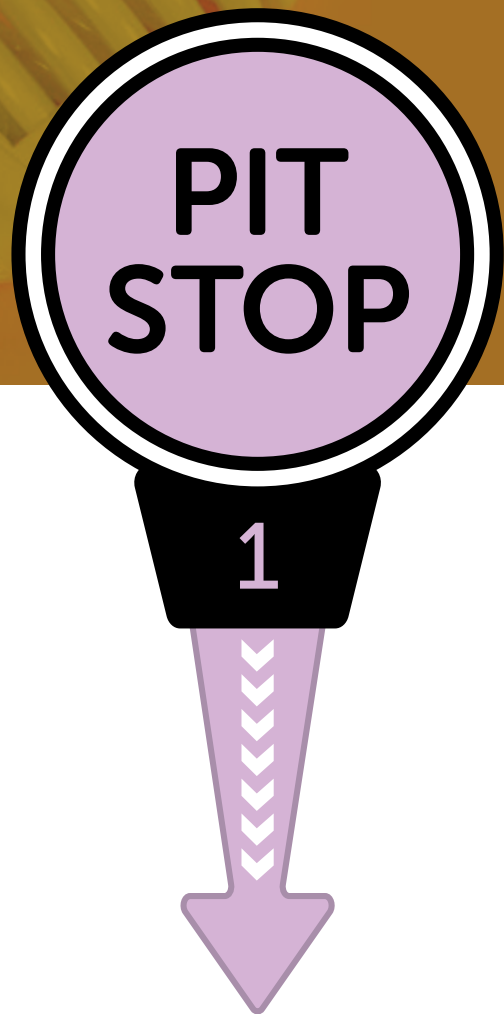
- Outfitting our properties with ENERGY STAR® certified appliances
- Retrofitting properties with LED lighting
- Requiring third-party energy supply to be produced from green sources
- Training property management and facilities personnel on energy management best practices
- Installing solar energy capacity, heat pumps, and efficiency retrofits and upgrades
- Working with consultants to take advantage of utility rebate dollars, and using them to conduct site visits to determine energy saving opportunities and obtain free upgrades

### CONSUMPTION

2023: 184,291 MWh*	2023: 6.61 MWh per bedroom
2022: 173,097 MWh	2022: 6.43 MWh per bedroom
2021: 176,157 MWh	2021: 8.53 MWh per bedroom



\*Since our 2021 baseline, Avanath's portfolio has changed in size and location due to the acquisition and disposition of properties. Total energy data coverage area for 2023 represented 81% of the portfolio. These numbers were externally verified using AA1000AS, an internationally recognized assurance methodology for sustainability metrics. The value included represents a combination of available data and estimated figures.



# Audits and Treasure Hunts

Energy audits are a diagnostic review of a property’s energy use. Avanath runs these audits to ensure our sites are operating at full efficiency and to identify opportunities to add efficiency measures or metering changes.

At 535 Carlton, Avanath worked to optimize metering and realize the true energy demand charged across varying tenants. The audit taught us that a tenant operating a pottery studio 24/7 pulled electricity from one of the building’s main electric meters and was skewing the entire building’s readings. To alleviate this issue and better track the actual energy consumption of each residential and commercial tenant, Avanath is installing separate electric meters across the site.

To find even more efficiency upgrade opportunities portfolio-wide, Avanath audited average utility use across all properties and analyzed the results to identify properties where consumption was above the portfolio average for electric, gas, and water.

**TREASURE HUNTS**, developed by the EPA, are training exercises in which property teams and managers can identify energy saving opportunities. Avanath sponsored a Treasure Hunt at Vistas at Lake Largo where our colleague Calvin Jackson was able to experience the exercise and provide candid feedback. Given its success, Avanath plans to roll out these Treasure Hunts across the entire portfolio.



# Electrification

Electrifying our assets is a huge undertaking, one that is necessary to make the switch to 100% clean energy across our portfolio and a main strategy to reduce carbon emissions and utility expenses, as well as eliminate the use of natural gas.



By outfitting our buildings with electric-powered heating and cooling, as well as appliances such as electric water heaters and stoves, we are preparing our assets for a carbon-free future while adding efficiency to our operations.

Heat pump water heaters can be two to three times more energy efficient than conventional electric resistance water heaters.\*

At our Yorba Linda Palms property, Avanath has utilized rebates to upgrade to heat pump water heaters. This helped achieve a 50% reduction in total building energy use and a 33% savings on our energy bills\*\*. After the project's completion, the site switched fuel away from natural gas almost entirely without affecting resident comfort.

**PROJECT SPECS:**

- 44-unit garden-style community
- 46 hydronic heating systems replaced with 16+ SEER heat pump systems
- 5 building conventional gas-fired hot water systems replaced with two heat pump water heater systems
- \$830K all-in cost with \$631k covered through rebates



\*<https://www.energy.gov/energysaver/articles/which-water-heater-right-you>  
\*\* Savings are based on data obtained 6 months after installation and are subject to change

# Water Conservation

## DEMONSTRATING PROGRESS

Conserving water across our portfolio is done through water-efficient strategies, fixtures, and technologies.

### SHORT-TERM TARGET ACHIEVED

Reduced portfolio-wide water consumption

# 10%

by 2025; Avanath reached this goal four years early in 2021.



### TACTICS

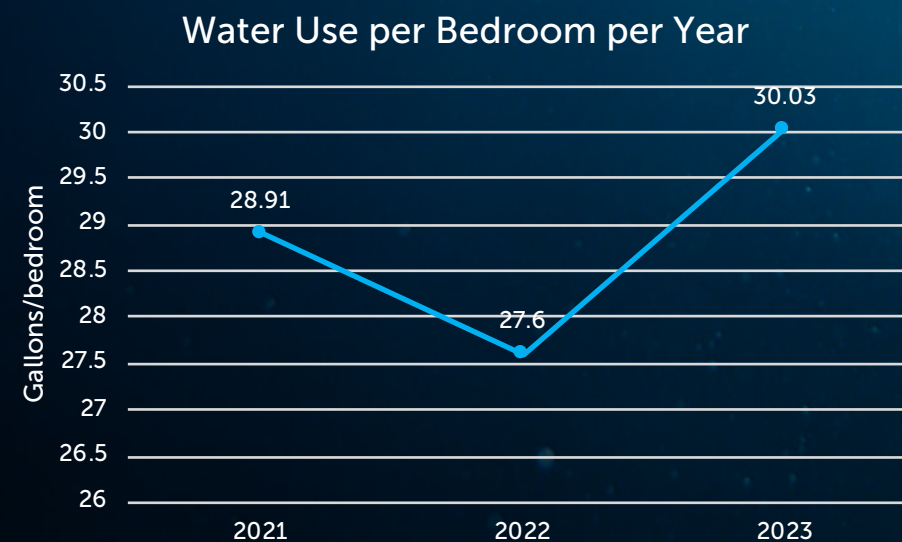
- Surveying properties to mitigate above-average consumption
- Installing drip-smart irrigation or planting drought-resistant vegetation using Smart Rain technology
- Deploying aerators, low-flow toilets, and low-flow showerheads at select properties

### CONSUMPTION

**2023\***: 30,029 gallons/bedroom

**2022**: 27,600 gallons/bedroom

**2021**: 28,914 gallons/bedroom



\* Intensity metrics are based on the total bedroom count of owned properties across Avanath's portfolio in 2023.

# Water-saving Technology



At the Castelar and Crescent Cove, Avanath installed Aqua Miser technology and low-flow toilets, respectively, to optimize water usage in bathrooms and kitchens across the two sites. At the Castelar, Avanath was able to tap into rebates to install this technology for free and, through these installations, has seen a 14% savings on water consumption.\*



\*Based on assumptions given current data set.



# Waste Management

## DEMONSTRATING PROGRESS

Avanath works to reduce the amount of waste sent to landfills, increasing our diversion rate, by engaging our tenants with waste management strategies and partnering with a nationwide waste hauler.

*In 2024, Avanath developed a flyer with sustainability tips and tricks that was distributed to residents. The flyer detailed which products can be recycled.*

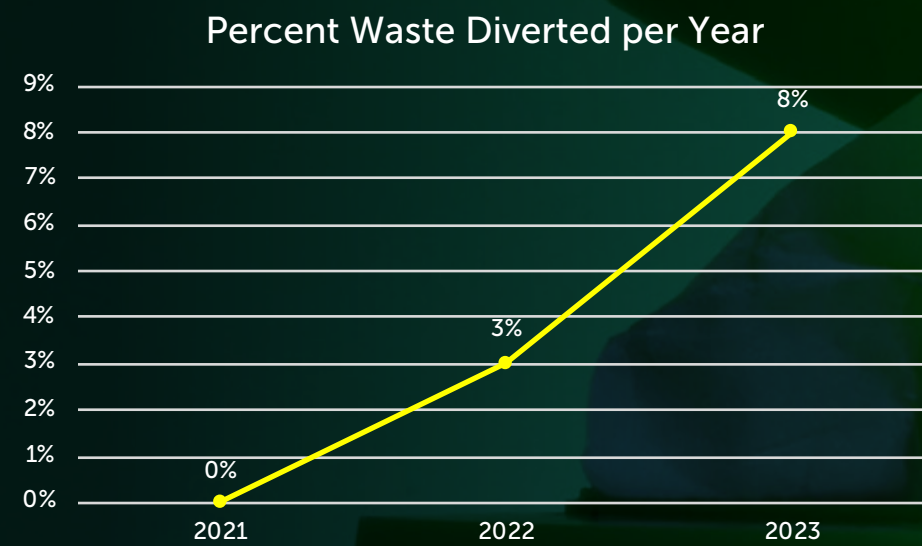


## TACTICS

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

## DIVERSION RATE

**2023:** 8%  
**2022:** 3%  
**2021\*:** 0%



\*Waste data was not recorded until 2022.

# Waste Management Partnership

Avanath is building on the number of properties serviced by Waste Management to unify waste reduction and management efforts across our portfolio. This partnership includes automated tracking and reporting of waste streams.

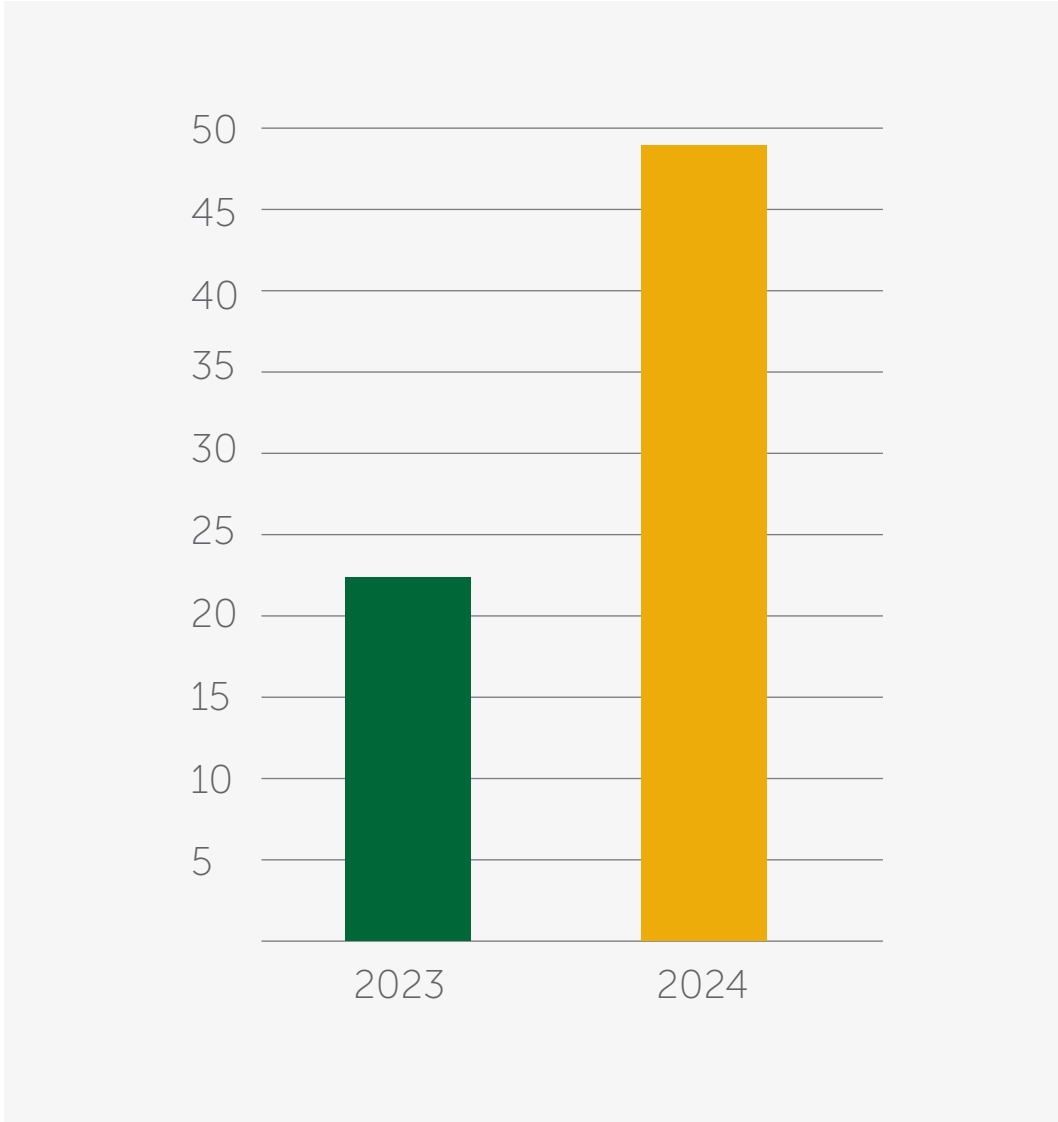


Properties participating in 2023

23

Properties participating in 2024

47



# Looking Ahead

As we look toward the future, Avanath is eager to continue amplifying and expanding the strategies detailed in this report across our operations. Our efforts at the property level are making a difference, and we will continue to focus on opportunities for sharing knowledge across teams and identifying low- and no-cost efficiency wins across our communities.

## AVANATH LOOKS TO CONTINUE:

- Executing our solar strategy by completing the first two installations and preparing for implementation at the remaining 17 properties identified in our solar feasibility study in California.
  - Expanding our solar strategy to other states, targeting Colorado, Maryland, and Texas.
- Using rebates through the Inflation Reduction Act Green Retrofit Resilience Program to continue to retrofit our properties and deliver savings to our residents.
- Auditing properties to ensure optimal building performance and organizing a portfolio-wide treasure hunt strategy.
- Collaborating with experts and utilizing technology upgrades to enhance resource conservation and reduce utility costs.



OUR PASSENGERS

# Calibrating Our Connections



People will always be at the heart of our business. Our people are on this journey with us, and we seek to keep them engaged in our ESG efforts. As an affordable housing provider, Avanath finds ways to uplift those who call our communities home, those who choose to work with us, and those who live around our buildings.

# Social Objectives

---

## INCREASING

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

## PERFORMING

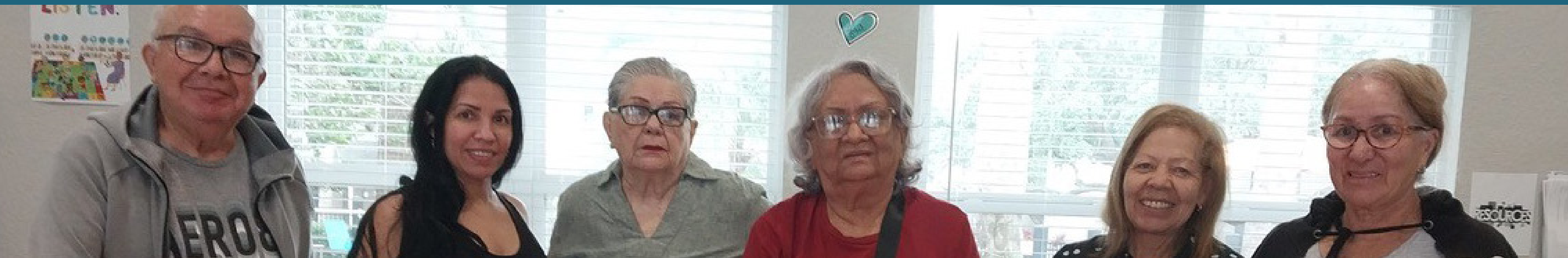
- + Biennial Resident Satisfaction Survey
- + Resident services that are valuable for all stakeholders

## TRACKING

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

## OBTAINING

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



# Aligning with the Multifamily Impact Council

As a founding member of the Multifamily Impact Council (MIC), a leading industry group, Avanath is dedicated to integrating the framework’s seven principles into our social strategy and beyond. Throughout this report, see how we ensure these principles are woven into the fabric of our operations.

A grid of seven icons representing social impact principles. The icons are arranged in two rows. The first row contains four icons: a price tag with a percentage sign, a house with roots, two people silhouettes, and a shield with a swirl. The second row contains three icons: three people silhouettes with a heart, a person silhouette with arms raised inside a heart, and a rocket with a dollar sign. Each icon is centered above its corresponding text label.

- AFFORDABILITY**
- HOUSING STABILITY**
- RESIDENT ENGAGEMENT**
- CLIMATE AND RESILIENCY**
- DEI**
- HEALTH AND WELLNESS**
- ECONOMIC HEALTH AND MOBILITY**

# Residents

Our residents benefit from our robust resident engagement program and intentionally selected experiences that help them access better education, wellness, and social opportunities.





## A FRONT-ROW SEAT: Creating Meaningful Resident Services with Noralisa Diaz



### Noralisa Diaz

Area Service Coordinator,  
Florida

Curating experiences for each of our communities is no small feat. To cater to these diverse populations across the properties in our portfolio, Avanath leans on our Area Service Coordinators to oversee and champion our Resident Service program. These individuals are responsible for aligning our service coordination objectives and delivering community-specific social programs, resources, and activities.

Noralisa Diaz is our Area Service Coordinator in Florida, and is experienced in helping Avanath provide Lifestyles Within Reach for our residents. As an Area Service Coordinator, Noralisa is responsible for six properties. She visits these locations regularly to gather data on resident engagement and help plan events or services that meet specific community needs.

During a conversation, Noralisa discussed the responsibilities of the Area Service Coordinator, detailing how property-level actions can unleash opportunities and services tailored to meet the distinctive needs of each location. Through this role and overall resident service coordination, Avanath and Noralisa are establishing resident connections that create impact. "To best serve the individuals within our care, we must connect with them to understand their needs." Once we've tapped into that connection, Avanath's teammates and across resident services can share best practices or strategies with one another. These connections, paired with collaboration across communities, can lead to the deployment of customized experiences and services.

Through Noralisa, Avanath can see the benefits of our Resident Services program. When we place people who truly care about their communities in positions to spark thoughtful, imaginative support, we are delivering experiences our residents both enjoy and benefit from.

Quarterly reports are compiled from Resident Services Coordinators to review property engagement goals and schedules, sponsorships, and donations, as well as recaps of recent events.

*Noralisa, after talking with community members, discovered that other organizations consistently provided kids with backpacks as a typical fundraiser item. She wanted to do more and give back at the start of the school year with something complementary to the goods she knew her community would already receive. Noralisa came up with the idea of snack packs instead, finding a sponsor and amplifying our effort. Through this insight, Noralisa delivered a few months' supply of snacks to school-aged children to keep them fueled during the new school year.*





# Engagement

Reaching our residents through surveys, community activities, and communications ensures we deliver an avenue to engage or serve each person within each of our communities.

## KINGSLEY INDEX

The Kingsley Index surveys more than 7.3 million residents annually, and Avanath relies on this collection of resident feedback to understand our resident experience and needs. With these results, Avanath has summarized a positive connection between the participation in and frequency of resident services, resident satisfaction, and operations or management performance. These insights correlate to a decrease in the number of rent payment deficiencies and an increase in the resident retention rate. Such a positive correlation helps indicate to us that our services are working, and when residents have access to and take advantage of these benefits, both residents and our overall portfolio value are better off.



*“Friendly, clean, and safe community! Any and all problems with the apartment are handled immediately! Ana in the office always has a welcoming smile and caring heart!”*

RESIDENT AT OVERLOOK IN ANAHEIM HILLS

*“I had a personal problem. My computer was hacked, my son was out of town, and the staff worked with me to get it straightened out, kept me in the office until I calmed down, set up my computer as directed, and kept me with them until all was resolved.”*

RESIDENT AT THE MANOR AT VICTORIA PARK

## AVANATH'S SURVEY RESULTS

Overall satisfaction

3.70/5

Overall satisfaction with resident services & events


3.60/5

Overall satisfaction with management

3.65/5

Overall satisfaction with maintenance

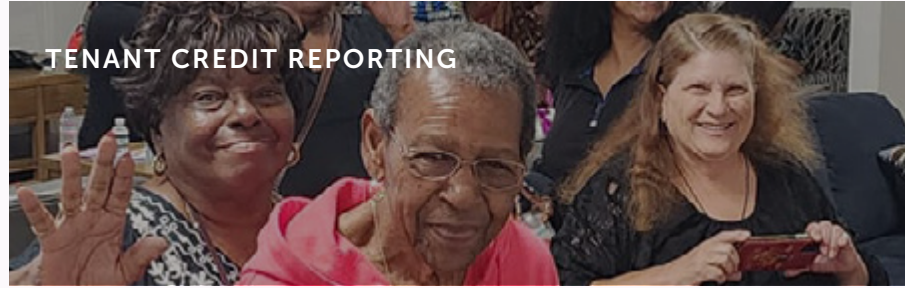
4.18/5

A photograph of a garden scene. In the foreground, there is a light-colored wooden shed with double doors. To the right, several tall sunflowers are in bloom. The background is filled with lush green trees and a sky with soft, white clouds. The overall lighting is bright and natural.

*“It’s a peaceful, clean, and beautiful place to live! All the staff who work there are attentive and provide excellent service.”*

RESIDENT AT FOX CROSSING

# Social Impact at Avanath



Residents reporting rent  
(+93% SINCE Q2 2023)

11,443

New credit scores established  
(+104% SINCE Q2 2023)

1,316

Percentage of residents that improved their credit scores since enrollment

66%

Average resident credit score improvement  
(+22% SINCE Q2 2023)

+48pts



Rent relief deployed

\$261,000

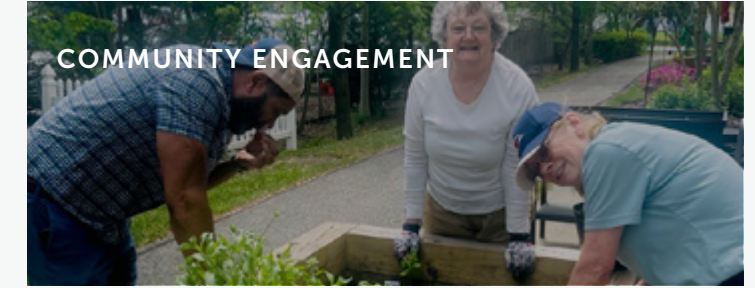
Residents supported through rent relief

190

*"Esusu rent relief has kept 190 residents faced with eviction in their home"*

Average savings in potential eviction costs

\$521,500



Resident participation in socials & events

33,223

Socials & events hosted

2,134

Community partnerships established

201

# Social Impact at Avanath



## PARTICIPANTS IN RESIDENT SERVICE CATEGORIES

Family sustainability

446

Wellbeats enrollments

1,097

Youth enrichment

19,295

Residents supported

(VIA RESOURCES & REFERRALS)

7,342

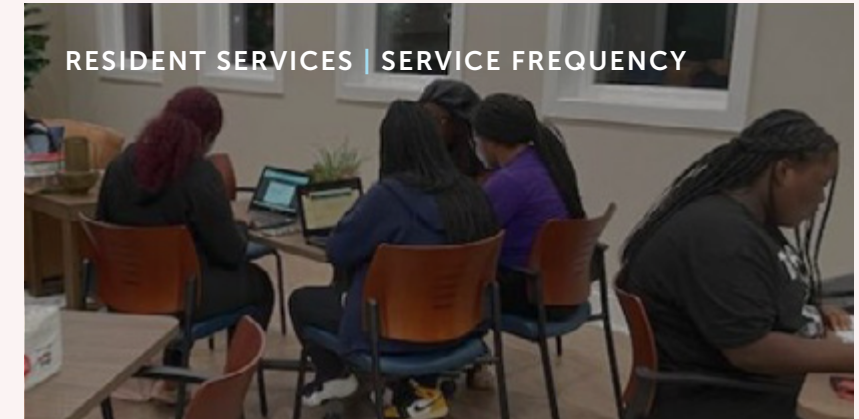
Health & wellness

2,868

Food resources distributed

(HOT MEALS, PERISHABLE/NONPERISHABLE GOODS)

25,304



Education classes, presentations & workshops provided

1,965

Office hours hosted

(TO ASSIST RESIDENTS WITH 1:1 SUPPORT)

3,371

Environmental sustainability resources, resident activities & challenges provided

96

Through Esusu, our residents have access to rent relief funds to help them avoid eviction and keep them in their homes during times of financial stress.

At Country Wood Apartments in Naperville, Illinois, Avanath was able to help a resident get access to Esusu. Management at Country Wood helped with the application and exposed the resident to other available resources to help give them peace of mind.



*“I needed help and Esusu was that help...”*

*“Not only did my community manager help me apply for Esusu... she left no stone unturned when it came to financial assistance and has a list of resources and organizations for residents like me who need help but don’t always have the time or the mental capacity to think when worried about being evicted.”*

*“Country Wood allows me to live affordably in a city that everyone wants to live. I wouldn’t otherwise be able to live {here} if it wasn’t for affordable housing.”*

RESIDENT AT COUNTRY WOOD

# Sharing Directions and Defining a Community

Our Resident Services Director regularly shares tips on reducing utility usage at home and driving community engagement.



**ENVIRONMENTAL CHALLENGES:** Avanath has set up resident competitions, holding challenges and giving away incentives such as gift cards for eco-friendly actions such as '30 Green Acts' where residents engaged in environmentally-conscious habits like shopping with reusable bags or recycling.

**AT-HOME EFFICIENCY RESOURCES:** A comprehensive tenant flyer describing at-home energy, water, and waste efficiency efforts was distributed to tenants to help encourage more sustainable lifestyle practices, such as washing only full loads of clothes and dishwashers or moving furniture away from air ducts and returns for optimal airflow. Myth-busting information and recycling resources are provided to help residents grasp the essence of environmental stewardship and their role in it.

**CIVIC ENGAGEMENT:** Residents and employees are both reminded of important civic events and opportunities, such as National Voter Registration Day, thanks to outreach and coordination from resident services.

**ENVIRONMENTAL AWARENESS MONTH AND FAMILY FUN:** Avanath communicated with property teams to suggest events and initiatives encouraging environmental stewardship and summertime activities for youth and young families. We look forward to developing a signature or annual event that spans across our portfolio that our residents can contribute to year after year.



**+ Look for icons to see where you may save money on your utility bill!**

ENERGY ⚡ WATER 💧

**KITCHEN**

- + Refrigerator/freezer** ⚡  
Set the temperature at 35°-38° F in the fridge and 0° F for freezers.  
Cover liquids and wrap food to help your appliance run more efficiently. This will also keep your food fresher!
- + Sink** 💧  
Leave your faucet in the cold position to prevent unnecessary water heating.
- + Cooktops and appliances** ⚡  
When cooking, use small appliances like microwaves, toaster ovens, and crockpots instead of firing up the oven or stove. 15% of at-home energy usage occurs in the kitchen.
- + Dishwasher** 💧⚡  
Wash full loads and let your dishes air dry to cut energy and water use.

**LIVING AREAS**

- + Furniture placement** ⚡  
Place furniture away from return vents to maximize air circulation. This can also help keep you cooler in the summer and warmer in the winter!
- + Outlets and power strips** ⚡  
Electrical outlets and strips draw energy even when you aren't using the devices they power. Don't forget to unplug before you leave for vacation.
- + Lighting** ⚡  
Use LED bulbs wherever possible. LEDs use at least 75% less energy than incandescent lighting.
- + Thermostat** ⚡  
Keep your thermostat at 68° F in the winter and 78° F in the summer, adjusting it by 7°-10° F while you're away to help conserve energy that would otherwise be conditioning an empty space. During transitional seasons, consider turning it off altogether!



## CASE STUDY: Youth Programming: Leaving a Legacy with Long Beach Unity Festival at Northpointe

Youth Programming is a substantial component of Avanath's engagement strategy because of the large family populations across our portfolio. As an affordable housing provider, we want to make the resident experience as impactful as possible.

### LONG BEACH, CALIFORNIA

We are fortunate to have developed a lasting partnership with Long Beach Unity Festival, a COR Community Development Corporation subcontractor, to facilitate sports, mentorship, and wellness programs for K-12 youth in Long Beach over the last ten years.

### SUCCESS STORIES:

- **Northpointe Eagles Basketball League Division Champions** - The Eagles' championship and undefeated 2023 season are emblematic of this partnership's success.
- **Northpointe Dance Company** - The Northpointe K-12 dance company is another pillar of the Long Beach Unity Partnership, which has performed on stages across Orange County.
- **Community Catalyst Award** - In January, we were honored to receive this award as part of the 2024 Long Beach Unity Festival Annual Gala.
- **In-house Seminars** - Guest advocates, including healthcare and fitness professionals, provided seniors with information, answered questions, & encouraged healthy living habits.

We look forward to hosting Long Beach Unity's Pulse of the People Festival at our Long Beach community, Northpointe Apartments, to continue our legacy with this organization.



# Employees

Our employees help us realize our Mission; in return, we do what we can to help them realize their potential.

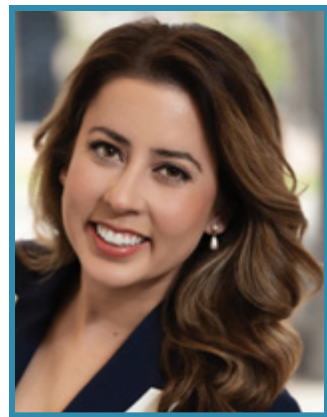






**A FRONT-ROW SEAT:**

## Defining Avanath's Employee Culture and Promoting Our People with Casey Fleckenstein and Gabrielle Wilson



**Casey Fleckenstein**  
*Cultural Engagement Services, Operations Support Manager*



**Gabrielle Wilson**  
*Cultural Engagement Services, Human Resources Specialist*

Avanath has Cultural Engagement Services to support the diverse group of people who choose to work with us. Co-chaired by Casey Fleckenstein and Gabrielle Wilson and overseen and supported by Avanath's leadership, this team aims to bring our employees together and showcase their skills through the development of employee relationships, recognition, and resources.

### GOALS OF CULTURAL ENGAGEMENT SERVICES:

#### 1. UNIFY TEAMS AND INSPIRE COMMUNICATION

Cultural Engagement Services plans and hosts monthly events including an annual spirit week to get teammates to interact with each other outside of their daily responsibilities.

#### 2. INCREASE TRANSPARENCY ON AVANATH'S CULTURE AND MISSION

Through A+ Connect, Gabrielle and Casey can send out weekly messages, including occasional polls to gauge interest in events, share reminders of national or cultural observance days, send wellness tips, and highlight employee development opportunities.

#### 3. IMPROVE RECOGNITION TO SHOWCASE OUR EMPLOYEES AS EXPERTS

Cultural Engagement Services provides the necessary resources for on-site teams to complete applications for external associations and awards. Going the extra mile to help teammates identify and recognize their talent or credentials, Casey and Gabrielle distributed a companywide "Something I'm Proud of" form to garner examples of good deeds and recognizable efforts our teammates have carried out in service of Avanath's Mission. Cultural Services then uses those forms to identify and directly apply for opportunities for outside recognition.

#### 4. CELEBRATE DIVERSITY

Cultural Engagement Services bring campaigns and observances to life to celebrate the people who make Avanath's work possible. Through our Co-Chair's ingenuity, Avanath created a cultural cookbook, which boasts personal recipes and stories from employees across the country. A digital copy was sent out and made available to the entire company to learn more about their Avanath teammates.

#### 5. PROVIDE A SAFE SPACE FOR ALL

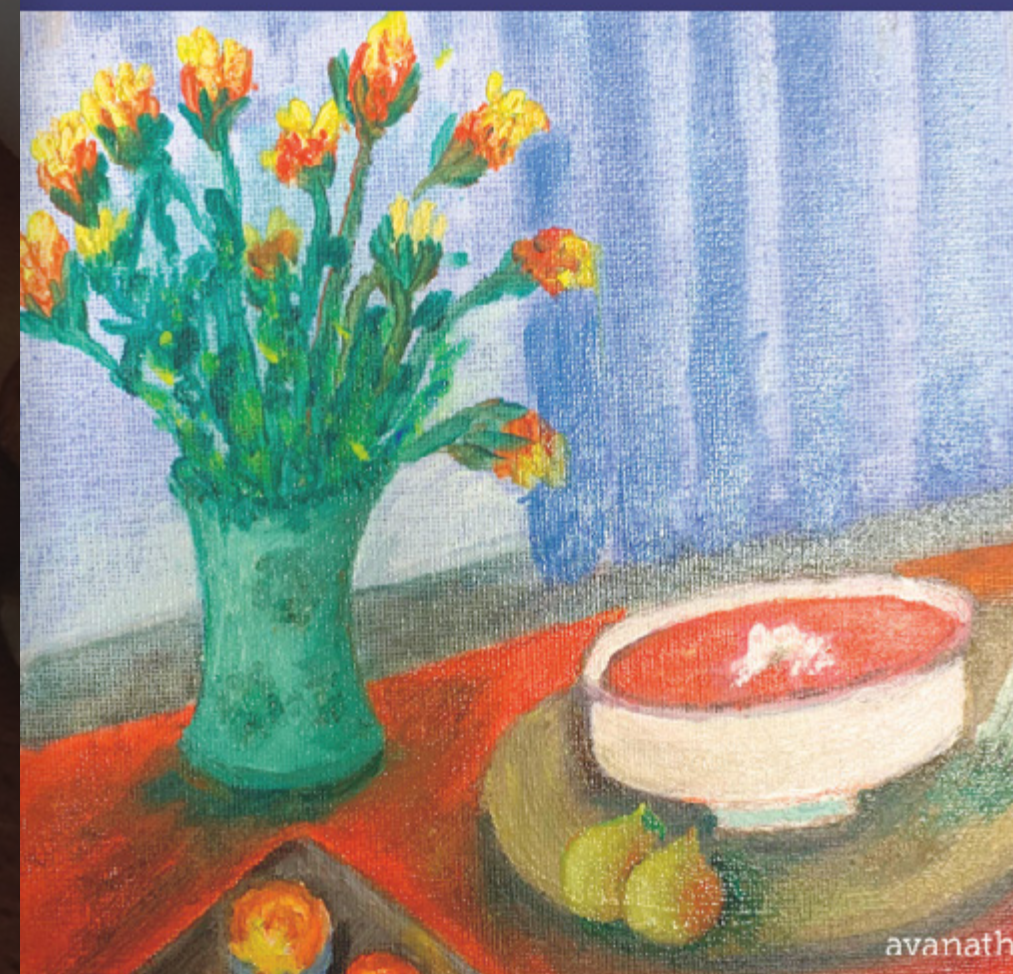
Gabrielle and Casey, at the counsel of Avanath's Executive Vice Presidents, sent out a list of employee resource groups (ERGs) to identify what type of assemblies most appealed to our employees. Three groups, Women and Leadership + Allies, Black, Indigenous, People of Color (BIPOC) + Allies, and a Developing Professionals Book Club, were established from that initial survey. These teams meet at least monthly to connect and bring together teammates around common goals and interests.

Avanath's Cultural Engagement Services are made impactful by teammates such as Casey and Gabrielle, who are eager to strategize, steer, and showcase our dynamic workforce. We look forward to expanding the Cultural Engagement Services efforts into the future.

*In celebration of our diverse team and through our Co-Chairs' ingenuity, Avanath created a cultural cookbook, which boasts personal recipes and stories from employees across the country. Those who submitted a recipe and detailed the cultural ties of their dish received a hard copy of the cookbook. A digital copy was sent out and made available to the entire company to learn more about their Avanath teammates and their culture's unique cuisine.*

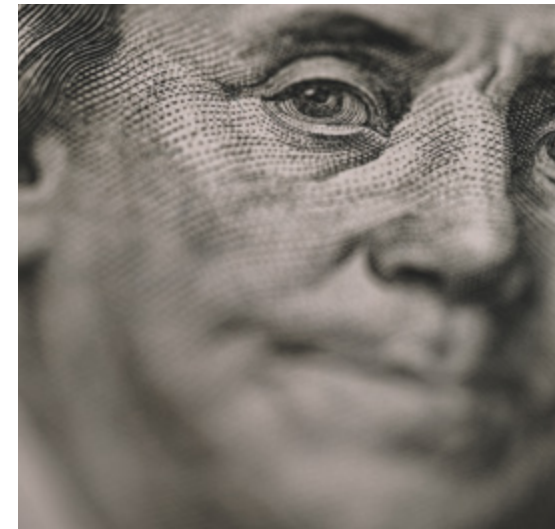
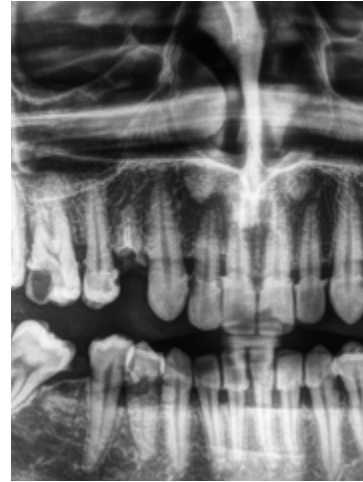
## 2024 Avanath Cultural Cookbook

CULTURAL ENGAGEMENT SERVICES



# Benefits

Avanath employees receive comprehensive benefits, including health, dental, vision, 401(k), parental leave, paid time off, and holidays. We also bring in outside resources, such as mental health professionals, to talk candidly with our employees about their health and well-being.





# 401k Match Program

Our 401k match program was recently made available to all employees, an opportunity we wanted to provide to our people regardless of their tenure or title.

We provide this and other resources by bringing Morgan Stanley experts to leadership conferences to discuss the merits of financial planning and expand our employee's financial literacy.

**Employee participation rate in 401K**

**80%**

CORPORATE LEVEL

**Employee participation rate in 401K**

**76%**

AVANATH REALTY/ COMMUNITY LEVEL



# Engagement

Learning, listening, and sharing with Avanath.

## TRAINING & DEVELOPMENT

We strive to give our employees multiple avenues to advance their careers and expose them to new opportunities for growth and learning. Avanath University is our online platform with over 180 training modules on topics ranging from ESG to Section 8 housing. Through the site, employees have access and can track their progress as they develop useful skills and knowledge.

## TOWN HALLS

We regularly organize Town Halls, giving employees the opportunity to share their views and engage in active two-way communication. It is also a chance for employees to get together and share their experiences as Avanath employees.

## SURVEYS

Each year, our employees are surveyed about their workplace experience. While an internal survey has previously served this purpose, Avanath has opted to use an independent third party beginning in 2024 to ensure we get candid, unbiased feedback and provide our employees the space to voice their opinions and needs.

140 employees (~43%) responded with endearing responses:

*“Love the diversity and engaging nature of the company”*

*“Avanath’s commitment to excellence is shown daily. It is demonstrated through the vision of creating lifestyles within reach not only for residents but for staff.”*



A lush garden with various plants and flowers in front of a building. The garden features a variety of greenery, including large-leafed plants, small white daisies, and clusters of red and pink flowers. In the background, a building with a window and a balcony with a metal railing is visible. The overall scene is bright and vibrant, suggesting a well-maintained outdoor space.

*“Avanath’s commitment to excellence is shown daily. It is demonstrated through the vision of creating lifestyles within reach not only for residents but for staff.”*

AVANATH EMPLOYEE

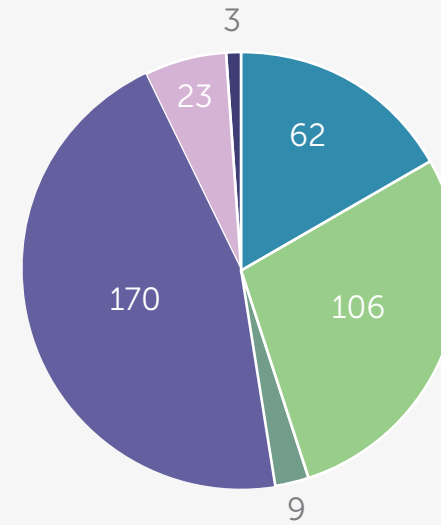
# Employee Demographics\*

# 373

TOTAL EMPLOYEES

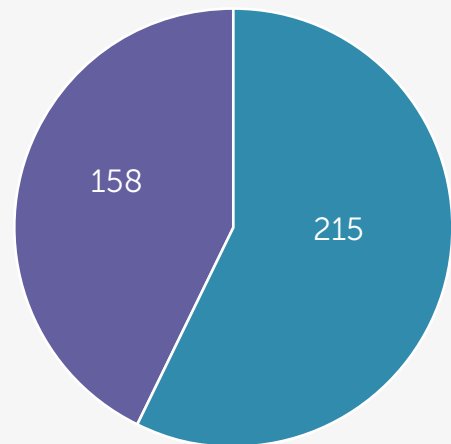
# 91%

OF LEADERSHIP IDENTIFIES AS EITHER FEMALE OR A MINORITY



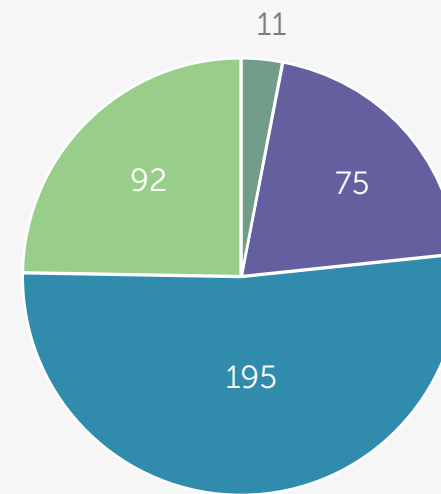
WORKFORCE ETHNICITY DISTRIBUTION

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



WORKFORCE GENDER DISTRIBUTION

- MALE
- FEMALE



WORKFORCE AGE DISTRIBUTION

- 18-24
- 25-33
- 34-54
- 55+

\*Employee demographics are as of 12/31/2024.

# DEI, Community, and Engagement

## DIVERSITY, EQUITY AND INCLUSION

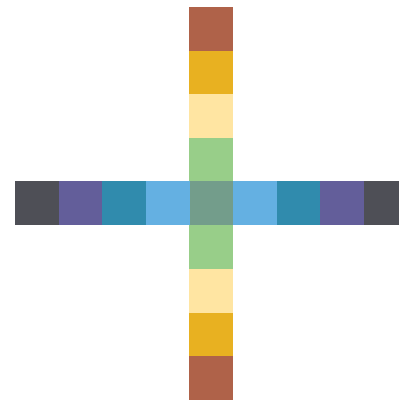
A culture centered on diversity, equity, and inclusion (DEI) is essential to supporting our workforce and resident population. In addition to the practices and policies we instill throughout our operations that drive equitable compensation, hiring, and advancement opportunities, Avanath relies on support from Cultural Engagement Services to drive camaraderie and belonging.

## COMMUNITY

Avanath taps into the people side of our business to expand access to resources, such as youth engagement programs, to the broader community. This is meant to foster a community and deliver lifestyle benefits that reach people beyond our front doors.

## ENGAGEMENT

Whether donated through time or monetary resources, Avanath has a stake in our communities.



## CHARITABLE GIVING

Avanath supported the following organizations and more between September 2023 and September 2024:

Hillcrest Elementary School

Over the Rainbow Association

Urban Land Institute

(Avanath is a national ULI partner and an annual Platinum-level sponsor of all Orange County ULI events)

Los Angeles Sentinel, Inc.

Lotus Campaign

African American Real Estate Professionals

Detroit Public Schools

Cure Charity Golf Tournament

Vanguard Community Development

Wisconsin Real Estate Alumni Association

Waymakers

African Methodist Episcopal Church Board of Incorporation

Arts & Learning Conservatory

Technology Laboratory and Professional Development Center

African American Male Wellness Agency



## Engaging the Next Generation of Professionals

Students pursuing a master's in business analytics at the University of California, Irvine, gained practical experience by applying their studies to the affordable housing sector with real data provided by our teams.

This partnership allows students to analyze and identify potential risks and performance indicators that are at play in the real estate market today. Each week, senior leadership at Avanath dedicated time to engage with students and provide mentorship. As a capstone to the experience, students had the chance to present their findings with customized reports to the company and executive team.

- In 2024, 10 students participated in this semester-long program



# Looking Ahead

Generating a sense of responsibility for our Mission and ESG strategy is essential to our success. Avanath will continue to support the people who live, work, and leisure with us, providing quality services and proactive resources.

## WE LOOK FORWARD TO:

- Developing a resident welcome packet that includes information on resident services and resources, such as our ESG brochure.
- Promoting community gardens and providing residents a space to grow their favorite produce at three of our Brooklyn properties.
- Continuing to listen to our employees and provide engagement efforts that promote a safe and supportive workplace.
- Giving back to the community through partnerships and programming.
- Engaging with more higher education institutions, such as New York University's Stern School of Business Graduate School, sharing real data and industry expertise.



OUR COMPASS

# Guiding Through Governance



Our governance structure is formed by people who have honed their craft for decades and senior leadership who integrate our strategy across our range of business functions. It is these individuals who guide and support our ESG efforts, steering us toward success.

# Governance Objectives

---

## FOSTERING

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

## INCREASING

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

## PERFORMING

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

## TRACKING

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



# Avanath's Leadership Team

## PARTNERS



**DARYL J. CARTER**  
Chairman and CEO  
*40+ years of experience*



**JOHN R. WILLIAMS**  
President and Chief Operating Officer  
*40+ years of experience*



**JUN SAKUMOTO**  
Chief Compliance Officer  
*30+ years of experience*



**WESLEY WILSON**  
Chief Financial Officer and Chief Investment Officer  
*15+ years of experience*



## SENIOR LEADERSHIP



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



**KEITH HARRIS\***  
President | Avid



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



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



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



**MADLINE HALL**  
SVP | Investment Group



**SAUL MCDONALD**  
SVP | Investment Group



**ANDREW MACKAY**  
SVP | Debt & Financing



**DAVID NATT\***  
SVP | Sustainability




**KELLY MCBRIDE**  
SVP | Ops. & Prop. Compliance



**JESSE GRASER\***  
SVP | Accounting

\*= Members of the ESG Council



*“As an affordable housing provider, we have a large variety of investors with varying concerns and priorities, and it is our job to figure out how to meet those needs with the resources and communities we manage.”*

DHARA PATEL, DIRECTOR OF INVESTOR RELATIONS



**A FRONT-ROW SEAT:** Forward-thinking Investor Relations with Dhara Patel



**Dhara Patel**  
Director of  
Investor Relations

Our Investor Relations team acts as a bridge between Avanath and our investors, promoting transparency, addressing concerns, and forming strategies that fulfill both our resident and investor needs, all while delivering value. We sat down with Dhara Patel, Director of Investor Relations (IR), to detail how Avanath meets the needs of our investors while creating lifestyles within reach.

**OUR INVESTOR RELATION STRATEGY INCLUDES:**

1. Identifying a topic or concern.
2. Dhara and the Investor Relations Team reach out to the leaders within Avanath with that subject-matter expertise to strategize feasible solutions and level set with a plan that works best for our residents and communities.
3. The executive team is made aware of the concern and the possible solutions devised by the IR team.
4. Once a solution is reached, a plan is put into action, which may include training, handouts, team discussions, or other collateral that ensures proper execution.

Ultimately, Dhara emphasized that Avanath’s strategies are driven not only by compliance and regulation, but also by genuine concern. We have and will continue to prioritize a management approach that puts people first. We understand that in order to provide lifestyles within reach, we need to make good business decisions, which, at Avanath, means integrating ESG.

Vertical integration and collaboration between the executive team and other relevant experts allows everyone to play a part in creating a solution best suited to our resident and portfolio needs.

*When an investor raised the topic of health services and supporting healthy residents, the Investor Relations team turned to property managers with high senior populations to understand what those communities needed most. Ultimately, through discussions, Avanath was able to propose and implement Health Rooms in certain communities. Here, residents can have their blood pressure measured and engage with medical professionals. This solution, like so many, proves Avanath’s ability to dial in with property teams and understand what solutions and services make the most sense for our people and portfolio.*



# Management Practices

An inclusive, diverse, and highly trained workforce must be led with expertise and experience.

## ESG COUNCIL AND ADVISORY COMMITTEE

Senior leaders across all departments and locations make up our ESG Council, and this team of dynamic decision-makers is responsible for leading and tracking our ESG efforts against our Amplify ESG strategy. In addition, a rotating group of high-performing employees with varying expertise also form an ESG Advisory Committee. Recent efforts from the Council and Committee include:

- Approving strategy to electrify and install solar.
- Adopting a Responsible Supply Chain and Procurement Policy to sustain ethical and environmentally conscious business practices.
- Revising our ESG Compensation Policy to ensure enforceability and equity.

## COUNCIL MEMBERS:

- Patricia Gaudin** – EVP | Human Resources
- Keith Harris** – President | Vessel / Sourcing
- Carly Stevenson** – EVP | Property Management
- Ken McMackin** – EVP | Investment Group
- David Natt** – SVP | Sustainability
- Jesse Graser** – SVP | Accounting
- Karl Munkelwitz** – VP | Project Management

## GREEN LEASING

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

Green leasing is incorporated into 100% of residential and commercial leases.

# Stakeholder Engagement

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



## EMPLOYEES

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



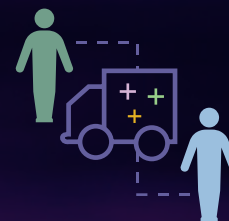
## RESIDENTS

- Satisfaction surveys
- Appreciation events
- Newsletters and ESG Correspondence
- Support programs



## INVESTORS

- Annual and quarterly publications
- Meetings and reporting channels



## SUPPLY CHAIN

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



## COMMUNITIES

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



## BUSINESS PARTNERS

- Regular meetings
- Business agreements



# Policies

---

We are held accountable for integrating our ESG framework and best practices into our decision-making processes through policies, which we keep publicly available on our [website](#) and include:

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



# Reporting and Affiliations

---

**GRESB:** Our GRESB annual submission results, on [page 6](#), show how we compare to our peers and the industry at large.

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

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

**MULTIFAMILY IMPACT COUNCIL:** As a founding member, Avanath has adopted the MIC's seven-principal framework and serves as a stakeholder in the decision-making process by which this framework is continually improved. We are providing a voice for and representing the affordable housing sector.

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

# Addressing Risk

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

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

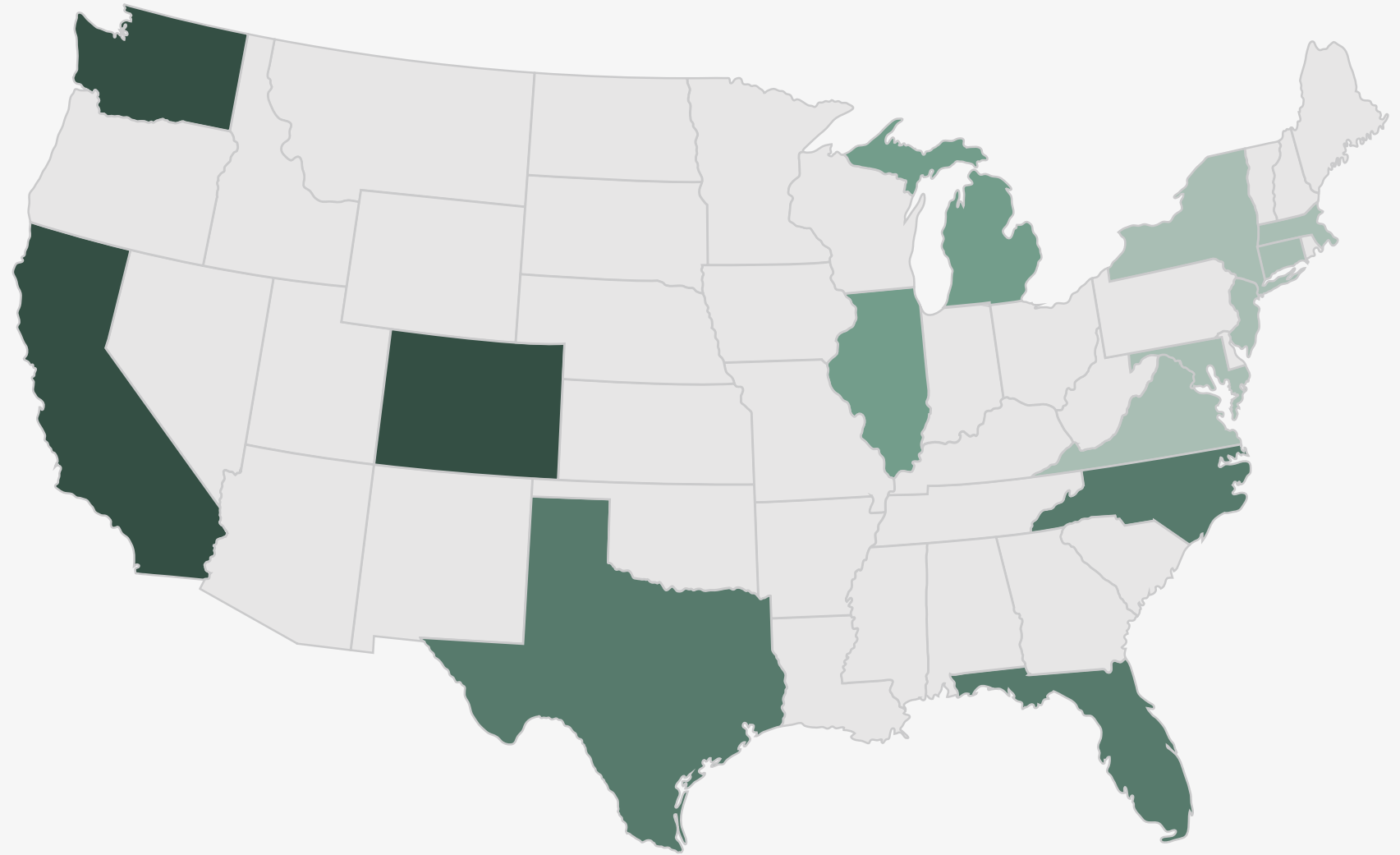
Transition risks we have identified include changes in local- and state-level benchmarking ordinances, reporting requirements, increased cost of utilities, carbon pricing, stranding risk, and emerging technologies.

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



# Risks Identified Across Regions\*

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



## KEY

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

## WEST

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

## MIDWEST

Wildfire, Water Stress, Floods

## SOUTH

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

## MID-ATLANTIC AND NORTHEAST

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

\*This information represents a portion of Avanath's portfolio, notably our properties that have been identified as having some of the highest climate risks and is, therefore, not inclusive of all the states and regions facing risks.

## Looking ahead

Guiding our people and our operations to deliver value to our residents, employees, investors, and communities takes a holistic approach and a dynamic team of leaders. Avanath looks forward to continuing to lead with strong governance by:

- Submitting our ESG performance to industry benchmarks and reporting frameworks.
- Engaging in industry associations and memberships to give affordable housing providers a voice and seat at the table for advancing our industry.
- Guiding our efforts with policies and committees that hold us accountable for progress.
- Identifying and mitigating risks to our people and properties to maintain a resilient portfolio.



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

DARYL CARTER, CHAIRMAN AND CEO

avanath.com

avanath+