

Creating Better Communities



ESSEX

Every Story is Unique.
Every Home is Different.

About this Report

Welcome to the first Corporate Social Responsibility (CSR) Report for Essex Property Trust, Inc. This report provides an overview of our Company-wide CSR activities. Since 2008, we have made continuous improvements that have strengthened our commitment to keeping our residents' well-being a top priority, created a positive workplace for our employees, and reduced our environmental footprint, all of which contribute to long-term results for our investors.

We view this first report as an opportunity to show what we have achieved in the past 25 years, how we continue to improve every aspect of our Company, and how we integrate CSR into our core business. This CSR report meets industry standards in accordance with the Global Reporting Initiative (GRI) standards: Core option. Please review the index at the end of this report for further information. If you have any questions concerning this report, please contact our Corporate Social Responsibility team at CSR@essex.com.

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



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DELIVERING BETTER RETURNS

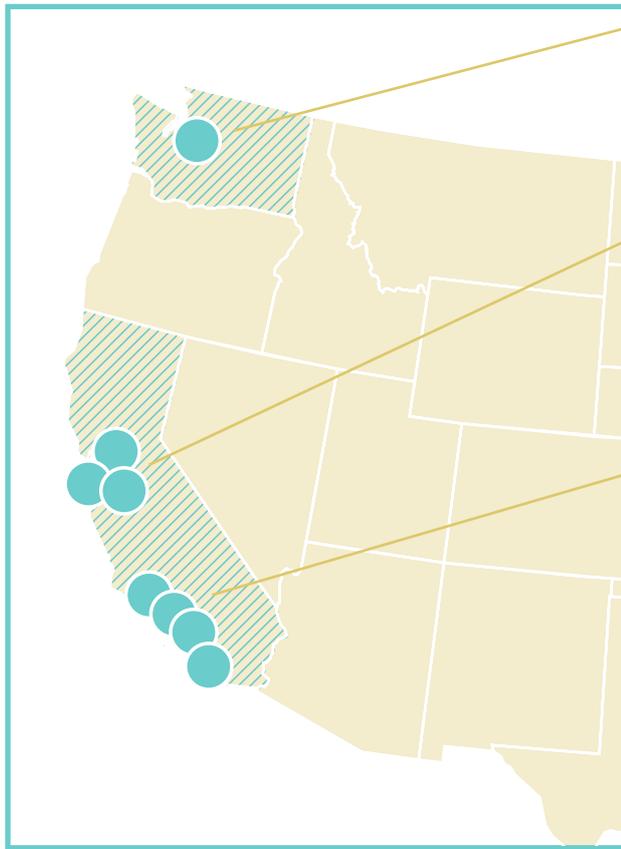
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About Essex

Essex is the only public multifamily REIT dedicated exclusively to the coastal metropolitan areas in California and Washington – areas with favorable demographics, strong job growth, diverse demand drivers, and limited new housing production.

Our unique portfolio and diligent capital allocation process sets us apart from our peers. It has also contributed to the highest total return of all public REITs since our initial public offering in 1994. Our experienced management team, research-driven approach to portfolio management, and strong balance sheet puts us in a strong position to continuously create long-term value for our shareholders. If you would like more information, please visit our website at www.essex.com

DEDICATED EXCLUSIVELY TO THE WEST COAST



17%¹

SEATTLE

42%¹

NORTHERN CALIFORNIA

Santa Clara 21%
East Bay² 12 %
San Francisco 9%

41%¹

SOUTHERN CALIFORNIA

Los Angeles 18%
Orange County 10%
San Diego 8%
Ventura 5%

(1) Represents percent of pro rata NOI as of 6/30/2019
(2) East Bay includes Alameda and Contra Costa Counties
(3) As of 6/30/19

- Established in **1971**
- Dedicated to eight high-density **coastal markets** in California and Washington with **high barriers to new housing production**
- Long track record of success with **highest total return of all public U.S. REITs** since IPO in 1994³
- S&P High Yield Dividend Aristocrat; 25 year history of **increasing cash dividend**
- Top executives share an **average tenure of roughly 16 years**
- **\$28 Billion** Total Market Capitalization
- **S&P 500** Company
- **Investment Grade** rated

KEY FIGURES 2018



100,000+

NUMBER OF RESIDENTS



1,800+

NUMBER OF EMPLOYEES



240+

NUMBER OF APARTMENT COMMUNITIES



\$92+

DIVIDENDS PER SHARE FROM 1994 TO 2018

VALUE CREATION PROCESS



ACQUISITIONS & DISPOSITIONS

Acquisition and disposition transactions represent most of our external growth, allowing the Company to modify portfolio allocations pursuant to our proprietary research process.



DEVELOPMENT

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



CO-INVESTMENT PLATFORM

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

President's Letter

We're delighted to present you with our first CSR Report, an overview of our many social, sustainability, and economic accomplishments through 2018. Our decades-long track record stands firm and continues to address and thoughtfully respond to Environmental, Social, and Governance (ESG) mandates and opportunities. In this report, we show you how we lead and support our communities in pursuit of attractive risk-adjusted returns for our stakeholders, including those who live and work at our communities and those who are involved on a broader scale. As a company, our focus is always on actions rather than words, such that many may be surprised with the level of accomplishment we have had with respect to ESG matters.

We start every business decision by asking ourselves a simple question: Are we doing the right thing? We ask ourselves if a decision is right for our communities, the colleagues we work with, and for the world at large, all while pursuing sustainable returns for our shareholders. We accomplish this by pursuing an overriding objective of "Creating Better Communities," broken down into the following four pillars: Providing better communities to call home; Providing a better place to work; Providing a better environment; and Delivering better returns.

The following is a summary of each of these four pillars:

- **Providing better communities to call home:**

The essence of our mission is to provide the best service and be the landlord residents can count on by putting our residents' concerns first. Technological changes have provided countless new products that have the potential to improve our residents' experience, often at lower costs and environmental impacts.

- **Providing a better place to work:**

We invest in our associates so they develop their professional and personal talents. We act as a collaborative team, participating in community events, supporting local charities, and providing sponsorships. We also focus on creating and sustaining work-life balance for our associates.

- **Providing a better environment:**

We are actively engaged in reducing our environmental footprint. We seek to reduce our carbon impact, energy consumption, water consumption, and waste generated on-site. Since 2008, our dedicated resource management team has continued to explore and identify conservation opportunities to achieve these actions, often involving extensive testing and feasibility studies.

- **Delivering better returns:**

We have a proven track record of outperforming peers in the real estate market. We do this in an ethical way, under the guidance of our respected and experienced management team.

My personal commitment to Corporate Social Responsibility evolved from the business principles of two key mentors, George Marcus and Keith Guericke. From Essex's founding in 1971, the Company embedded fairness and accountability in its core values and has always focused on a longer time horizon consistent with the cyclical nature of the real estate business. Defining attributes of these principles include identifying strategic advantages, the fair treatment of employees and residents, and relentless execution of business plans. It follows that these same principles can and should be applied to environmental stewardship, in that our approach for shareholder value creation needs to be understood within the context of our environmental impact.

Transparency, performance, and commitment are attributes that we want to highlight. Essex is unique because we were one of the first multifamily companies to set up a department to manage natural resources with a view toward minimizing environmental impact. Taking it one step further, we formed a dedicated Resource Management Team to understand new products and approaches that enhance the quality and efficiency of our properties.



WILSHIRE PROMENADE IN FULLERTON, CA

For my part, I believe our Corporate Social Responsibility initiatives and four pillars will further strengthen Essex from the inside out. I also believe good businesspeople make the right decisions, to the overall benefit of all stakeholders. That's Essex! We are a serious, thoughtful company and we make decisions that contribute to doing the right thing. As CEO, I steer the CSR committee, which initiated the CSR report, and take responsibility for rooting Corporate Social Responsibility into the organization. CSR has always been part of the Company's DNA, but it was never structured or communicated in the way it is today. My predecessors at Essex taught me that taking care of our residents and associates is critical to our long-term success. I am proud to pass this wisdom on to our senior management teams and everyone working at Essex.



“As a responsible company, we strive to take a longer view, understand our broader impacts to key constituencies, and minimize drawbacks. Incorporating Corporate Social Responsibility into the Company’s daily operations comes naturally to us because Essex is all about doing the right thing.”

MICHAEL J. SCHALL

President and Chief Executive Officer

Doing the Right Thing for Over 10 Years

At Essex, actions really do speak louder than words. Our proven track record highlights our social responsibility and how we take environmental considerations into account in every area of our business. Our Corporate Social Responsibility roadmap highlights the path we're taking to improve our property operations, create inspiring places to work, and ensure our properties and organization are ready for the future.

Highlights



84

COMMUNITIES WITH
SOLAR ENERGY
SYSTEMS



59

COMMUNITIES WITH
EV CHARGING
STATIONS



91%

COMMUNITIES WITH
LED UPGRADES



27

COMMUNITIES WITH GREEN
BUILDING CERTIFICATIONS
IN THE LAST 10 YEARS



33

COMMUNITIES WITH
WATER EFFICIENT
FIXTURES



84

COMMUNITIES WITH
WATER-SAVING
IRRIGATION OR
LANDSCAPING



139

COMMUNITIES WITH
WASTE REDUCTION
PROGRAMS



\$74 million

INVESTED IN THE PAST
10 YEARS IN SUSTAINABLE
SOLUTIONS AND
TECHNOLOGY

Essex 2022

RESIDENTS

- Essex will continue its commitment to:
 - receive and increase residents' feedback through surveys,
 - promote better communities by offering events and desirable amenities to improve our residents' experience,
 - implement 100% paperless lease and work orders by 2020, and
 - develop and launch green programs focused on our residents.
- Expand affordable apartment programs consistent with growth in the Essex portfolio (in connection with tax credit programs and local affordability programs for new construction) where financially feasible.
- Actively participate in voluntary affordable apartment programs sponsored by the Housing Industry Foundation and other organizations.

COMMUNITY

- By 2022, Essex will double its charitable efforts from 2016 levels.
- Implement an in-kind charity donation match program with our associates of up to \$500k.
- Implement special discount programs that will provide up to 15% discount on rent at select communities to teachers, police officers, and firefighters, to help them live and work within the same city.

ASSOCIATES

- Essex is committed to training and development programs and will continue to attract, cultivate, and retain a diverse workforce.
- By 2019, Essex will increase the minimum wage of all associates to \$15 per hour.
- By 2020, over 75% of our on-site associates will be participants in the Steps to Success career development program.
- Essex will continue its commitment to charitable organizations and support our associates' volunteer activities.

SUSTAINABLE HOMES

- Essex will continue to renovate and create sustainable homes for the future and will endeavor to achieve green building certifications on all new development projects.

DIRECT WATER USE

- Between 2016 and 2022, Essex will spend at least \$5M to complete water reduction improvement projects for over 400,000 square feet of landscape areas at our communities. These projects include the installation of drought tolerant landscaping, native plant species, water efficient irrigation systems, and other improvements.
- For the same period, Essex will spend at least \$1M to remove fountains and planters and install leak detectors and water saving plumbing fixtures.
- By 2020, Essex will formalize and implement green initiatives to promote awareness among residents and associates on water conservation programs that will reduce water consumption at our communities and regional offices.
- By 2021, Essex will further increase the efficiency of water usage by utilizing benchmarking solutions to monitor usage and track utility data.

INDIRECT WATER USE

- By 2020, we will implement a resident outreach program to increase awareness of water shortages and communicate water saving ideas and best practices.
- By 2022, over 50% of our communities will have installed water efficient plumbing fixtures, toilets, or leak detectors.

ENERGY CONSUMPTION

- By 2022, 10% of electricity usage within Essex's control will be from renewable sources.
- By 2022, electricity consumption within Essex's control will be reduced by 10% of our 2016 levels.
- Install energy-efficient lighting fixtures, smart thermostats, and other energy saving devices for renovations and new development projects.

Creating Better Communities



Why Corporate Social Responsibility

At Essex, sustainability and Corporate Social Responsibility (CSR) go hand in hand with our business and contribute to the success of the Company. We commit ourselves to providing a great place to live for our residents, a positive work environment for our employees, and to simultaneously minimize our impact on the environment.

Our Journey to Date

More than 10 years ago, we launched several new initiatives aimed at integrating sustainable practices. These initiatives spanned from our development and renovation projects to all aspects of our business. In 2008, we completed our first Green-certified development project. Since then, we have achieved Green or LEED certifications on 26 additional development projects, representing more than 8,100 sustainable apartments. We also established our Resource Management Department in 2008, which organized partnerships with local communities to participate in energy efficiency programs and complete countless energy conservation projects throughout our portfolio. These actions went on to garner over \$5 million worth of energy-efficient products at no cost to the Company.

Creating Better Communities

At Essex, we all work hard to create better communities, and that's reflected in our integrated CSR strategy. Effective and measurable, our CSR roadmap intertwines a responsible way of working into our daily operations, supporting and improving our general business strategy. We monitor the environmental performance of our portfolio and continually strive to improve our environmental impact. Our CSR strategy guides us in our CSR efforts and reporting, helping us to be future proof and stand out in our sector.

CSR Governance

Essex employees, managers, and directors are encouraged to take CSR into consideration each day. At the property level, community managers and maintenance team members are responsible for the management of their property's environmental impact as well as engaging with residents and the local community.

At the corporate level, our CSR committee defines the strategy, sets long-term targets, and monitors environmental and social performance across the portfolio. Senior management and various departments are represented in this committee, which is chaired by the CEO and sends a clear message about Essex's aspirations to achieve CSR goals.

Corporate Social Responsibility Committee

Our CSR committee consists of associates from different departments and is chaired by the CEO.



Anne Morrison
Acting General Counsel

Corporate Social Responsibility means recognizing the values of the Company's different stakeholders and implementing actions aimed at having an overall positive impact on society. What has impressed me the most as I participate in the Company's ESG/CSR process is how much good the Company has already done and our Company-wide commitment to strive to do better.



Patrick Gonzalez
Manager, Sustainability & ESG

Corporate Social Responsibility is the integration of social, environmental, and ethical concerns and best practices in the way we do business. The success and sustainability of any organization is fundamentally related to the value and well-being it creates for its stakeholders, community, and the environment.



Rachael Stoddard
Vice President, Development

People want to know that the organizations they are affiliated with are thinking about the big picture. Companies that integrate social responsibility into their business model are more likely to attract and keep top talent and have strong relationships with customers and investors. To me, that is not only a good business strategy, but a critical one.



Athena Thomas
Administrative Specialist

Corporate Social Responsibility means actively engaging in the communities around us. Owning our part in the impact we create and asking ourselves what else we can do. We have the opportunity and responsibility to create an atmosphere where people, communities, and the environment thrive.



Lisa Yeh
Vice President, Asset Management

Corporate Social Responsibility is important to me because it encompasses various pillars that I care deeply about: our customers, our associates' well-being, the Company's ethics and expansion, shareholder satisfaction, and our environmental footprint.



Kristen Kurland
Director, Human Resources

Corporate Social Responsibility is a way to focus company efforts toward the well-being of employees, the environment, and the community. CSR impacts all these areas by keeping us all accountable for maintaining ethical practices. To me, CSR is a way to connect what you hope to see in the world through company actions.



Rylan Burns
Director, Investor Relations

Corporate Social Responsibility is a commitment and a culture. It is a commitment from management to balance the needs of the environment and various stakeholders, which manifests into a culture of asking: "How can we do better?"



Melissa Gerard
Division Manager, Operations

It's about making things better; continually seeking out opportunities to improve the impact our business has on the environment. It's about our responsibility to be mindful of today's actions creating our future environment.

Corporate Social Responsibility Strategy



PROVIDING
BETTER
COMMUNITIES
TO CALL HOME

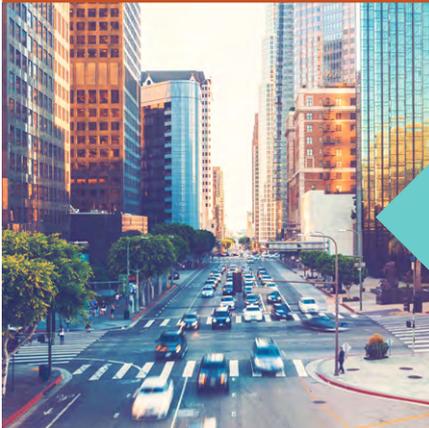


PROVIDING
A BETTER
PLACE
TO WORK



DELIVERING
BETTER
RETURNS

ESSEX
PROPERTY TRUST, INC.



PROVIDING
A BETTER
ENVIRONMENT



PROVIDING BETTER COMMUNITIES TO CALL HOME

Over 100,000 residents live in our communities; we seek to maintain their well-being by fostering a community atmosphere and providing a healthy living environment. We aim to create exciting communities where residents want to live, play, exercise, and connect with their neighbors. We invest in community activities and deliver first class services. We focus on connecting our properties to sustainable modes of transportation so our residents can commute responsibly. These efforts, combined, make our communities a place our residents are proud to call home.

PROVIDING A BETTER ENVIRONMENT

We own and operate 240+ multifamily communities. We seek to reduce our environmental footprint through resource management initiatives and by developing new communities that meet high environmental standards. We invest in our properties to minimize energy and water consumption with, for example, solar energy installations and water-saving devices. At Essex, our mission is to create better communities that have a positive impact on the environment, society, and the local community.

PROVIDING A BETTER PLACE TO WORK

We have over 1,800 employees at Essex – our E-team. Our associates are responsible for creating better communities every day, and many of them also call our communities home. Within the various local and corporate teams, we aim to create a better and more collaborative workplace. We strive to provide a safe and sound work environment for our employees to maximize productivity and employee satisfaction while helping us realize long-term objectives. We invest in their personal and professional development, making sure the associate journey is positive and memorable, rewarding them for their efforts, giving ownership for their responsibilities, and creating a team environment.

DELIVERING BETTER RETURNS

With a strong reputation in leadership and ethical guidelines, we provide sustainable returns for our shareholders. Our financial track record is proof of the smart investment decisions we make, which are accomplished while respecting state and federal legislation and working together with responsible partners to create a winning team.

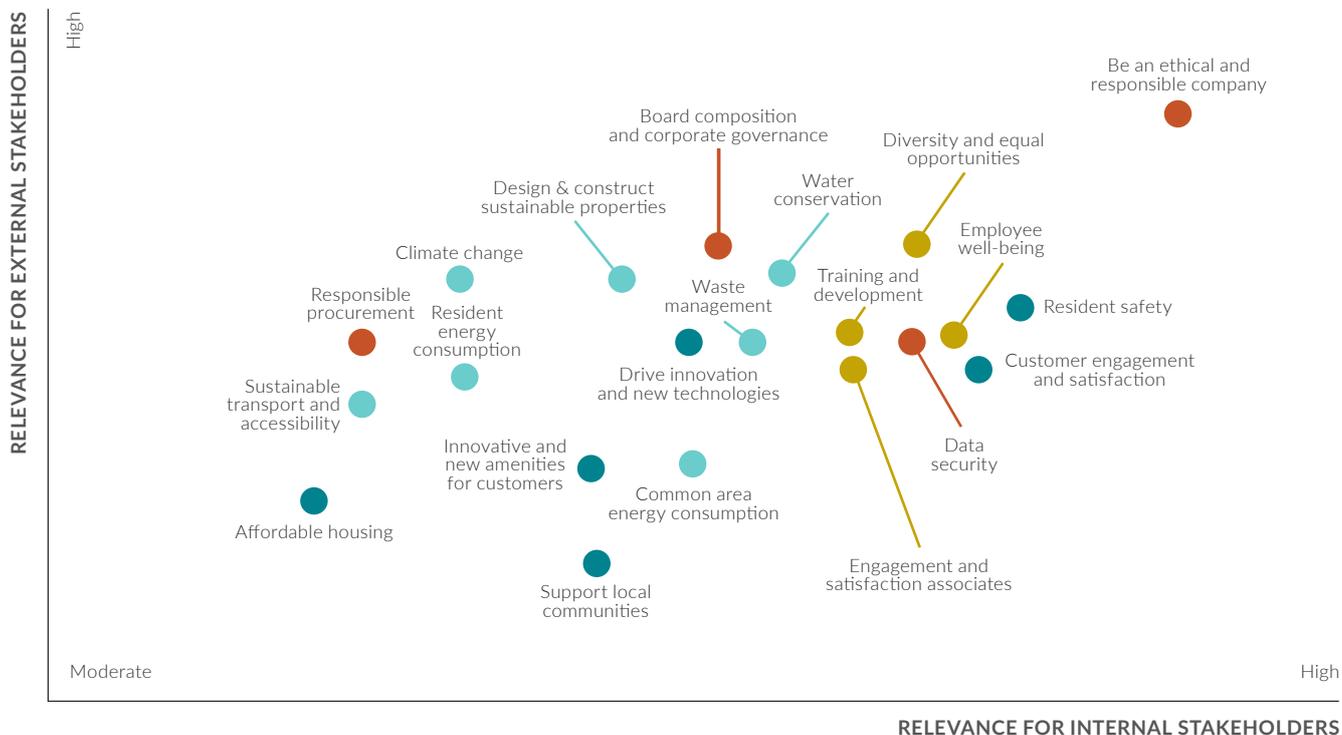
Materiality Assessment

We sought input from various stakeholders to ensure our CSR strategy encompasses a wide range of perspectives. We performed a Materiality Assessment, asking residents, investors, employees, and vendors what issues and aspects of CSR mattered most to them. We utilized strategic documents, peer reporting, and reporting frameworks to help shape our CSR strategy.

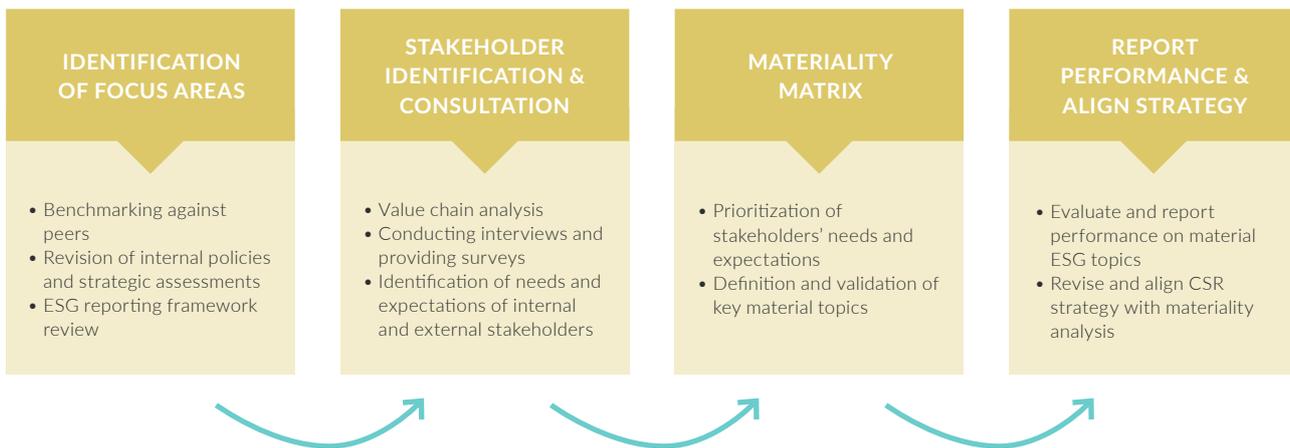
Our materiality matrix contains the overall result of the identification and prioritization of stakeholders' needs and expectations. It helps visualize material topics according to their level of relevance among internal and external stakeholders.



Materiality Matrix



- Providing better communities to call home
- Providing a better place to work
- Providing a better environment
- Delivering better returns





PROVIDING BETTER COMMUNITIES TO CALL HOME

At Essex, our core business involves people. People that live in our communities; some for a couple of years, others for decades! The focus of every Essex associate is to ensure residents enjoy living at our communities by listening to our residents, upgrading our portfolio to make our properties more attractive places to live, and providing the most desirable amenities and services. We help our local teams achieve a sense of belonging in our communities and feel at home. It's the extra steps that create better communities.

Great Places to Live

Perhaps the most essential part of our business is to provide welcoming spaces for our residents. We take the extra step to make sure each resident feels at home.

We actively monitor resident engagement levels, and resident satisfaction is the number one focus point for every Community Manager. We collected over 64,000 resident responses from our 2018 survey which provided feedback on Essex services, amenities, and overall satisfaction. Our 2018 scores improved in comparison to 2017. We utilize the feedback to identify common themes and actions to be taken to address issues. We announce these scores at our annual Awards Gala – a true motivator for our local teams to take that extra step.

Putting Residents' Needs First

With changing real estate market expectations that view customer service as increasingly important, we strive to do the right thing. For example, we organize regular events to help residents become part of their community. These events include barbeques, yoga, seasonal festivities, and local charity events where residents get to meet their neighbors. We invested over \$700,000 on community initiatives in 2018, demonstrating our commitment to community engagement.

Not only do we provide great places to live for our residents, we also provide spaces for their 4-legged family members with our pet-friendly apartments. Many communities are even equipped with pet spas and parks.

Our 240+ communities provide varying amenities and services that make living in an Essex community just a bit more worthwhile. And even though we explore new opportunities to further enhance our residents' experience on a regular basis, we can't always do it alone. That is why we partner with many businesses to complement our property team.

Residents' Health and Well-being

At Essex, not only do we strive to provide safe and healthy living areas, we promote a healthier lifestyle for all our residents. We offer high-quality wellness amenities; 86% of our communities have a fitness center and 84% have a swimming pool. Additionally, we offer smoke-free apartments.

In case of emergency, our internal emergency manual describes how to respond to any issue. Our most important assets in these situations, however, are the local teams that actually implement the policies and take ownership and responsibility to handle any emergency quickly and efficiently.



PARK 20 IN SAN MATEO, CA

PARK 20

The 5th annual ORA (Online Reputation Assessment) Power Rankings, conducted by J Turner Research, ranked our very own Park 20 at #30 in the Elite 1%! From over 101,000 properties, 1,234 properties were chosen for this nationwide assessment. Park 20, having scored 96/100 and surpassing the national average of 61.6, was featured in articles by Multifamily Executive Magazine.

We see reviews as our opportunity to attract loyal residents and prospects who are happy to promote us online and to their friends. Park 20 Community Manager, Ruby Ramirez, states, "... We listen to our residents and take their concerns seriously. When we make a mistake, we step up. And we are not shy about asking a resident to post a review." Well done, Park 20 team!



Lisa Melendrez

Three associates were recognized as Community Manager of the Year in 2018.

What qualities do you consider necessary to become a great community manager? What should their priorities include?

Lisa Melendrez: I don't think there is one particular thing you can pinpoint. I believe in loving what you do, because if you have a great attitude everything else falls into place: being an active listener and not giving "lip service", having a team that is strengthened through coaching and mentoring, and the great leadership we have at Essex that guides and supports us. Happy teams are productive and happy residents stay!

Helen Vignery: The people who take pride in how they lead their team and serve their community. Priorities should be communication and creating an enjoyable work environment that transcends efficiency and delivers great customer service.

Kori Freeman: I want my employees to feel and know that we are in this together and that I won't ask them to do anything that I wouldn't do myself. My priority is to instill the feeling within all employees and residents that they are important. No needs, questions, or concerns are less valid than any others.

How is the team culture on-site, and how would you describe your local team?

Lisa Melendrez: Our team is a family. We get together every week, not only to discuss weekly work topics but also to catch up on what's going on in each other's lives.

Helen Vignery: We are a team-oriented staff. Everyone on staff knows that putting effort into our responsibilities creates a domino effect for all. We prioritize communication and don't fear our mistakes, we learn from them. We focus on the solution. Most important, we deliver the best when we're in the presence of our residents.

Kori Freeman: Our team culture at The Elliot was like an extended family; we all had each other's backs and made sure that we were providing the best experience to the residents. My new local team is becoming yet another family.



Helen Vignery



Kori Freeman

RESIDENT ENGAGEMENT OUTCOMES



3.9 2017
4.0 2018

OVERALL SATISFACTION



20% 2017
24% 2018

SURVEY RESPONSE RATE



55,903 2017
64,830 2018

TOTAL RESPONSES

A good example of Essex's emergency response was at Emerald Ridge Apartments in Bellevue, Washington. Two amazing E-Team members, Maintenance Supervisor, Jeff Moorehouse, and Maintenance Technician, Robert Knox, combined their efforts to keep a parking lot fire under control until the fire department arrived. Thanks to their quick thinking, no one was hurt and the fire didn't spread to any of the other buildings. Thank you, Jeff and Robert!

Smart Living Made Easier

At Essex, we continuously invest in the future of living comfortably. Through our Digital Transformation Program, we already use less paper: for example, leases are signed electronically and lease details stored in our online database. Our online resident portal, RentCafe, further reduces the amount of printed material and manual efforts by enabling our residents to see their lease information, pay rent, submit work order requests, receive package notifications, and see property calendars all online.

Not stopping there, our next evolution is introducing additional technology through our innovative "E-Home" program. This industry leading transformation strategy is automating our apartments and connection with our residents, utilizing the latest technologies that are scalable, future-proof, and highly performant.

Our E-Home program integrates smart devices in our apartment homes accessible through SmartRent's automation solution. Our program includes:

- Doorlocks – no need for physical rekeying, residents control their own access codes and permissions;
- Thermostats – residents can control temperature settings and program their units to welcome them home at a comfortable setting and the on-site staff can control vacant units;
- Water leak sensors – residents and on-site teams are alerted when a sensor is triggered leading to quicker response times;
- Plugs and light switches – residents can create home automation and scenes for their lighting and devices.

Commitment to the Community

Essex believes volunteering can create positive change in the communities where we live and work. Our volunteer program is aimed at supporting and encouraging eligible associates to become actively involved in their communities. Essex Volunteer Policy permits eligible associates to take up to eight paid work hours each calendar year to participate in volunteer work.

In 2018, we provided homes to those with lower incomes by providing rent subsidies that totaled \$36.4 million related to 4,492 affordable apartments.

Community Involvement

Essex teams celebrated the 2018 holiday season of giving by organizing toy drives for their neighborhoods. During 2018 over 50 Essex properties supported local communities by organizing food, clothing, and toy drives.

- The E-Team at Marquis in San Jose, CA kicked off the back-to-school season by hosting a school-supply drive. To encourage resident donations, the team organized a raffle and promoted the drive via RentCafé, posters, and by talking to residents.
- The San Diego team hosted their annual Toy Drive for Becky's House – a program that collected more than 180 toys in their most successful year to date.
- The Highlands at Wynhaven in Issaquah, WA participated in a toy drive for the Issaquah Food and Clothing Bank and gathered more than 200 toys in three weeks.
- The NorCal region participated in Toys for Tots with a total of 867 toys donated.
- Station Park Green in San Mateo, CA put together a holiday fundraiser that led to 74 donated toys.
- City Centre in Hayward, CA also participated, bringing in a good haul of toys thanks to the help of their enthusiastic associates.

At our Corporate office, we support our local communities through multiple fundraising events. In 2018, our E-Team members participated in events including a Back-to-School Backpack Drive that donated more than 1,300 school supplies to Bay Area children via The Family Giving Tree, they donated more than 2,800 pounds of food to benefit the Second Harvest Food Bank, and their Holiday Wish Drive again supported the Family Giving Tree by donating gifts to Bay Area children, families, and seniors from low-income households.



HERE IS WHAT OUR RESIDENTS HAVE TO SAY

We can write about how great it is to live at our communities, but the true testament is that over 600 of our associates are also residents in the very communities where they work.

My boyfriend and I moved from NYC and were looking for apartments. We visited Bunker Hill and were assisted by Michael. As soon as we met him, he was extremely warm and friendly. Michael is extremely knowledgeable and trustworthy. We felt very comfortable working with him ... He is literally the reason I'm writing this review! The apartments are really great. Definitely a gem with nice views!

Resident from Bunker Hill Towers in Los Angeles, CA

Manuela is AMAZING! We came in for the tour but realized that the apartment we were looking for just got rented. Nevertheless, Manuela still took the time out of her day to give us a detailed tour; her description of the amenities and services really sold us! The apartment is clean, modern, and has a value considering the space we are getting. We are so excited!

Resident from The Hallie in Pasadena, CA

We stayed in Esplanade for a year and then we moved out because we bought a house. It's been almost 1 year since we left this place and my wife and I still talk about the Esplanade apartment and how much we still miss this place ... it's that good! Steve and Jenae are rock stars. They are very humble and extremely helpful human beings. We highly recommend Esplanade apartments to everyone.

Resident from Esplanade Apartments in San Jose, CA

The second I walked into the Reveal I immediately fell in love with everything! The mall is around the corner and the amenities are fantastic (2 pools, 24hr gym, sauna, etc.) The staff is super friendly and very professional. I have to give a huge thanks to Nora for being an excellent employee. She is the best!

Resident from Reveal Apartments in Woodland Hills, CA

"I chose to live at City Centre for the last 20 years and enjoy the ability to walk 3 minutes to work. The on-site teams are responsive and friendly." - Rich Simpson, Resident at City Centre in Hayward, CA for more than 20 years.

Amenities

Our 240+ communities provide varying amenities and services that make living in an Essex community just a bit more worthwhile.



SWIMMING
POOLS
207



ELECTRIC VEHICLE
CHARGING STATIONS
59



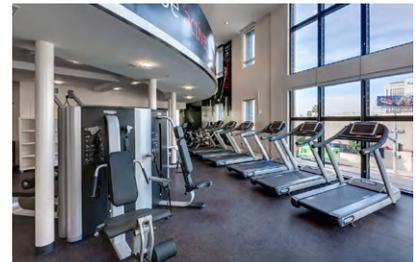
PET
AMENITIES
69



EXTRA
STORAGE
120



LOUNGES
98



FITNESS
CENTERS
212



500 FOLSOM

Essex's newest property development, 500 Folsom, has targeted LEED Silver certification. The new development is an excellent example of how Essex leverages leading practice energy systems to improve efficiency, decrease environmental impact, and create cost savings for tenants.

500 Folsom uses solar thermal technology to passively preheat water for the entire property. This in turn improves the efficiency of the water heating equipment and significantly reduces the energy demand. This system also serves to decrease the costs associated with hot water for the property's boiler system, thereby generating both environmental and economic benefits.

Built with over 10% local materials and with over 80% recycled materials used in the unit flooring, 500 Folsom also features low-flow fixtures, energy efficient and Energy Star appliances, LED lights, and electric vehicle charging stations. A graywater

recycling system was designed to offset water usage in the building for 100% of the toilet flushing and landscape irrigation. The building has a dual purple pipe system throughout to implement the graywater design. Furthermore, the Otis destination software-controlled elevators will save time and energy by bundling floor stops during peak usage times.

500 Folsom is the latest example of Essex's commitment to creating sustainable buildings for our future residents and the environment.

Energy Efficiency

- Solar thermal water heating
- LED lights
- Energy Star appliances
- EV Charging Stations

Water Conservation

- Graywater Recycling System for irrigation
- Low-flow fixtures

Responsible Sourcing

- 10% local materials
- 80% recycled materials for flooring



BRINGING LASTING ART TO THE COMMUNITY

At many of our development projects, Essex has provided artwork destined for public spaces with the intention of enlivening the urban landscape. At our Connolly Station, Via, Park 20, and Station Park Green properties, various sculpture installations, developed by several artists, were commissioned by Essex. These projects were provided in accordance with public artwork requirements that encourage the development of artistic and cultural installations.

At Station Park Green, San Mateo, CA, three sculptures were installed with a value of \$900,000. The image to the left is a sculpture by artist Brad Howe, located at the Main Plaza of Station Park Green.

At Connolly Station, Dublin, CA, a piece named “Wellspring” was created by sculpture artist Eric Powell. This piece, shown in the image below, alludes to the city’s history serving as a crossroads for travelers and a major stop for migrating birds in the region.



STATION PARK GREEN IN SAN MATEO, CA



CONNOLLY STATION IN DUBLIN, CA



PROVIDING A BETTER PLACE TO WORK

Thousands of residents rely on the E-team of over 1,800 associates to do the right thing every day. Essex provides a better place to work through training and career development programs, team building, and ensuring all associates are treated fairly. For all of us at Essex, it's about being proud of where we work and doing the right thing.

Working at Essex

We encourage our associates to act as owners, treat their customers with respect, and participate in community events like charity and sponsorships. Additionally, we focus on helping our associates find their ideal work-life balance and creating a collaborative E-Team spirit.

The leadership and various policies and programs support this by engaging, enabling, and empowering associates to thrive at Essex. We aim to ensure these three key aspects are integrated into every process of the associate journey at Essex.

Engaging

We provide several methods for our associates to communicate among their teams and across all departments. With our Speak Up initiative, we provide a great way for our associates to communicate to anyone within our organization when they want to share their thoughts, ideas, and concerns. Additionally, our annual Awards Gala and picnics are a way for our associates to build communities and feel pride in our organization.

Enabling

The best ideas and initiatives are recognized during our annual Awards Gala. Associates who have shown a special winning mentality, remarkable innovation, or those who went the extra mile are awarded. In 2018, a total of 215 trophies and 2,329 Excellence awards were issued.

Empowering

Serving the large spectrum of resident needs in this industry is challenging and requires great teamwork, a coordinated effort, and the circulation of good ideas and processes. Our Excellence Program awards allow us to value and reward Essex associates for their outstanding performance. These awards include:

- Operational Excellence – for proposing new ideas to save the community money, discovering (in)efficiencies, or finding a way to save the day
- Team Player Awards – for helping or training fellow teammates, or assisting a sister community in times of need
- Customer Service Excellence – for receiving a high review online or through resident engagement studies
- Community and Corporate Super Star – for recognition of associates that have gone way above and beyond

KEY ELEMENTS OF THE ESSEX CULTURE

Essex has experienced exceptional growth over the past several years, and along the way, we have created a compelling set of core values that embodies our culture. We believe the Essex culture is key to our ongoing success and strive to ensure that this culture thrives through our leadership and employee engagement efforts.

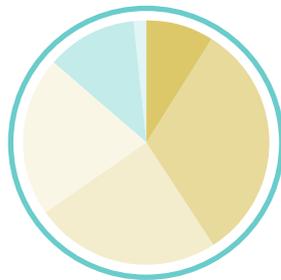
1. **We are mission driven.**
2. **We embrace honesty and integrity.**
3. **We are dependable.**
4. **We pursue operational excellence.**
5. **We reward teamwork and ownership.**
6. **We support professional development.**
7. **We create shareholder value.**
8. **We are competent and capable.**
9. **We support work-life balance.**
10. **We are respectful.**

People Performance Indicators 2018



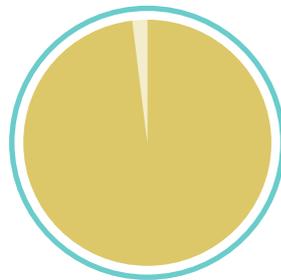
1035 male
792 female

GENDER



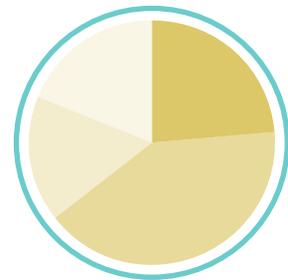
165 <25
582 26-35
449 36-45
385 46-55
218 56-65
28 >65

AGE GROUP



1794 Full-Time
33 Part-Time

TIME TYPE



436 Community Mgmt
745 Maintenance
304 Leasing
342 Corporate

ROLE

96% of employees received performance review

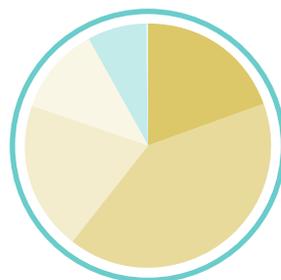
NEW HIRES 2018



230 male
207 female

GENDER

31% Turnover rate



86 <25
179 26-35
87 36-45
51 46-55
33 56-65
1 >65

AGE GROUP

TRAINING & DEVELOPMENT



46,272

TOTAL TRAINING HOURS FOR ALL EMPLOYEES



>25 hours

TRAINING HOURS PER EMPLOYEE



2090*

EMPLOYEES RECEIVED TRAINING

*Includes turnover

All associates received preventing workplace harassment training and ethics training. EPA regulated training was provided to the maintenance staff and their community managers if applicable.

The Spirit of Entrepreneurship – Enabling Associates to Own Their Work

Our associates take full ownership of each community they manage. Associates often come up with excellent ideas on how to avoid bottlenecks or streamline processes that could lead to increased profitability and productivity. They bring these ideas to the weekly Senior Operations Leadership Team (SOLT) meetings. The SOLT listens to and evaluates new processes and programs pitched by any associate. If approved, the associate receives support from SOLT to eventually pilot the idea at multiple communities and share their findings, recommendations, and idea refinements with SOLT. Associates with successful results get to implement their idea across the entire Essex portfolio.

Empowerment – Investing in Associates' Knowledge and Skills

We support our associates and strive to help them qualify for higher-level positions and pursue new opportunities. We have a flat organization where associates are free to share their opinions and ideas. We show them what needs to be done, hold them accountable, and prepare them for those positions.

Essex understands that a diverse team with a variety of backgrounds, experiences, and responsibilities enables collaboration with different perspectives, improves decision making, and strengthens the Company. This is

why we offer training and personal development programs geared toward our associates' growth.

Our learning and development programs include:

- Leadership training
- Communication training
- Individual learning plans
- Team building services
- Community Manager and Maintenance Manager training
- The Steps to Success program
- The Berkeley Executive Leadership Program
- Mentorship Programs

An Engaged E-Team – Providing Positive Places to Work

At Essex, we strive to provide better places to work every day with meaningful jobs in a positive team environment. Engagement surveys help us measure our success in these areas. In our 2017 engagement survey, 81% of associates participated and engagement scores went up 1% compared to the previous year. Almost 80% of associates are considered to be actively engaged, with a high sense of pride in working at Essex. Naturally, part of engagement is helping our associates connect with one another. We do this through Essex team and associate engagement events, which include summer picnics, local health fairs, and Associate Appreciation Days at our Corporate offices, where we celebrate the successes of highly valued associates.



Sudarshana Rangachary

Senior Vice President
and Chief Human
Resources Officer

In your opinion, what are the strongest cultural aspects at Essex?

The way I see it, the strongest cultural aspects at Essex are accountability, unwavering focus on results, genuine care for each other, and an innate sense of humility. These aspects work to keep us zeroed in on our values and mission.

As far as the associate journey goes, what do you expect in 2020-2025?

The associate journey will help us redefine our employee experience at Essex. We strive to make Essex a place where we engage, empower, and enable our associates to thrive in our communities. Our entire talent agenda will be geared toward achieving this vision. Over the course of the next 3 years, we

will be refocusing on our learning and development initiatives and our employee engagement efforts.

What drives you personally to work at Essex?

Personally, I'm delighted to be part of the Essex organization. What attracted me first to Essex was the opportunity to work with a highly experienced, well aligned, and well intentioned leadership team that is extremely committed to achieving our long-term mission. It's a pleasure to get to know the group, and I'm humbled by their hard work, authenticity, and sense of ownership.

We Go the Extra Mile

We offer our associates a benefits package that includes competitive compensation and equal pay. Essex performs an annual compensation study to better align with market standards. In 2019, we introduced a minimum wage for all employees: everyone now earns a minimum of \$15 per hour.

Other benefits include a Tuition Reimbursement Program which helps us support associates' continued learning, referral bonuses when new positions are filled through an associate's network, and stretch and spot bonuses which allow associates to be valued directly and appreciated for their work.

One of the perks of working at Essex is the employee housing discount. Over 600 associates in 2018 have taken this opportunity and choose to live in one of our communities totaling over \$4.8 million of annual subsidization.

Our desirable benefits package is critical to associate engagement and retention, including:

- Tenure Program – a cash gift beginning at 5 years of service and every 5 years thereafter
- Excellence Awards – spot recognition program
- Work from home policy – giving some associates the flexibility to work remotely
- Internal transfers and promotions – career path and job posting

- Internship Program – for college students
- Commuter benefits – pre-tax benefit offered to all associates. Corporate office provides discounted commuter train passes
- Life/AD&D insurance – 100% Company sponsored
- Retirement support:
 - Automatic enrollment at 2% (401k)
 - Company matches up to \$4,000 annually (401k)
 - Free financial advice
- Voluntary benefits offered – legal, life insurance, identity theft, accident, disability
- Associate discount programs – mobile phone (AT&T, Verizon), Whirlpool, etc.
- Legal services
- Pet insurance

Health and Well-being

We understand the importance of work-life balance and recognize happy and healthy associates lead to better productivity and effectiveness over the long term. The demands, challenges, and pressures are great in our industry and our leaders know they need to be good examples in this very important area.

Wellness Initiatives

Taking care of our associates and their physical and mental health is important to Essex. For example, we released a new well-being platform called Vitality in 2018 that encourages associates to organize their lives in a healthier way. Currently, 66% of associates are registered to the



Tanya Arcilla

Manager, Standardization and Process Improvement

What has been your experience of the mentoring program so far?

I've had a positive experience with my mentor so far. Lisa Yeh connected with me last year, and I was honored with her offer to mentor me. I had some brief interactions with her prior to her becoming my mentor and admired her for where she is in her career and how she leads so many valuable initiatives. Lisa is the first official mentor I've had so I wasn't sure what to expect at our first meeting, but she had experience being a mentor and led the conversation. I felt very comfortable with her and ultimately, we discussed my career growth for the next couple of meetings. In future meetings, I took more of a lead

in the conversation and we branched out to discuss other areas of my life. I also really like having action items and that is something we started implementing in the last couple of meetings.

What have you gained from the experience? How has it helped you?

Specifically, I've gained motivation and a different perspective. It has helped me tremendously to have a sounding board like Lisa. I respond really well to straightforward feedback and she does a great job of calling out some areas I can improve on.



platform, which offers team-based wellness challenges, health questionnaires, goal setting, and educates associates on healthy living. There is also a Wellness Credit for medical premiums of up to \$480 annually, and associates receive a \$75 wearable device credit when they have obtained Gold Status. We offer free yearly biometric screening events – in 2018, 40% of associates participated – along with Weight Watchers vouchers, discounted gym memberships, and a Company-sponsored Employee Assistance Program with free on-site individual and crisis counseling.

Safe Workspaces

We have a safety policy in place that coincides with an Injury & Illness Prevention Program (IIP Program), which helps reduce the number of accidents and ensures our associates' health is given proper attention and priority. To create a healthier workplace, we provide online courses

to promote safe lifting, working correctly with hazardous chemicals, ladder safety, confined space awareness, and heat stress in the workplace. Additional Health & Safety classroom training is provided to key functions that have the largest exposure to health risks and that can assist on-site in case incidents occur. These functions include Community Managers, Maintenance Supervisors, and Maintenance Technicians regarding Asbestos and RRP Lead.

Diverse Workforce

Our Company is proud to actively promote and encourage diversity and inclusion in our teams throughout the organization. We review hiring practices that foster fairness and inclusion. Recently, we formulated a Diversity and Inclusion Committee to monitor the activities and promote diversity, equal opportunity, and fair treatment for all those working at Essex. The appointed Committee Chairperson reports to the CEO regarding the Committee's



Elizabeth Rodriguez
Area Manager II

What has been your experience of the mentoring program so far?

Honestly, it has been an incredibly beneficial experience for both my personal and professional development. It's given me an opportunity to understand how our directors operate. Equally as important, it has allowed me to truly gain understanding of where our priorities come from and why. This has helped me to better align my own portfolio's objectives and key results to aid the Company in achieving operational excellence.

What have you gained from the experience? How has it helped you?

I have gained insights in many things. I also feel like I've further developed my own skills such as coaching and leadership. Most importantly, I feel it has deepened my commitment to our Company and our purpose. It has, without doubt, helped me enhance my performance and self-motivation. We have discussed important topics such as value creation, leadership vs. management, revenue management, influencing people, the list goes on. It's the first time in my career that I have felt so invested in by upper management, which has created a great loyalty on my behalf for our Company.



activities. With these actions, we advocate full inclusion and fair treatment of all individuals, regardless of race, color, national origin, ancestry, creed, religion, sex, familial/marital status, physical or medical condition, age, genetics, sexual orientation, gender identity/expression, political views, military status, domestic violence victimhood, source of income, handicap, disability, citizenship status, immigration status, primary language spoken, or any other protected classification under local, state, or federal law.

Summer Paid Internship Program

Essex has a summer paid internship program that recruits and employs students to learn how a multifamily leader operates and makes sound decisions.

Through this program, students will receive the following benefits:

- Resume building opportunity
- Get paid and trained to work in the multifamily industry
- Solid work experience at an S&P 500 company which includes daily interaction with corporate systems, processes, and communication with various clients and other associates
- Increased likelihood of obtaining a job/rehire right after graduation

From the internship program, Essex has the opportunity to offer candidates to remain employed part-time or to resume employment during breaks or after graduation.



Gale Hansrajh
Vice President,
Internal Audit

Gale Hansrajh has been working at Essex for over 30 years and was kind enough to tell us about her experience, why she has stayed for so long, and what she has noticed throughout her decades-long career at Essex.

What is your role at Essex, and how long have you worked here?

I have worked at Essex for over 30 years. The last few years, I have been working as a Vice President for Internal Audit (IA). It's our job to identify risk, provide assurance that these risks are mitigated adequately and effectively, and provide meaningful, cost-effective recommendations and/or corrective actions for any identified issues. In addition, during process reviews IA also focuses on potential process improvements.

Why have you stayed at Essex all these years?

I made the decision to stay at Essex because of the positive work-life balance. I also enjoy the many opportunities for growth. Essex gives me a stable working environment, and I gain energy from the positive challenge of working with the Management team. In addition, the Company is successful and it's always great to work for a winning team!

In your opinion, how has Essex changed over the years?

Throughout the years, I have witnessed Essex's significant growth firsthand – both in business and culturally. We have changed from a being a “family” type of company to more of a “big” company mindset. With that, we have become more structured and there are more opportunities for women at the higher levels of management.

STEPS TO SUCCESS

In 2018 we introduced an online learning service: Steps to Success. This completely new program is available to all Essex on-site associates.

Steps to Success is a unique learning program that helps support associates with their career growth and prepare them for the high demands of a constantly changing industry.

The curriculum has more than 400 new courses divided into “certificates” or clusters of courses that can make up a skill. With each Steps to Success course an associate completes – whether it’s in management, maintenance, or leasing – the associate gains the fundamental knowledge needed to perform their best in that area. The Steps to Success program, combined with an excellent work record, provides associates a head start in meeting their career goals.

Currently, over 900 on-site associates are participating in the Steps to Success curriculum for their job roles or for the roles they are aspiring to grow into.

EXAMPLES OF STEPS TO SUCCESS:



Kendra Madison
Leasing Specialist

Kendra Madison, former Porter at Fourth & U, completed the curriculum for Leasing Specialist and Assistant Community Manager and was recently promoted to Leasing Specialist at The Courtyards at 65th Street.

“Steps to Success is a great tool and resource for anyone looking to gain more knowledge about their current position, a position they may be interested in, or to gain better people skills. A ton of information and training is at our fingertips!”



Gus Estrada
Chief Engineer

Gus Estrada, Chief Engineer, recently completed the curriculum for Professional Development courses.

“The curriculum was beyond informative and well worth my time. It was extremely helpful that the information was well structured and covered varying topics, like how to foster team workmanship, present constructive criticism, and other common situations. Overall, I would say it is well worth the time and effort to complete the curriculum.”



900+

ON-SITE ASSOCIATES
PARTICIPATING IN
STEPS TO SUCCESS



400+

NEW
COURSES



PROVIDING A BETTER ENVIRONMENT

Essex works toward a better environment by taking action. By reducing our use of natural resources and managing waste responsibly, we can limit our environmental impact as well as lower operating costs which will improve resident satisfaction and increase Shareholder value.

We continue to lead the industry in our quest to minimize the environmental impact of our communities through renovations, and developing new sustainable homes.

Environmental Stewardship

At Essex, we have addressed environmental issues for over a decade. Some of our initiatives include paper reduction policies (e.g. using our resident portal) for both communities and the Corporate office, using zero-emission vehicles, enabling associates to telecommute, and encouraging associates to take public transportation to/from work. Our largest potential to reduce our environmental impact relates directly to our core business: our communities.

Resource Management

In 2008, Essex created the Resource Management Department who are experts at managing the resource consumption of our properties, and they have achieved remarkable results over the years. The focus of the department is to ensure we invest strategically in proven technologies and solutions that increase the quality of living for our residents and reduce their utility costs. At least 284 properties received projects from Resource Management between 2009 and 2018, with a total investment of \$74 million. Currently, 93% of our properties have received funding from Resource Management.

They implemented energy and water conservation programs, improved waste management, and designated on-site recycling options for residents. Our innovative Resource Management professionals even discovered a way to safely dispose hazardous waste.

Energy and Carbon Impact

Monitoring data for on-site electricity, water, and gas consumption gives us insight into the energy consumed by our residents. Asset inspections and trainings for local maintenance teams help us identify issues and develop actions plans to minimize energy consumption. We have an active program in place to improve and/or update HVAC systems and lighting, and we're committed to finding opportunities to reduce our energy consumption.

Solar photovoltaic (PV) systems help us generate on-site clean energy and cool roofs to minimize the usage of air conditioning. Our LED retrofits reduce energy consumption in our common areas and we incorporate Energy Star appliances and water saving fixtures in our apartments.

Water Consumption

Water is a precious commodity, especially at our California properties. Following the droughts of recent years, we put strategies in place to reduce our water consumption throughout our portfolio. We accomplished this with several strategies: native landscaping, 2-way smart irrigation technologies, removal of fountains, and the installation of water-saving devices.

Waste Management

At Essex, we are committed to finding the best waste management solutions in every region that will encourage our associates and our residents to recycle, reduce, and separate on-site waste. We give them accessible separation bins, regular tips on waste separation, and the addition of composting bins. Essex contracts third party waste management companies to optimize trash volume by sorting waste from recycling, which minimizes trash and maximizes recycling.

Environmental Compliance

Following stricter EPA regulations in the state of California regarding performance metrics for U.S. buildings, our properties are in compliance with Energy Star. Through the Energy Star Portfolio Manager®, an online tool to measure and track energy and water consumption and greenhouse gas emissions, Essex submitted 84 properties for 2018 energy consumption data.

Portfolio Manager® benchmarks the performance of one building or a whole portfolio of buildings. The average Energy Star score for our properties in 2018 was 73.

Green Homes – Green Awareness

We understand that we have limited control over the amount of energy our residents consume. That is why, during equipment replacements and unit renovations, Essex specifies the installation of Energy Star equipment, energy efficient lighting fixtures, and water efficient plumbing fixtures. Furthermore, we engage our residents by signing paperless leases and educate them on the benefits of acting responsibly by reducing their utility bills and energy consumption.

Environmental Impact 2018

We have invested over \$74 million in the past 10 years in sustainable solutions and technology. We invested in energy efficiency, renewable energy generation, water conservation, and waste management. Sustainable solutions were implemented at 93% of current properties.



287,490

ENERGY USAGE

in Megawatt-hour (MWh)

The bottom line is Essex wants to offer the best to its people and residents. It's why we address climate change through the implementation of on-site efficiencies, the installation of renewable energy, and why we take time to ensure we are procuring energy from sustainable sources.



57,355

GHG EMISSIONS

in metric tons of CO₂e



2,991,666

WATER USAGE

in Kgallons

Many of our communities are in California where drought is an issue. At Essex, we are doing the right thing and aim to reduce our water consumption significantly at every community through various implementations. See page 38 for more information.



57% Trash
39% Recycling
4% Compost

76,262

WASTE MANAGEMENT

in tons

We're not only concerned about minimizing the waste that gets hauled off directly to the landfill(s). In 2018 we worked with third party vendors to optimize the waste processes in 139 communities. This action goes on to help us achieve savings and increase recycling rates and resident satisfaction.

Renewable Energy

SOLAR PROJECTS

The Solar Photovoltaic (PV) projects that Essex has implemented in the past 2 years have led to the generation of an additional 1,865 MWh of renewable energy for our communities in 2018 and less dependence on the grid.



42

ESSEX PROPERTIES WITH NEW SOLAR PV INSTALLATIONS

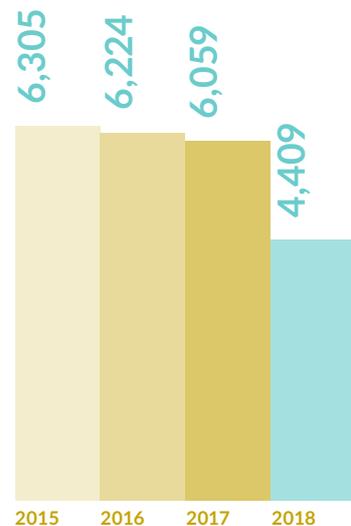
REDUCING CARBON IMPACT

By installing our new Solar Photovoltaic (PV) projects, we have minimized our carbon footprint. The mitigation of greenhouse gas (GHG) emissions achieved by these projects is equivalent to offsetting the emissions of the following miles driven by an average vehicle.



Offsetting 3,225,262

MILES DRIVEN BY AN AVERAGE PASSENGER VEHICLE



ELECTRIC USAGE FROM GRID FOR PROPERTIES THAT HAVE PV INSTALLED
in Megawatt-hour (MWh)



Sustainable Connections

Reaching beyond our direct environmental impact, we help reduce the impact of our residents even further by selecting well-located properties (i.e. near urban centers and/or major job nodes). Many of our properties are near modern transport modes, providing access to employment centers and entertainment venues. Our urban communities allow our residents to walk to nearby destinations within minutes and many of our communities include bicycle storage facilities.



98%

OF ESSEX APARTMENTS
HAVE OVER 100,000
JOBS WITHIN A 10-MILE
RADIUS



97%

OF ESSEX APARTMENTS
ARE WITHIN ½-MILE OF
A PUBLIC TRANSIT STOP



62

AVERAGE
WALK SCORE



61

AVERAGE
BIKE SCORE

SUSTAINABLE RENOVATIONS

At Essex, we invest and improve our communities through renovation programs. These programs update apartments, amenities, and common areas to include energy efficiency features to further reduce energy consumption. In the last four years, Essex spent \$80 million per year updating thousands of apartments and countless communities.

When updating common areas, we repurpose some of the underutilized amenities into features desired by residents. For example, we converted an unused racquetball court into a fitness center and lounge, and we converted an unused laundry room into a pet spa.

We've installed the following energy-efficient products in many of our apartments and common areas:

- Energy Star kitchen appliances
- Efficient LED lighting
- Programmable thermostats
- Low-VOC paint
- Recyclable flooring
- Drought tolerant plant materials
- Solar heating
- Energy-efficient water heaters and boilers, some with controller systems
- Water treatment systems
- Low-flow toilets and water efficient fixtures
- Energy-efficient HVAC units
- EV chargers

BEFORE



AFTER





CITY CENTRE RECEIVES THE CITY OF HAYWARD 2018 ENVIRONMENTAL SUSTAINABILITY AWARD

Our City Centre property received a City of Hayward 2018 Environmental Sustainability Award. City Centre and its Community Manager, Janie Yang, were recognized at a special City Council presentation held on May 15, 2018 at Hayward City Hall. The awards celebrated select individual Hayward

residents and local businesses for their outstanding participation in the city-sponsored recycling program. City Centre was the only multifamily property to receive an award. Excellent work, Janie and the City Centre E-Team!



John Broos
Director of Facilities

John Broos has been an active leader in minimizing the environmental impact at Essex for over 10 years. First as a Resource Manager and now as the Director of Facilities, John has been on hand from the beginning to find (in)efficiencies across the Essex portfolio. Consistent with the entrepreneurial spirit at Essex, John implemented many sustainability projects such as solar systems, energy-efficient water heating and pool equipment, boiler controllers, lighting efficiency, recycling programs, and automated water systems, just to name a few.

Your department tests a lot of new initiatives. Have you ever had an on-site test fail?

Absolutely, we're always looking for innovative ideas and technologies to save resources, and pilot programs of those

ideas are tested thoroughly both on- and off-site before they get the go ahead for utilization. One test that stands out in my mind is the solar attic system which uses the heat from the building's attic to heat the pool. It made sense on paper but after many modifications, the implementation failed in the commercial environment.

What are you most proud of during your years in the Resource Management department?

I'm most proud of the value and impact that our Department has at Essex. We continue to identify and implement portfolio-wide sustainability initiatives that provide a positive impact on the environment, our residents, our employees, and our shareholders.

Conservation for Better Communities



Water conservation is important to Essex and we have prioritized this effort for more than 10 years. To date, 84 Essex communities have water-saving irrigation and landscaping and 33% of our communities have water-efficient fixtures. Meadowood, for example, invested in high efficiency toilets, saving around 5,799,938 gallons of water yearly.

At Bel Air, we replaced a large broken fountain with an amenity that saved 20,440 gallons of water annually. Another example is Connolly Station where we converted a large fountain into a planter filled with drought tolerant native planting that saved 91,980 gallons of water.

Compared to our 2016 baseline, our efforts helped reduce water usage by 283 gallons per occupant; a total savings of 26 million gallons of water in 2018. It's conservation efforts like these that reduce water consumption and help us create better communities.



26 million

WATER SAVINGS
in gallons during 2018



84

**COMMUNITIES WITH
WATER-SAVING
IRRIGATION OR
LANDSCAPING**



REDMOND HILL IN REDMOND, WA

ENERGY SAVING CHALLENGE

Our Redmond Hill and Vesta properties recently engaged in an energy savings challenge, in collaboration with Puget Sound Energy. In the end, Redmond Hill won the competition.

During the challenge, each community earned points based on activities they completed to encourage residents to participate in the savings challenge. They did this by educating residents on how to read their energy bills, conducting a dedicated meeting on energy saving for on-site staff, and encouraging residents to sign up for “MYPSE” to complete an online energy audit.

As Redmond Hill emerged the victor, they had an on-site event to celebrate, in conjunction with a holiday celebration. “The Redmond Hill staff were very engaged and happy to win the competition,” said Resource Manager, John Forde. The team was unanimous that they should give their winnings to Northwest Harvest, an organization that helps feed the homeless and less fortunate.

What happens next? Moving forward, Puget Sound Energy will evaluate the results after the pilot ends in February 2020. This will provide information about the challenge, resident engagement, and actual energy savings across the board.



VESTA IN REDMOND, WA

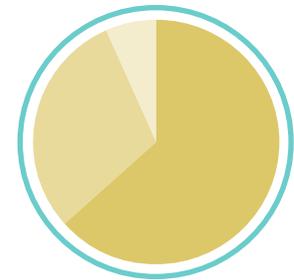
New Sustainable Homes - Smart and Sustainable Design

We develop sustainable green homes and commit ourselves to developing properties that are certified by LEED, GreenPoint, and Built Green. We have several projects currently under construction, with over \$1 billion committed, including 500 Folsom (a 42-story project in downtown San Francisco), Mylo in Santa Clara, Station Park Green Phase 3 in San Mateo, Ohlone Block B in San Jose, and Wallace on Sunset in Hollywood.

Through our new development and construction activities, Essex creates sustainable homes for the future and is driven to ensure these projects achieve a green building certification whenever possible. In the last five years, 80% of the properties we built have received a Green Building certification.

DEVELOPMENT COMMUNITIES WITH SUSTAINABILITY CERTIFICATIONS

| PROPERTY NAME | CERTIFICATION | COMPLETION DATE |
|-------------------------------------|------------------------------|-----------------|
| Wallace on Sunset, Los Angeles CA | LEED Silver (targeted) | 2020 |
| Ohlone Block B, San Jose CA | LEED Neighborhood (targeted) | 2020 |
| Mylo at Santa Clara, Santa Clara CA | GreenPoint Rated (targeted) | 2019 |
| 500 Folsom, San Francisco CA | LEED Silver (targeted) | 2019 |
| Station Park Green, San Mateo CA | LEED Gold ND | 2018 |
| Century Towers, San Jose CA | LEED Certified | 2017 |
| Galloway I & II, Pleasanton CA | GreenPoint Rated | 2016, 2017 |
| Agora, Walnut Creek CA | GreenPoint Rated | 2016 |
| One South Market, San Jose CA | LEED Silver | 2016 |
| MB360 I & II, San Francisco CA | LEED Silver | 2015, 2016 |
| Emme, Emeryville CA | GreenPoint Rated | 2015 |
| Park 20, San Mateo CA | GreenPoint Rated | 2015 |
| Epic III, San Jose CA | GreenPoint Rated | 2015 |
| Wilshire La Brea, Los Angeles CA | LEED Silver | 2014 |
| Mosso, San Francisco CA | LEED Gold | 2014 |
| Epic I & II, San Jose CA | GreenPoint Rated | 2014 |
| Radius, Redwood City CA | LEED Gold | 2014 |
| Connolly Station, Dublin CA | GreenPoint Rated | 2014 |
| Solstice, Sunnyvale CA | LEED Certified | 2014 |
| Expo, Seattle WA | LEED Gold Certified | 2013 |
| Avaria, Seattle WA | LEED Silver | 2013 |
| Via, Sunnyvale CA | GreenPoint Rated | 2012 |
| Lawrence Station, Sunnyvale CA | LEED Silver | 2012 |
| Joule, Seattle WA | BUILT GREEN | 2011 |
| Villa Granada, Santa Clara CA | LEED Gold | 2010 |
| Fourth & U, Berkeley CA | GreenPoint Rated | 2010 |
| Eastlake, Seattle WA | BUILT GREEN | 2009 |
| Taylor 28, Seattle WA | LEED Silver | 2009 |
| Belcarra, Bellevue WA | LEED Silver | 2009 |
| Park Viridian, Anaheim CA | LEED Gold | 2009 |
| 5600 Wilshire, Los Angeles CA | LEED Silver | 2008 |



NUMBER OF CERTIFIED PROPERTIES BY 2020



STATION PARK GREEN IN SAN MATEO, CA

STATION PARK GREEN

Station Park Green is Essex's first LEED Gold Neighborhood Development (LEED-ND) project. This expansive project consists of 599 units, multiple amenity spaces, and a beautiful 2-acre public park.

Station Park Green is one of the first projects to achieve any stage of LEED-ND certification (3rd ever and the 1st at the Gold level), setting a high bar for the LEED-ND projects that have come after it. Currently there are 96 LEED-ND pilot projects in North America and only 35 of those have received Gold status.

Before remediating the contaminated site, Essex worked closely with the City of San Mateo and various community groups to create an appropriate development plan. After years of ongoing communication, Essex was able to deliver a project that was both resident and job friendly. With over 340 jobs located less than 0.43 miles away

from the project, residents can conveniently walk to work or jump on the nearby CalTrain, thereby reducing automobile dependency and the required parking footprint. All four of our residential buildings open onto public spaces, parks, and city sidewalks, making the project truly part of the community fabric. The energy-efficient buildings feature low-flow fixtures, Energy Star appliances, LED lights, and electric vehicle charging stations. Furthermore, during construction at least 50% of non-hazardous construction and demolition materials were recycled.

Station Park Green is great example of an efficient and neighborhood-friendly apartment community.





DELIVERING BETTER RETURNS

For Essex, our Corporate Social Responsibility strategy is linked tightly to our business strategy and investment decisions. We established high standards for performance and ethical behavior, while continuing our relentless pursuit of organizational excellence and improvement. As a publicly traded company, it's our responsibility to prudently manage our shareholders' investment.

Sustainable Returns – Smart Decision Making

Since our IPO 25 years ago, no public REIT has generated higher returns for their shareholders than Essex. The Company has grown its FFO per share and Dividend per share at compounded growth rates of 8.4% and 6.4%, respectively¹, and in 2019, the Company announced its 25th consecutive dividend increase, a rare accomplishment. The financial results are driven by a capital allocation process developed by our long-tenured management team. Essex senior executives have been consistently recognized in *Institutional Investor's* All America Executive Team, receiving a top-3 ranking by institutional analysts and investors in four of the past five years.

Essex seeks to invest in markets with the highest long-term rent growth. We focus on market selection, where jobs are being created, and how infrastructure and traffic patterns influence where people choose to live. We consider local supply levels, competing housing, and we seek to invest in properties at a variety of rental price points to improve the diversity of our resident profile. With 240+ properties in our portfolio, no two communities are alike. Our development and acquisitions teams bring decades of transaction experience in identifying and pricing potential investments. This experience results in thoughtful investment decisions and stronger financial results, which helps us reinvest and create better communities.

Corporate Governance

Essex has been recognized by the markets for our secure and robust Corporate Governance strategy which includes the following best-practice policies:

- Governance by independent trustees
- Board Oversight
 - Separate Chairman and CEO
 - Independent Lead Director
 - Annual election for all directors
 - Regular Executive session of independent directors
 - Annual performance evaluations of directors and committees
- Proxy access
- Shareholders' right to amend bylaws
- Executive compensation
 - Compensation clawback policy
 - Executive compensation focused on alignment and pay-for-performance
- Succession planning
- Anti-pledging and Anti-hedging policies
- Director and Executive Stock Purchase guidelines
- No tax gross-ups in change of control policies/ agreements
- Internal disclosure committee for financial reporting

The Executive Committee

This Committee's authority is delegated by the Board. The Executive Committee has the authority to execute certain contracts and agreements with unaffiliated parties. However, they cannot declare dividends or other distributions on stock, elect directors, issue stock other than in certain limited circumstances, recommend to the stockholders any action which requires stockholder approval, amend the Bylaws, or approve any merger or share exchange which does not require stockholder approval.

Audit Committee

The Audit Committee recommends the appointment of an independent registered public accounting firm to audit the Company's financial statements for the fiscal year for which they are appointed. This Committee also reviews audit reports and takes appropriate action when needed. They monitor the effectiveness of the audit effort, the Company's financial and accounting organization, and its system of internal controls over financial reporting. They also review allegations of wrongdoing that involve Company personnel. The Board of Directors determined that no Audit Committee members have any financial or personal ties to the Company (other than director compensation and equity ownership as described in the Company's proxy statement) and meet the New York Stock Exchange standard for independence.

The Nominating and Corporate Governance Committee

This Committee assists the Board of Directors in selecting nominees for election to the Board and monitors the composition of the Board. The Board of Directors determined that all members of the Nominating and Corporate Governance Committee must meet the independence requirements of the rules and regulations of the New York Stock Exchange.

Internal Audit

Essex performs internal, independent reviews and audits on key activities on a continuous basis to improve and maintain the effectiveness of risk management, control, and corporate governance. Some audits also include Sarbanes-Oxley (SOX) compliance. Internal auditors oversee and execute complete audit tests, evaluate the Company's internal controls by looking for both control gaps and opportunities to identify process efficiencies, and identify internal control issues to ensure they are well-defined, among others.

(1) From IPO in June 1994 through 2018.

Sustainable Returns

The Company's CSR initiatives and focus on sustainability have helped drive superior financial returns over the long run.

TOTAL SHAREHOLDER RETURN SINCE IPO



10 YEARS OF CUMULATIVE OUTPERFORMANCE



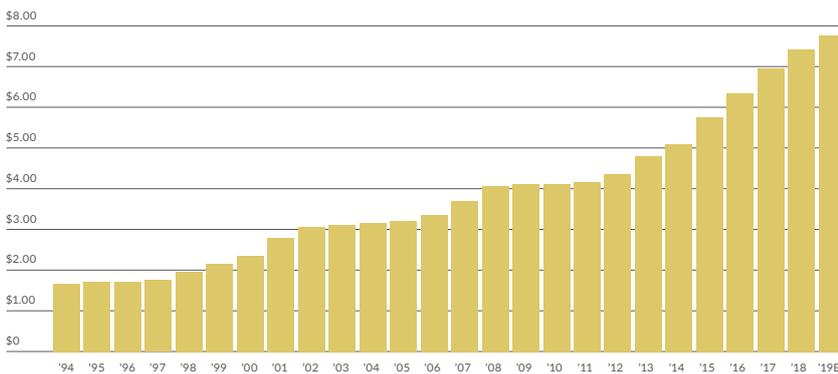
557%

CUMULATIVE TOTAL RETURN

10-Yr Total Shareholder Return as of 7/26/2019. Source: Keybank

DIVIDENDS PER SHARE

25 CONSECUTIVE YEARS OF DIVIDEND GROWTH FOLLOWING IPO



90%

10-YEAR DIVIDEND GROWTH 2010 - 2019



8.4%

FFO PER SHARE CAGR FROM IPO IN 1994 THROUGH 2018



6.4%

DIVIDEND GROWTH CAGR FROM IPO IN 1994 THROUGH 2018



25th

CONSECUTIVE INCREASE IN THE ESSEX DIVIDEND



A S&P HIGH YIELD DIVIDEND ARISTOCRAT

The internal auditor also prepares internal audit reports for the Audit Committee, senior management, and key process owners. Additionally, these auditors make recommendations for internal control and process enhancements and obtain management's feedback to be included in the final audit reports.

Ethical Company

We uphold strong ethical standards for every associate. Each of our associates receives training on how to behave ethically, and we have the right systems and procedures in place to prevent unethical behavior.

Code of Business Conduct and Ethics

At Essex, we acknowledge it is absolutely critical to adhere to integrity and ethical values in our corporate culture. Through our Code of Business Conduct and Ethics, we monitor compliance for all associates, officers, and directors. We put various systems and procedures in place to enforce this Code; and, to maintain confidentiality, we also established an anonymous hotline, AlertLine.

AlertLine

Throughout Essex we utilize a third-party hotline, AlertLine, to provide an anonymous method for issues to be communicated to the Company. Actionable calls of any significance are reported directly to our Board of Directors. Furthermore, because Essex employs a strict Anti-Retaliation Policy, there is zero tolerance for any retaliation against any associate who comes forward with a report or complaint made in good faith.

We remain committed to our Code of Business Conduct and Ethics, which is applicable for every associate, officer, and director working with and/or for Essex. And we expect all our associates, officers, and directors to support this commitment by acting honestly, fairly, and with full personal integrity in every aspect of their job. All of us at Essex, strive to always do the right thing. We strive to create better communities, and our Code of Business Conduct and Ethics helps keep us on course.

In 2019, we rolled out a business ethics training for all associates, to increase awareness on acting ethically and to communicate the Essex Code of Business Conduct. During the reporting period 2018, only one instance was reported to AlertLine. This was investigated, resolved, and ultimately resulted in a finding that the code was not violated.



Anne Morrison
Acting General Counsel

Why have all Essex associates received Ethics training this year?

While we have always included a Code of Conduct in the Essex Associate Handbook, our policy has been strengthened via the roll-out of a standalone online training program. The training itself is very intuitive and interactive, with clever examples and an interactive quiz at the end, making the policy much more memorable than just reading it in a handbook.

What was the most important lesson the associates learned in the online training?

Perhaps the most important lesson the associates learned in the training was how to anonymously report any concerns or possible violations. Some people shy away from reporting infractions because they believe their decision to report, even anonymously, will come back to haunt

them later. However, Essex has a strong anti-retaliation policy that protects our associates who make complaints in good faith.

What kind of response did the associates give after their training?

The online training proved to be a success! We received some excellent questions from the associates afterward, wanting to make sure they are proceeding in compliance with the Essex Code of Conduct policy. True to form, Essex associates are always highly committed to doing the right thing and to aligning themselves with our Company's rules and guidelines.



Preparing for the Future: Digital Transformation

As we invest in, for example, innovative smart homes and safe data storage, we have a clear cyber security policy and coordinating procedures in place to increase associate awareness as to the threats of cybercrime and to protect sensitive data. All associates are required to review and acknowledge the cyber security policy annually (100% confirmation in 2018) and all new associates entering our organization receive information and training on the security policy. The training includes phishing exercises to educate associates to not open just any email, and prevention training to assist associates who are still clicking on the corrupting email links. We work closely together with a recognized third-party specialist to support our organization in keeping our data safe and secure.

Additionally, we have a digital program in place to reduce the amount of paper we use, show how to dispose of e-waste in a sustainable way, and explain step-by-step how to initiate electronic signed leases. On our transformation journey from paperless to digital, we reduced the number of business centers at our communities – all in the interest of working smarter and reducing our impact on the environment. We are poised to anticipate major changes like digitalization and new technologies, and we are determined to take adequate measures to keep our

portfolio attractive long into the future, to create smarter ways of working and, for our residents, living.

Responsible Procurement – Working with Trusted Vendors

At Essex, we invest in smart and responsible ways of working. We collaborate with a long list of third parties that work at the asset level to keep our properties safe, clean, and well-maintained – from washing the windows to maintaining the HVAC to landscaping upkeep. In 2018 we updated our Vendor Code of Conduct for our existing investments, on which all our current vendors have signed off. In addition to working with responsible vendors on a national scale, we seek local vendors. Over 80% of the third parties we worked with in 2018 were local vendors, which helped support the communities and reduce the amount of travel time and associated carbon impact.

The Vendor Code of Conduct includes environmental and social standards that all vendors must meet.

Essex, together with our affiliates and subsidiaries, expect our vendors, contractors, consultants, and professional service providers to embrace the letter and spirit of our commitment to integrity and to comply with our internal Code of Business Conduct and Ethics.

- **Bribes and Kickbacks** Vendors are prohibited from offering a bribe, kickback, bartering arrangement, goods, services, any other incentive, etc. to a Company associate to obtain or retain Company business.
- **Minimize Environmental Impact** Vendors must comply with all state and federal environmental laws. At Essex, we strive to exceed current laws and ask that whenever possible, Vendors should operate with the lowest environmental impact possible. Any pollution or material waste should be prevented. The use of biodegradable materials, recycled paper, locally produced materials/products, and sustainable building materials should be used. When Vendors see opportunities for us to operate more sustainably and environmentally friendly, they should share their ideas with us.
- **Health & Safety** Vendors should ensure that the health and safety of residents, employees, and property visitors is maintained during all work and activities at the properties. Clear communication and/or signage should be in place when Vendors are performing work at any Essex property. Employees of Vendors should be trained on health and safety issues, and the use of non-hazardous and eco-friendly First-Aid products are encouraged.
- **Conflicts of Interest** Vendors must avoid the appearance of actual improprieties and/or conflicts of interests. Our Associates may not have ownership interests in, or family relationships with, any of our Vendors. Associates may not accept gifts or benefits from a Vendor in exchange for the Vendor obtaining more favorable terms in their deal with Essex than would otherwise be made available to the Vendor.
- **Insider Trading** Vendors must avoid insider trading by not buying or selling Essex stock when in possession of information about the Company that is not available to the investing public and that could influence an investor's decision to buy or sell stock.
- **Human Rights and Equal Opportunities** Vendors must respect human rights and labor standards. No discriminatory actions can be taken on employees with regards to race, color, national origin, ancestry, creed, religion, sex, familial/marital status, physical or medical condition, age, genetics, sexual orientation, gender identity/expression, political views, military status, domestic violence victimhood, source of income, handicap, disability, citizenship status, immigration status, primary language spoken, or any other protected classification under local, state, or federal law. Vendors should compensate their employees fairly and in line with state and federal wages. Under no circumstances does Essex allow its Vendors to operate with any forced or involuntary labor or use child labor during their operations.

Compliance with Essex Vendor Code of Conduct

It is the Vendor's responsibility to ensure they understand and comply with the Essex Vendor Code of Conduct and to inform the Essex Internal Auditor if a situation develops that causes the Vendor to operate in violation of this Code. Company Vendors are expected to self-monitor their compliance with this Code. Essex may immediately remove from the premises any Vendor who behaves in a manner that is unlawful or inconsistent with this Code.

Reporting of Questionable Behavior and/or Possible Violations

Vendors are encouraged to report any possible violations of the Vendor Code of Conduct by Essex employees or service providers. Vendors may submit anonymous reports to the Company by contacting either of the following: 1) call the anonymous and confidential Essex hotline service, AlertLine; or 2) contact the Internal Audit department at Essex.

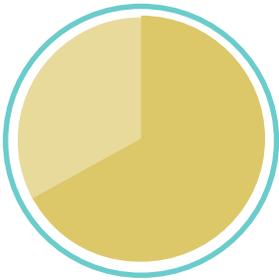
Collaboration with Responsible Partners

At Essex, we work with over 2,000 vendors, many of whom have their own sustainability policies and procedures in place. One of these vendors is the well-known paint and materials supplier, Sherwin-Williams. The Sherwin-Williams Company provides products to several of our communities. For example, they supply the paint we use when we upgrade the residential units, before new residents move in.

The paint we receive from Sherwin-Williams is no ordinary paint. They received GreenGuard Certificates for their two interior core products, which Essex uses exclusively when we need to give any area of our communities a fresh coat of paint.

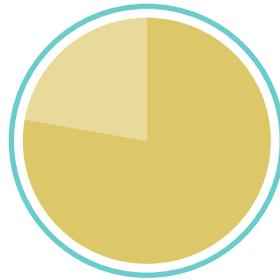
GreenGuard certification demonstrates the low chemical emissions used in any given product. This means we deliver our upgraded homes with low environmental impact. Smart choices like these are what help us make a positive contribution to our communities and to the planet.

Corporate Governance



67% male
33% female

BOARD DIVERSITY



78% 7 out of 9

INDEPENDENT DIRECTORS

Named a 2020 Women to the Board's "W" Winning Company in honor of the Company's commitment to board diversity.

DIVERSITY RECOGNITION

11 years average tenure
67 years average age

BOARD EXPERIENCE

BALANCE BETWEEN LONG-TERM AND NEW DIRECTORS

- In 2017 the Nominating Committee initiated a plan focused on Board refreshment and bringing more diversity (gender, experience, expertise) to the Board.
- The Nominating Committee reduced long-tenured board members and increased its gender diversity, experience, and expertise by adding two female Board members, one of which has extensive technology experience.

AWARDS FOR THE BOARD

- Janice Sears: Influential Women 2016
- Amal Johnson: 150 Most Influential Women in Bay Area
- Mary Kasaris: Influential Women 2016
- Byron Scordelis: 2018 Award of Excellence from the Elios Society
- Thomas Robinson: 2009 NAREIT Industry Achievement Award
- George Marcus: Aristeio Award of the American Hellenic Council of California 2019
- Michael J. Schall: 2015 Executive of the Year and voted a top CEO by Institutional Investor
- Keith R. Guericke: 2003 Best High-Rise Design, Realty Stock Review REIT Hall of Fame

DIRECTOR STOCK OWNERSHIP REQUIREMENTS

Essex Stock Ownership Guidelines: The Company adopted new guidelines and set a goal for each independent director to own a number of shares of the Company's stock equal in value to five (5) times that director's annual cash retainer.

BOARD EVALUATION/ACCOUNTABILITY

Performance evaluations of the Board, and Board Committees are to be conducted annually.

CODE OF BUSINESS CONDUCT

It is our policy that associates, officers, and directors are required to comply with our [Code of Business Conduct and Ethics](#).

Appendix

ENVIRONMENTAL PERFORMANCE INDICATORS

| TOTAL ENERGY USAGE (MWH) | 2016 | 2017 | 2018 | %Δ 16-18 |
|--------------------------|---------|---------|---------|----------|
| Electric | 86,940 | 87,322 | 86,591 | -0.40% |
| Natural Gas | 182,436 | 190,048 | 200,899 | 10% |
| TOTAL | 269,375 | 277,370 | 287,490 | 7% |

| LIKE-FOR-LIKE ENERGY USAGE (MWH) | 2016 | 2017 | 2018 | %Δ 16-18 |
|----------------------------------|---------|---------|---------|----------|
| Electric | 70,564 | 68,521 | 64,135 | -9% |
| Natural Gas | 162,399 | 159,718 | 164,974 | 2% |
| TOTAL | 232,963 | 228,239 | 229,109 | -2% |

| TOTAL GHG INVENTORY (METRIC TONS OF CO ₂ eq) | 2016 | 2017 | 2018 | %Δ 16-18 |
|---|--------|--------|--------|----------|
| Scope 1 | 33,064 | 34,443 | 36,400 | 10% |
| Scope 2 | 21,547 | 21,512 | 20,955 | -3% |
| TOTAL | 54,610 | 55,955 | 57,355 | 5% |

| LIKE-FOR-LIKE GHG INVENTORY (METRIC TONS OF CO ₂ eq) | 2016 | 2017 | 2018 | %Δ 16-18 |
|---|--------|--------|--------|----------|
| Scope 1 | 31,063 | 31,446 | 33,289 | 7% |
| Scope 2 | 17,533 | 16,915 | 15,939 | -9% |
| TOTAL | 48,596 | 48,362 | 49,228 | 1% |

| WATER CONSUMPTION | 2016 | 2017 | 2018 | %Δ 16-18 |
|---|-----------|-----------|-----------|----------|
| Total Water Usage (Kgal) | 2,792,425 | 2,918,318 | 2,991,666 | 7% |
| Like-for-Like Water/Occupant Ratio (gallons) ¹ | 27,084 | 27,220 | 26,801 | -1.05% |

1 Whole building water usage divided by total number of occupants.

ESSEX GRI CONTENT INDEX

| GRI | DESCRIPTION | PAGE NUMBER(S), URL(S), AND/OR RESPONSE |
|------------------------------------|---|--|
| GRI 102: GENERAL DISCLOSURE | | |
| 102: ORGANIZATIONAL PROFILE | | |
| 102-1 | Name of the organization | About this Report - p. 2 |
| 102-2 | Activities, brands, products, and services | About Essex - p. 4-5 |
| 102-3 | Location of headquarters | Back cover |
| 102-4 | Location of operations | About Essex - p. 5 |
| 102-5 | Ownership and legal form | About this Report - p. 2 |
| 102-6 | Markets served | About Essex - p. 4-5 |
| 102-7 | Scale of the organization | About Essex - p. 4 2018 10-K - p. 69-70 |
| 102-8 | Information on employees and other workers | People Performance Indicators - p. 26 |
| 102-9 | Supply chain | Responsible Procurement - p. 46-47 |
| 102-10 | Significant changes to the organization and its supply chain | 2018 Annual Report - p. 4 |
| 102-11 | Precautionary Principle or approach | 500 Folsom - p. 22 Station Park Green - p. 41 |
| 102-12 | External initiatives | Development Communities with Sustainability Certifications - p. 40 |
| 102-13 | Membership of associations | <i>California Apartment Association (CAA), Housing Industry Foundation (HIF), National Association of Home Builders (NAHB), National Association of REITs (Nareit), National Multifamily Housing Council (NMHC), San Francisco Apartment Association (SFAA), Urban Land Institute (ULI).</i> |
| 102: STRATEGY | | |
| 102-14 | Statement from senior decision-maker | President's Letter - p. 6-7 |
| 102-15 | Key impacts, risks, and opportunities | Essex 2022 - p. 9 CSR Governance - p. 10 CSR Strategy - p. 12-13 Materiality Assessment - p. 14-15 |
| 102: ETHICS AND INTEGRITY | | |
| 102-16 | Values, principles, standards, and norms of behavior | Key Elements of the Essex Culture - p. 25 Ethical Company - p. 45 Essex Code of Business Conduct and Ethics |
| 102-17 | Mechanisms for advice and concerns about ethics | AlertLine - p. 45 |
| 102: GOVERNANCE | | |
| 102-18 | Governance structure | CSR Governance & CSR Committee - p. 10-11 Corporate Governance - p. 43, 45, 48 |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | CSR Governance & CSR Committee - p. 10-11 |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | Materiality Assessment - p. 14-15 |
| 102-22 | Composition of the highest governance body and its committees | Corporate Governance - p. 43, 45, 48 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | CSR Governance & CSR Committee - p. 10-11 |
| 102-29 | Identifying and managing economic, environmental, and social impacts | Materiality Assessment - p. 14-15 |
| 102-32 | Highest governance body's role in sustainability reporting | CSR Governance & CSR Committee - p. 10-11 Materiality Assessment - p. 14-15 |
| 102: STAKEHOLDER ENGAGEMENT | | |
| 102-40 | List of stakeholder groups | Materiality Assessment - p. 14-15 |
| 102-41 | Collective bargaining agreements | <i>No employees covered by collective bargaining agreements.</i> |
| 102-42 | Identifying and selecting stakeholders | Materiality Assessment - p. 14-15 |
| 102-43 | Approach to stakeholder engagement | Materiality Assessment - p. 14-15 |
| 102-44 | Key topics and concerns raised | Materiality Assessment - p. 14-15 |

| GRI | DESCRIPTION | PAGE NUMBER(S), URL(S), AND/OR RESPONSE |
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| 102: REPORTING PRACTICE | | |
| 102-45 | Entities included in the consolidated financial statements | 2018 10-K |
| 102-46 | Defining report content and topic Boundaries | About this Report - p. 2 Materiality Assessment - p. 14 and 15 |
| 102-47 | List of material topics | Materiality Matrix - p. 15 |
| 102-48 | Restatements of information | <i>Not applicable. This is the company's first CSR Report.</i> |
| 102-49 | Changes in reporting | <i>Not applicable. This is the company's first CSR Report.</i> |
| 102-50 | Reporting period | <i>All information in this CSR Report covers the 2018 calendar year unless otherwise stated.</i> |
| 102-51 | Date of most recent report | About this Report - p. 2 |
| 102-52 | Reporting cycle | About this Report - p. 2 |
| 102-53 | Contact point for questions regarding the report | About this Report - p. 2 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | About this Report - p. 2 |
| 102-55 | GRI content index | GRI Content Index - p. 51 |
| 102-56 | External assurance | <i>This CSR Report has not been externally assured.</i> |
| GRI 200: ECONOMIC ASPECTS | | |
| 201: ECONOMIC PERFORMANCE | | |
| 103-1 | Management Approach: Explanation of the material topic and its Boundary | Materiality Assessment - p. 14-15 Health and Well-being - p. 28 Environmental Stewardship - p. 33 |
| 103-2 | Management Approach: The management approach and its components | Essex 2022 - p. 9 |
| 103-3 | Management Approach: Evaluation of the management approach | Environmental Impact 2018 - p. 34 Appendix: Environmental Performance Indicators - p. 50 Environmental Compliance - p. 33 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 2018 10-K - p. 15 |
| 201-3 | Defined benefit plan obligations and other retirement plans | Health and Well-being - p. 28-29 |
| GRI 300: ENVIRONMENTAL ASPECTS | | |
| 302: ENERGY | | |
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| 103-2 | Management Approach: The management approach and its components | Essex 2022 - p. 9 Sustainable Renovations - p. 36-37 Renewable Energy - p. 34 |
| 103-3 | Management Approach: Evaluation of the management approach | Environmental Impact 2018 - p. 34 Environmental Compliance - p. 33 |
| 302-1 | Energy consumption within the organization | Environmental Impact 2018 - p. 34 Appendix: Environmental Performance Indicators - p. 50 |
| 302-3 | Energy intensity | Appendix: Environmental Performance Indicators - p. 50 |
| 302-4 | Reduction of energy consumption | Environmental Impact 2018 - p. 34 Renewable Energy - p. 34 |
| 303: WATER | | |
| 103-1 | Management Approach: Explanation of the material topic and its Boundary | Materiality Assessment - p. 14-15 Environmental Stewardship - p. 33 |
| 103-2 | Management Approach: The management approach and its components | Essex 2022 - p. 9 Environmental Stewardship - p. 33 Conservation for Better Communities - p. 38 |
| 103-3 | Management Approach: Evaluation of the management approach | Environmental Stewardship - p. 33 Environmental Impact 2018 - p. 34 |
| 303-5 | Water consumption | Environmental Impact 2018 - p. 34 Appendix: Environmental Performance Indicators - p. 50 |

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| 305: EMISSIONS | | |
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| 103-2 | Management Approach: The management approach and its components | Essex 2022 - p. 9 Environmental Stewardship - p. 33 Renewable Energy - p. 34 |
| 103-3 | Management Approach: Evaluation of the management approach | Essex 2022 - p. 9 Sustainable Renovations - p. 36-37 Renewable Energy - p. 34 |
| 305-1 | Direct (Scope 1) GHG emissions | Environmental Impact 2018 - p. 34 Appendix: Environmental Performance Indicators - p. 50 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Environmental Impact 2018 - p. 34 Appendix: Environmental Performance Indicators - p. 50 |
| 305-4 | GHG emissions intensity | Appendix: Environmental Performance Indicators - p. 50 |
| 305-5 | Reduction of GHG emissions | Renewable Energy - p. 34 |
| 306: EFFLUENT AND WASTE | | |
| 103-1 | Management Approach: Explanation of the material topic and its Boundary | Materiality Assessment - p. 14-15 Environmental Stewardship - p. 33 |
| 103-2 | Management Approach: The management approach and its components | Environmental Stewardship - p. 33 |
| 103-3 | Management Approach: Evaluation of the management approach | Environmental Stewardship - p. 33 Environmental Impact 2018 - p. 34 |
| 306-2 | Waste by type and disposal method | Environmental Impact 2018 - p. 34 |
| GRI 400: SOCIAL ASPECTS | | |
| 401: EMPLOYMENT | | |
| 103-1 | Management Approach: Explanation of the material topic and its Boundary | Materiality Assessment - p. 14-15 Providing Positive Places to Work - p. 27 |
| 103-2 | Management Approach: The management approach and its components | Essex 2022 - p. 9 Providing Positive Places to Work - p. 27 |
| 103-3 | Management Approach: Evaluation of the management approach | People Performance Indicators - p. 26 Providing Positive Places to Work - p. 27 |
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| 401-3 | Parental leave | We Go the Extra Mile - p. 28 |
| 404: TRAINING AND EDUCATION | | |
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| 404-1 | Average hours of training per year per employee (focused personal and professional development hours) | People Performance Indicators - p. 26 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Empowerment - p. 27 Steps to Success - p. 31 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | People Performance Indicators - p. 26 |

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

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